

2021

UTS
Annual
Report

Financial
statements

Financial statements

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University of Technology Sydney

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University of Technology Sydney

Report by the Members of Council

For the year ended 31 December 2021

The Members of Council present their report together with the financial statements of the University of Technology Sydney (UTS or the University) as an individual entity and the consolidated entity consisting of the University and its controlled entities for the financial year ended 31 December 2021 and the auditor's report thereon.

UTS 2027

UTS 2027, our decadal strategy, was launched in 2018 with the vision for UTS to be a leading public university of technology recognised for our global impact. The first three years of the implementation of UTS 2027 have led to significant foundational achievements, irrespective of the challenges of the impact of the global COVID-19 pandemic in 2020 and 2021. The extraordinary work of our staff, the resilience of our students and the support of our stakeholders has been instrumental in navigating these two challenging years.

Operating Result for 2021

UTS has achieved an operating result of \$122 million (2020: (\$43 million)), made up of an underlying surplus of \$29 million and a \$93 million one-off dividend and revaluation related to UTS's long term investment in Education Australia. This better than anticipated outcome for 2021 reflects a number of factors, including significant cost control, a lower than anticipated reduction in international student revenue and cash preservation strategies aimed at achieving a sustainable financial position for the most financially challenging 2022 and 2023 years ahead.

Context and Outlook

The onset of the global pandemic from 2020 was forecast to impact UTS revenue in excess of \$400 million over the period 2020 to 2025. Notably, the most significant reductions in international student revenue were forecast to occur from 2022 onwards as a result of the effect of reduced commencing student numbers and the completion of studies by continuing students, many of whom have continued to study remotely from overseas. The assumptions underpinning that forecast continue to hold.

UTS took actions in 2020 to ensure that it had the resources available to operate effectively over the impacted period. A program of work called "Fit for 2027" removed approximately \$100 million of operational expenses (including \$53 million from a voluntary separation program in 2020) and realised \$100 million cash through asset sales and other cash preservation strategies. That work was completed in 2021, and has yielded a financial position which allows UTS to stabilise and address the impact of the revenue reduction and provides a platform for future growth.

Revenue

UTS saw a reduction in International Equivalent Full-Time Student Load of circa 1,300 or around \$28 million in 2021. This was in addition to the 2020 decline of 1,650 or \$38 million. 2021 was a slightly lower reduction than originally anticipated. The University was able to maintain a strong continuing cohort on the back of several key initiatives and investments. These investments included the rapid move to remote teaching on UTS's newly implemented Canvas platform, the implementation of strong student support services and the continued delivery through offshore learning centres to supplement the student experience. Domestic student revenue, both undergraduate and postgraduate, was broadly flat for UTS with year-on-year growth particularly strong in the new online course offerings.

Education Australia

UTS benefited from a one-off transaction in relation to its shareholding in Education Australia. In 2021, Education Australia paid the University a dividend of \$83 million in the form of both cash and shares in IDP. UTS now holds 1.8 million shares in IDP subject to certain escrow restrictions. The fair value of the IDP shares were valued upwards a further \$10 million as at 31 December 2021. As a result of the above transaction, UTS wrote down its investment in Education Australia from \$50 million to zero reflected in Other Comprehensive Income.

Expenditure

Total expenditure on operating activities was \$1.02 billion (2020: \$1.10 billion) representing \$80 million of annualised reduction year-on-year. This reduction reflects significant efforts made by UTS in reducing the size of the workforce by around 400 FTE through structural alignment and management prudence in recruiting in a difficult environment. Non salary items were only 3% lower year-on-year due to reduced campus teaching and reductions in activity due to lockdowns, offset by COVID mitigations including support and safety measures.

Cash and Capital

UTS finished the year with \$205 million in cash (2020: \$97 million), an increase of around \$100 million on 2020. This was a result of a focus on cash preservation. There were reduced and delayed capital expenditures across the University with no major building works taking place, and during 2021, UTS settled on the sale of its Buckland Street property and completed the sale of outlying housing, which settled in January 2022, yielding \$85 million.

University of Technology Sydney

Report by the Members of Council (continued)

For the year ended 31 December 2021

Borrowings

The University's debt in the form of bonds and revolving debt facilities reduced to \$300 million (2020: \$340 million). The University repaid \$40 million from its revolving debt facility in 2021, leaving \$250 million of undrawn facilities at the end of the year.



C Livingstone, AO

Chancellor

13th April 2022

University of Technology Sydney

Statement by accountable authority for the year ended 31 December 2021

In accordance with a resolution of the Council of the University of Technology Sydney and pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (the Act), we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair view of the financial position of the University at 31 December 2021 and the financial performance and cash flows of the University for the year then ended
2. the financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Regulation 2018* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2021 Reporting Period" issued by the Australian Government Department of Education, Skills and Employment
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 in accurate
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* (HESA Act) 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 HESA Act.



A Parfitt

Vice-Chancellor



M Collopy

Chair, Audit and Risk Committee

13th April 2022

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 Statement by the Accountable Authority, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the Government Sector Finance Regulation 2018
- presents fairly, the financial position, financial performance and cash flows of the University and the consolidated entity.

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

Basis for Opinion

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

I am independent of the 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 2021. 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
Fair value measurement of property, plant and equipment	
<p>At 31 December 2021, the University reported \$2.4 billion in property, plant and equipment. In 2021, the University:</p> <ul style="list-style-type: none"> • revalued land, buildings and infrastructure assets with a closing balance of \$2.0 billion • recorded a net revaluation increment of \$43.6 million as at 31 December 2021. <p>I considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> • financial significance of property, plant and equipment to the Statement of Financial Position • extent of significant management judgements underpinning key assumptions used in the valuation process • specialised and unique nature of the assets • judgement and complexities associated with the application of AASB 13 'Fair Value Measurement' requirements. <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"> • assessed the competence, capability and objectivity of management's independent valuation experts • assessed the accuracy and completeness of assets included in the revaluation • assessed the appropriateness of the methodology used and key assumptions and judgements adopted • assessed material changes to useful lives • assessed the sufficiency and appropriateness of management's fair value assessment against the requirements of applicable Australian Accounting Standards • agreed valuation amounts to the reported financial statement balances • assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Valuation of defined benefit superannuation and long service leave liabilities	
<p>At 31 December 2021, the University reported:</p> <ul style="list-style-type: none"> • defined benefit superannuation liabilities totalling \$553.5 million • employee long service leave liabilities totalling \$105.9 million. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> • the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position • 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 • 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 • the total value of the liabilities is sensitive to small changes in key valuation inputs. <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"> • assessed the key controls supporting the data used in the models and assessed the completeness and accuracy of the data used in the models • 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"> – assess the qualifications, competence and objectivity of management's independent experts – assess the appropriateness of the models – confirm the reasonableness of key assumptions used – assess the reasonableness of the reported liability values – assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

Independent auditor's report (continued)

Key Audit Matter	How my audit addressed the matter
Fair value measurement of other financial assets (investments)	
<p>At 31 December 2021, the University held investments of \$99.0 million measured at fair value.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> of the significance of the investments balance to the University's financial position the University's investment in Education Australia Limited significantly changed due to a restructure of the arrangement (the EAL transaction) of the degree of judgement and estimation uncertainty associated with the valuation. <p>Further information on investments is included in Note 11 'Other financial assets' and Note 34 'Financial risk management'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> evaluated the design of relevant key controls over investments, and assessed on a sample basis whether these controls were implemented effectively confirmed the existence and completeness of balances at 31 December 2021 with external counterparties assessed the appropriateness of management's accounting treatment of the EAL transaction against the requirements of applicable Australian Accounting Standards assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

Other Information

The University's annual report for the year ended 31 December 2021 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 Report by the Members of Council and draft Annual 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 University Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2021 Reporting Period'. The University Council's responsibilities also includes such internal control as the University 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 University 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.

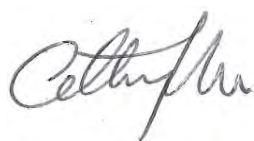
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate,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

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. 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.



Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 April 2022
SYDNEY

Income statement

for the year ended 31 December 2021

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2.1	329,545	298,917	328,159	289,830
HELP - Australian Government payments	2.1	256,560	259,431	240,974	241,496
State and Local Government financial assistance					
HECS - HELP - student payments	2.2	6,836	8,208	6,836	8,208
Fees and charges	2.3	412,332	454,491	377,601	410,562
Investment income (net gains/losses)	2.4	96,918	7,553	96,867	7,311
Royalties, trademarks and licences	2.5	66	26	65	23
Consultancy and contracts	2.6	38,888	36,052	38,888	36,180
Other revenue	2.7	27,548	32,116	26,417	31,256
Gains on disposal of assets	5	-	-	-	95
Other income	2.7	8,660	15,903	8,754	15,895
Total revenue and income from continuing operations		1,194,969	1,130,608	1,142,177	1,058,767
Expenses from continuing operations					
Employee related expenses	3.1	634,716	715,460	599,079	670,876
Depreciation and amortisation	3.2	142,176	140,133	124,443	122,471
Repairs and maintenance	3.3	13,705	14,915	13,502	14,730
Borrowing costs	4	19,149	17,986	17,461	15,847
Impairment (reversal)/loss on assets	3.4	(675)	2,219	(680)	2,159
Losses on disposal of assets	5	2,759	68	910	-
Deferred superannuation expense	3.1	100	-	100	-
Share of loss or (profit) on investments accounted for using the equity method	14	190	334	-	-
Other expenses	3.5	273,650	289,948	265,408	275,759
Total expenses from continuing operations		1,085,770	1,181,063	1,020,223	1,101,842
Net result before income tax from continuing operations		109,199	(50,455)	121,954	(43,075)
Income tax expense	6	82	124	-	-
Net result from continuing operations (after tax)		109,117	(50,579)	121,954	(43,075)
Net result attributable to members of the University of Technology Sydney		109,117	(50,579)	121,954	(43,075)
Net result attributable to members from:					
continuing operations		109,117	(50,579)	121,954	(43,075)
Total		109,117	(50,579)	121,954	(43,075)

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

Statement of comprehensive income

for the year ended 31 December 2021

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net result after income tax for the period		109,117	(50,579)	121,954	(43,075)
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	23 (b)	84	(278)	-	-
Gain/(loss) on cash flow hedges, net of tax	23 (b)	-	173	-	173
Total items that will be reclassified to profit or loss		84	(105)	-	173
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of property, plant and equipment, net of tax	23 (b)	43,605	48,299	43,605	48,299
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	23 (b)	(41,254)	10,418	(41,254)	10,418
Net actuarial gains/(losses) recognised in respect of defined benefit plans	23(d)	(17)	(207)	(17)	(207)
Total items that will not be reclassified to profit or loss		2,334	58,510	2,334	58,510
Total comprehensive income attributable to members of the University of Technology Sydney		111,535	7,826	124,288	15,608
Total comprehensive income attributable to members from:					
continuing operations		111,535	7,826	124,288	15,608
Total		111,535	7,826	124,288	15,608

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

Statement of financial position

as at 31 December 2021

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets					
Current assets					
Cash and cash equivalents	9	233,113	137,346	205,528	97,055
Receivables	10	22,116	19,069	20,241	17,182
Contract assets	10	3,311	4,223	3,311	4,223
Other financial assets	11	83,597	18,119	83,597	18,119
Other non-financial assets	12	56,242	28,421	52,910	24,358
Non-current assets classified as held for sale	13	85,000	9,425	85,000	9,425
Total current assets		483,379	216,603	450,587	170,362
Non-current assets					
Receivables	10	552,569	598,938	552,569	598,938
Investments accounted for using the equity method	14	4,764	5,092	-	-
Other financial assets	11	16,211	65,928	20,749	70,478
Other non-financial assets	12	1,125	653	1,062	590
Property, plant and equipment	15	2,426,790	2,557,917	2,380,418	2,495,835
Intangible assets	16	59,688	56,946	54,705	50,710
Total non-current assets		3,061,147	3,285,474	3,009,503	3,216,551
Total assets		3,544,526	3,502,077	3,460,090	3,386,913
Liabilities					
Current liabilities					
Trade and other payables	17	89,101	73,864	87,471	72,073
Borrowings	18	22,839	63,186	10,006	50,477
Provisions	19	119,576	105,259	114,027	99,385
Other financial liabilities	20	7,229	5,103	7,229	5,103
Other liabilities	21	47,695	50,301	44,535	47,869
Contract liabilities	22	67,890	65,569	57,121	47,724
Total current liabilities		354,330	363,282	320,389	322,631
Non-current liabilities					
Borrowings	18	423,252	436,257	397,902	400,108
Provisions	19	606,065	653,194	600,054	646,717
Total non-current liabilities		1,029,317	1,089,451	997,956	1,046,825
Total liabilities		1,383,647	1,452,733	1,318,345	1,369,456
Net assets		2,160,879	2,049,344	2,141,745	2,017,457
Equity					
Reserves	23 (a)	1,019,166	1,016,731	1,020,084	1,017,733
Retained earnings	23 (d)	1,141,713	1,032,613	1,121,661	999,724
Total equity		2,160,879	2,049,344	2,141,745	2,017,457

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 2021

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Consolidated			
Balance at 1 January 2020	958,119	1,083,399	2,041,518
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)
Total comprehensive income	58,612	(50,786)	7,826
Balance at 31 December 2020	1,016,731	1,032,613	2,049,344
Balance at 1 January 2021	1,016,731	1,032,613	2,049,344
Net result after income tax	-	109,117	109,117
Exchange differences on translation of foreign operations	84	-	84
Gain/(loss) on financial assets at fair value through OCI	(41,254)	-	(41,254)
Gain/(loss) on revaluation of property, plant and equipment	43,605	-	43,605
Net actuarial gains/(losses) recognised in respect of defined benefit plans	-	(17)	(17)
Total comprehensive income	2,435	109,100	111,535
Balance at 31 December 2021	1,019,166	1,141,713	2,160,879
Parent			
Balance at 1 January 2020	958,843	1,043,006	2,001,849
Net result after income tax	-	(43,075)	(43,075)
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)
Total comprehensive income	58,890	(43,282)	15,608
Balance at 31 December 2020	1,017,733	999,724	2,017,457
Balance at 1 January 2021	1,017,733	999,724	2,017,457
Net result after income tax	-	121,954	121,954
Gain/(loss) on financial assets at fair value through OCI	(41,254)	-	(41,254)
Gain/(loss) on revaluation of property, plant and equipment	43,605	-	43,605
Net actuarial gains/(losses) recognised in respect of defined benefit plans	-	(17)	(17)
Total comprehensive income	2,351	121,937	124,288
Balance at 31 December 2021	1,020,084	1,121,661	2,141,745

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 2021

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities					
Australian Government grants		599,755	558,877	582,783	531,855
OS-Help (net)	33	10	7,575	10	7,575
State government grants received	2.2	6,029	7,000	6,029	7,000
Local government grants received	2.2	807	1,208	807	1,208
HECS-HELP – student payments		17,616	17,911	17,616	17,911
Receipts from student fees and other customers		505,006	561,325	464,771	524,425
Dividends received		5,260	4,694	5,260	4,694
Interest received		765	1,885	710	1,584
Payments to suppliers and employees (inclusive of goods and services tax)		(925,616)	(1,058,015)	(871,768)	(1,000,178)
Interest and other costs of finance		(17,745)	(17,320)	(16,140)	(15,262)
Income taxes paid	6	(82)	(124)	-	-
Short-term lease payments		(605)	(802)	(299)	(406)
Lease payments for leases of low-value assets		(1,744)	(1,488)	(1,744)	(1,488)
Net cash provided by/(used in) operating activities	32	189,456	82,726	188,035	78,918
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, intangible assets and other long-term assets	5	10,095	196	10,095	196
Proceeds from sale of financial assets		12,679	-	12,678	-
Payments for financial assets		(390)	(377)	(390)	(377)
Payments for property, plant and equipment, intangible assets and other long-term assets		(54,089)	(108,417)	(51,130)	(105,341)
Net cash provided by/(used in) investing activities		(31,705)	(108,598)	(28,747)	(105,522)
Cash flows from financing activities					
Repayment of borrowings		(40,000)	-	(40,000)	-
Proceeds from borrowings		-	40,000	-	40,000
Payment of capitalised borrowing costs		-	(796)	-	(796)
Repayment of leases		(22,162)	(22,274)	(10,815)	(12,002)
Net cash provided by/(used in) financing activities		(62,162)	16,930	(50,815)	27,202
Net increase/(decrease) in cash and cash equivalents		95,589	(8,942)	108,473	598
Cash and cash equivalents at the beginning of the financial year		137,346	146,288	97,055	96,457
Effect of exchange rate changes on cash and cash equivalents		178	-	-	-
Cash and cash equivalents at end of the financial year	9	233,113	137,346	205,528	97,055
Financing arrangements	18(b)				
Non-cash financing and investing activities	15	8,702	10,556	8,056	9,260

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

1. Summary of significant accounting policies

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 include separate financial statements for the University of Technology Sydney (UTS or the University) as an individual entity and the consolidated entity consisting of the University and its controlled entities.

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

The financial statements were authorised for issue by the Council of the University on 13 April 2022.

(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 2021 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. These measures, implemented since the start of the pandemic, include the implementation of multiple change programs which have reduced employee benefit costs for the University and obtaining of an additional \$100 million revolving debt facility in 2020. This year the University further strengthened its liquidity through two asset sales for a combined net sales proceeds of \$93 million with majority of proceeds expected to be received within the next twelve months. Separately, the University has been a beneficiary of the sector wide restructuring of its investment in Education Australia.
- **Land and buildings:** The University has obtained a full accounting valuation from Marsh in December 2021 for its land, buildings and infrastructure which has indicated no impairment on the total property portfolio, compared to the previous year.
- **Revenue:** Included in revenue is \$93.7 million of income in relation to the restructuring of UTS's shareholding in Education Australia. The Education Australia liquidity event was transacted as a dividend. Excluding this one-off event, the major impact to the University's revenue stream was mainly international student fees, which declined 16% or \$66 million from pre-pandemic levels. Student housing rental income and commercial rents have also continued to be impacted but have not decreased materially from 2020. There were no other major revenue impacts from the pandemic in 2021.
- **Impairment: Receivables:** The University has reviewed outstanding receivable balances and assessed likely payment by third parties. We are not expecting a material movement in credit losses relative to prior years.

(b) Basis of preparation

These financial statements are general purpose financial statements and 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 2021 Reporting Period issued by the Commonwealth Department of Education, Skills and Employment
- the Government Sector Finance Act 2018
- 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 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'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 MARSH 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 current 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 factors provided 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 salary increase for these agreements were 2% p.a. The discount rate used is based on yields reported by the Reserve Bank of Australia on zero-coupon Australian Government bonds. The estimates and underlying assumptions are reviewed on an ongoing basis. The unfunded superannuation liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer Note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

(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'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 (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058), 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 Education 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 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 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 (AASB 9).
- Funding received from the Department of Education, Skills and Employment in relation to the Research Training Program and Research Support Program is recognised under AASB 1058 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 and is recognised as revenue as the course is delivered to the students
- Investment income is recognised under AASB 15 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 and is recognised as revenue in the period in which the goods are supplied or the services provided.
- Donations are recognised under AASB 1058. 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 right-of-use assets, capitalised in accordance with the requirements of AASB 16 Leases (AASB 16), or short-term or low value leases which are expensed to the income statement.

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

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

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

(o) Derivatives

At the date of initial application of AASB 9 all of the University's existing hedging relationships were eligible to be treated as continuing hedging relationships. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The 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 (AASB 123).

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 current 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.

Financial statements: UTS
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(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, Skills and Employment, 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.

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 2021 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) and lease liabilities. Details of the borrowings are listed in Note 34. In addition to the borrowings, the University has available \$250 million in revolving debt facilities of which nil is drawn as at 31 December 2021.

(v) Borrowing costs

Borrowing costs, except those incurred for the construction of any qualifying asset, are expensed as per AASB 123. Borrowing costs incurred for the construction of any qualifying assets are capitalised as per AASB 123. 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 lease liabilities 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 2021 engaged Deloitte Consulting Pty Ltd to provide an updated set of discount factors for determination of the Long Service Leave provision and Annual Leave provision to satisfy the requirements of AASB 119 Employee Benefits. The updated factors for Long Service Leave provision and Annual Leave updated the previous discount factors provided in 2020 by Deloitte Consulting Pty Ltd.

(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 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 2020 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2020 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 (AASB 137) 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 2021 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.

2.1 Australian Government financial assistance including Australian Government loan programs (HELP)

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Commonwealth Grant Scheme and other grants	33.1				
Commonwealth Grant Scheme ¹		231,989	216,902	231,989	216,902
Indigenous Student Success Program		1,658	1,704	1,658	1,704
Access and Participation Fund		3,385	3,347	3,385	3,347
Disability Performance Funding		263	543	263	543
Tertiary Access Payment		25	-	25	-
Advanced Apprenticeships Pilot		102	-	102	-
Strategic University Reform Fund		1	-	1	-
National Priorities and Industry Linkage Fund		7,000	-	7,000	-
Total Commonwealth Grant Scheme and other grants		244,423	222,496	244,423	222,496
(b) Higher education loan programs (HELP)	33.2				
HECS-HELP		176,629	184,850	176,629	184,850
FEE-HELP		76,063	70,785	60,477	52,850
SA-HELP		3,868	3,796	3,868	3,796
Total higher education loan programs		256,560	259,431	240,974	241,496
(c) Education research	33.5				
Research Training Program ²		20,196	18,603	20,196	18,603
Research Support Program ³		34,009	14,408	34,009	14,408
Total education research grants		54,205	33,011	54,205	33,011
(d) Australian Research Council	33.3				
Discovery		9,999	10,915	9,999	10,915
Linkages		2,211	3,008	2,211	3,008
Networks and centres		488	538	488	538
Total ARC		12,698	14,461	12,698	14,461
(e) Other capital funding	33.4				
Linkage Infrastructure, Equipment and Facilities grant		81	1,055	81	1,055
Total other capital funding		81	1,055	81	1,055

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

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

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

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Notes to the financial statements
for the year ended 31 December 2021

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(f) Other Australian Government financial assistance					
Non-capital					
Other Australian Government financial assistance		18,138	27,894	16,752	18,807
Total non-capital Other Australian Government financial assistance		18,138	27,894	16,752	18,807
Total Australian Government financial assistance		586,105	558,348	569,133	531,326
Australian Government financial assistance including Australian Government loan programs					
Reconciliation					
Australian Government grants (a+c+d+e+f)		329,545	298,917	328,159	289,830
Higher education loan programs (b)		256,560	259,431	240,974	241,496
Total Australian Government financial assistance		586,105	558,348	569,133	531,326
2.2 State and local government financial assistance					
Non-capital					
New South Wales State Government		5,796	6,455	5,796	6,455
Other state governments		233	545	233	545
Local government		807	1,208	807	1,208
Total non-capital		6,836	8,208	6,836	8,208
Total state and local government financial assistance		6,836	8,208	6,836	8,208
2.3 Fees and charges					
Course fees and charges					
Fee-paying onshore overseas students		370,797	407,797	336,149	363,922
Fee-paying offshore overseas students		4,749	2,892	4,749	2,892
Continuing education		5,605	3,988	5,605	3,386
Fee-paying domestic postgraduate students		13,872	16,658	13,872	16,658
Fee-paying domestic undergraduate students		691	717	691	717
Other domestic course fees and charges		7,952	14,251	7,952	14,060
Total course fees and charges		403,666	446,303	369,018	401,635
Other non-course fees and charges					
Library charges		1,180	312	1,180	1,255
Student accommodation charges		12	113	-	-
Student services and amenities fee from students	33.9	6,387	6,417	6,387	6,417
Medical fees		935	810	935	875
English testing centre		81	380	81	380
Other fees and charges		71	156	-	-
Total other non-course fees and charges		8,666	8,188	8,583	8,927
Total fees and charges		412,332	454,491	377,601	410,562

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
2.4 Investment income (net gains/losses)					
Interest					
Debt instruments at fair value through profit or loss		781	1,438	730	1,196
Dividends					
Equity instruments designated at fair value through OCI		83,377	6,357	83,377	6,357
Total interest and dividends		84,158	7,795	84,107	7,553
Net fair value gains/losses					
Gain/(loss) on financial assets designated at fair value through profit or loss		12,760	(242)	12,760	(242)
Total investment income (net gains/losses)		96,918	7,553	96,867	7,311
2.5 Royalties, trademarks and licences					
Royalties, trademarks and licences		66	26	65	23
2.6 Consultancy and contracts					
Contract research		34,693	30,051	34,693	29,991
Consultancy		4,195	6,001	4,195	6,189
Total consultancy and contracts		38,888	36,052	38,888	36,180
2.7 Other revenue and income					
Other revenue					
Contribution from Insearch Limited		–	–	276	148
Donations and bequests		10,668	15,340	10,668	15,488
Foreign exchange gain/(loss) (net) (note (a))		51	(10)	51	56
Non-government grants		6,850	6,075	6,850	6,075
Scholarships and prizes		2,883	2,689	2,883	2,689
Services		1,075	2,461	1,075	1,285
Sponsorships		1,698	1,753	1,698	1,756
Other		4,323	3,808	2,916	3,759
Total other revenue		27,548	32,116	26,417	31,256
Other income					
Hire and rental		6,566	13,000	6,660	12,992
Contributions for salary from other entities		1,991	2,665	1,991	2,665
Sale of goods		103	238	103	238
Total other income		8,660	15,903	8,754	15,895
Total other revenue and income		36,208	48,019	35,171	47,151
(a) Net foreign exchange gain/(loss)					
Net foreign exchange gain/(loss) included in other income for the year		51	(10)	51	56
Net foreign exchange gain/(loss) recognised in operating result before income tax for the year (as either other revenue or expense)		51	(10)	51	56

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2021

		Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000		2021 \$'000	
2.8 Reconciliation revenue and income					
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	586,105		569,133	
Total state and local government financial assistance	2.2	6,836		6,836	
Total HECS-HELP – Student payments		17,616		17,616	
Total fees and charges	2.3	412,332		377,601	
Total investment income (net gains/losses)	2.4	96,918		96,867	
Total royalties, trademarks and licences	2.5	66		65	
Total consultancy and contracts	2.6	38,888		38,888	
Total other revenue and income	2.7	36,208		35,171	
Total		1,194,969		1,142,177	

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
3. Expenses from continuing operations					
3.1 Employee related expenses					
Academic					
Salaries		251,703	286,896	238,644	270,675
Contributions to superannuation and pension schemes					
Contributions to funded schemes		39,517	43,510	38,022	42,152
Payroll tax		14,601	17,824	14,052	16,846
Workers' compensation		467	252	336	189
Long service leave expense		3,498	7,652	4,310	8,106
Annual leave		16,955	14,901	16,965	14,935
Total academic		326,741	371,035	312,329	352,903
Non-academic					
Salaries		237,059	268,903	219,524	245,767
Contributions to superannuation and pension schemes					
Contributions to funded schemes		34,901	38,046	33,269	36,168
Payroll tax		13,215	15,499	12,205	14,279
Workers' compensation		489	270	292	167
Long service leave expense		4,436	6,072	4,532	6,229
Annual leave		17,875	15,635	16,928	15,363
Total non-academic		307,975	344,425	286,750	317,973
Total employee related expenses		634,716	715,460	599,079	670,876
Deferred superannuation expense	25	100	-	100	-
Total employee related expenses, including deferred government employee benefits for superannuation		634,816	715,460	599,179	670,876

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
3.2 Depreciation and amortisation					
Depreciation property, plant and equipment					
Buildings		34,071	32,821	34,071	32,821
Infrastructure		28,244	27,913	28,244	27,913
Right-of-use assets		24,830	26,921	13,091	14,787
Equipment		33,500	32,750	29,546	28,612
Library collection		1,086	1,340	1,086	1,340
Motor vehicles		113	179	67	101
Total depreciation property, plant and equipment		121,844	121,924	106,105	105,574
Amortisation property, plant and equipment					
Leasehold improvements		5,701	5,578	5,498	5,578
Total amortisation property, plant and equipment		5,701	5,578	5,498	5,578
Total depreciation and amortisation property, plant and equipment		127,545	127,502	111,603	111,152
Amortisation intangibles					
Software		13,239	11,577	11,575	10,378
Licences perpetual		1,265	941	1,265	941
Patents and trademarks		127	113	-	-
Total amortisation intangibles		14,631	12,631	12,840	11,319
Total depreciation and amortisation		142,176	140,133	124,443	122,471
3.3 Repairs and maintenance					
Buildings		10,823	11,488	10,823	11,488
Plant and equipment		2,882	3,427	2,679	3,242
Total repairs and maintenance		13,705	14,915	13,502	14,730
3.4 Impairment of assets					
Bad debts		256	148	256	148
Increase/(decrease) in provision for doubtful debts		(931)	2,071	(936)	2,011
Total impairment (reversal)/loss of assets		(675)	2,219	(680)	2,159

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2021

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
3.5 Other expenses					
Advertising, marketing and promotional expenses		9,490	8,647	6,283	5,314
Building rent and rates		3,168	3,579	2,346	2,530
Cleaning		11,493	12,321	11,212	11,919
Consultancy		21,661	18,848	20,960	16,489
Contributions other		9,354	8,810	10,666	9,396
Contributions research		17,847	14,894	17,847	14,894
Entertainment		1,209	1,413	1,187	1,365
Fees and subscriptions		46,203	53,876	46,711	57,281
Heating and lighting		8,198	9,739	7,960	9,448
Insurance		4,177	4,374	3,954	4,154
Laboratory supplies		5,954	6,310	5,954	6,310
Software maintenance		24,236	21,078	21,515	18,684
Minimum lease payments on operating lease rental expenses		2,261	1,922	2,261	1,922
Non-capitalised equipment		5,949	7,184	5,949	7,146
Other expenses		8,994	15,488	9,770	15,252
Postage		171	304	140	244
Printing		317	346	264	289
Scholarships, grants and prizes		37,590	39,255	37,210	38,854
Security contract staff		6,110	6,496	5,937	6,170
Stationery		563	733	563	733
Telecommunications		2,864	3,474	2,642	3,087
Travel and related staff development and training		4,436	5,319	3,925	4,820
Tuition fees		41,405	45,538	40,152	39,458
Total other expenses		273,650	289,948	265,408	275,759
4. Borrowing costs					
Interest expense on financial liabilities at amortised cost		13,579	14,494	13,577	12,355
Interest expense on lease liabilities		5,570	4,011	3,884	4,011
		19,149	18,505	17,461	16,366
Less: amount capitalised		-	(519)	-	(519)
Total borrowing costs expensed		19,149	17,986	17,461	15,847
5. Sales of assets					
Proceeds from sale					
Property, plant and equipment		10,095	196	10,095	196
Less carrying amount of assets sold					
Property, plant and equipment		12,854	264	11,005	101
Total carrying amount of assets		12,854	264	11,005	101
Net gain or (loss) on sale of assets		(2,759)	(68)	(910)	95
6. Income tax					
The income tax expense includes tax liabilities for overseas entities in China.		82	124	-	-

7. Key management personnel disclosures

(a) Names of Council members

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

University

Ms Catherine Livingstone AO	Dr Sue Barrell AO
Ms Michelene Collopy	Mr Peter Bennett
Mr Tony Tobin	Dr John Laker AO
Professor Attila Brungs (ended October 2021)	Dr Jack Steele
Professor Andrew Parfitt (commenced October 2021)	Professor Anita Stuhmcke
Distinguished Professor Larissa Behrendt AO	Mr Peter Munford
Ms Dianne Hill	Professor Anthony Dooley (commenced March 2021)
Dr Lisa O'Brien	Mr Aden Ridgeway (ended March 2021)
Mr Patrick Tooth	Professor Maryanne Dever (ended February 2021)
Mr Juneyt Cihan	

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

Insearch Limited

Professor Chris Earley (ended August 2021)	Mr Iain Watt
Mr Mark Leigh	Emeritus Professor Ross Milbourne AO
Ms Anne Dwyer	Mr Alex Murphy
Professor Attila Brungs	Mr G Freeland
Ms Nell Anderson	Professor Carl Rhodes (commenced August 2021)

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Mr Patrick Woods
Mr Nicholas William Glover
Ms Taia Rowe

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 (ended October 2021)	Professor Shirley Alexander
Professor Andrew Parfitt	Professor Glen Wightwick
Professor Lesley Hitchens (commenced October 2021)	Mr Patrick Woods (ended October 2021)
Mr Glen Babington (commenced October 2021)	Ms Christine Burns (ended October 2021)
Mr Iain Watt	Professor Kate McGrath

Insearch Limited

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

accessUTS Pty Limited

Mr Patrick Woods

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	Economic entity (Consolidated)		Parent entity (University)		
	2021	2020	2021	2020	
(c) Remuneration of board members and executives					
The university's responsible persons do not receive any remuneration in respect of their work as members of Council.					
Remuneration of board members					
\$60,000 to \$69,999	2	2	-	-	
\$70,000 to \$79,999	1	1	-	-	
\$100,000 to \$109,999	1	1	-	-	
	4	4	-	-	
Remuneration of executive officers					
\$280,000 to \$289,999	1	-	-	-	
\$290,000 to \$299,999	-	1	-	-	
\$310,000 to \$319,999	1	-	-	-	
\$320,000 to \$329,999	1	-	-	-	
\$340,000 to \$349,999	-	1	-	-	
\$350,000 to \$359,999	1	-	-	-	
\$360,000 to \$369,999	-	1	-	-	
\$390,000 to \$399,999	-	1	-	-	
\$420,000 to \$429,999	2	-	-	-	
\$460,000 to \$469,999	1	-	1	-	
\$470,000 to \$479,999	2	2	2	1	
\$480,000 to \$489,999	1	-	1	-	
\$490,000 to \$499,999	-	2	-	1	
\$500,000 to \$509,999	1	-	1	-	
\$510,000 to \$519,999	-	2	-	2	
\$540,000 to \$549,999	-	1	-	1	
\$550,000 to \$559,999	1	-	1	-	
\$600,000 to \$609,999	-	1	-	1	
\$670,000 to \$679,999	-	1	-	1	
\$740,000 to \$749,999	1	-	1	-	
\$1,070,000 to \$1,079,999	1	-	1	-	
\$1,090,000 to \$1,099,999	-	1	-	1	
	14	14	8	8	
Key management personnel compensation					
Short-term employee benefits	6,897,200	7,275,065	4,770,200	4,896,065	
	6,897,200	7,275,065	4,770,200	4,896,065	
	Economic entity (Consolidated)		Parent entity (University)		
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
8. Remuneration of auditors					
Audit the Financial Statements					
Fees paid to Audit Office of New South Wales		537	513	375	362
Total paid for audit		537	513	375	362

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other services					
Fees paid to PricewaterhouseCoopers		26	56	-	-
Total paid for other services		26	56	-	-
Total remuneration for audit services		563	569	375	362
9. Cash and cash equivalents					
Cash at bank and on hand		8,550	8,432	490	860
Short-term deposits at call		157,563	110,414	155,038	96,195
Fixed-term deposits		67,000	18,500	50,000	-
Total cash and cash equivalents		233,113	137,346	205,528	97,055
(a) Reconciliation to cash at the end of the year					
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		233,113	137,346	205,528	97,055
Balance as per statement of cash flows		233,113	137,346	205,528	97,055
(b) Cash at bank and on hand					
Cash at bank are interest bearing with interest rates ranging between 0% and 2.50% (2020: 0% and 3%). Cash on hand are non-interest bearing.					
(c) Short-term deposits at call and term deposits					
The deposits at call are bearing floating interest rates between 0.01% and 0.30% (2020: 0% and 0.6%). Term deposits are interest bearing with rates ranging between 0.11% and 0.40%. Term deposits are able to be recalled by providing 31 days' notice.					
10. Receivables and contract assets					
Current					
Trade debtors – other		19,886	18,637	17,657	16,374
less: provision for impaired receivables		(785)	(1,510)	(786)	(1,510)
		19,101	17,127	16,871	14,864
Trade debtors – student		4,262	3,388	3,857	3,061
less: provision for impaired receivables		(1,400)	(1,685)	(1,379)	(1,591)
		2,862	1,703	2,478	1,470
		21,963	18,830	19,349	16,334
Amounts receivable from wholly owned subsidiaries					
Insearch Limited		-	-	452	327
accessUTS Pty Limited		-	-	287	282
Amounts receivable from related entities					
Sydney Educational Broadcasting Limited		153	239	153	239
Total current receivables		22,116	19,069	20,241	17,182
Contract assets					
Contract expenditures for partially completed contracts with customers		3,311	4,223	3,311	4,223
Total current contract assets		3,311	4,223	3,311	4,223
Non-current					
Deferred government contribution for superannuation		552,569	598,938	552,569	598,938
Total non-current receivables		552,569	598,938	552,569	598,938

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Notes to the financial statements
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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
As at 31 December 2021, the parent entity has total contract assets of \$3,311,000 (2020: \$4,223,000) which is net of an allowance for expected credit losses of \$0 (2020: \$0)					
Total receivables and contract assets		577,996	622,230	576,121	620,343
Set out below is the movement in the allowance for expected credit losses of receivables:					
At 1 January		3,195	1,128	3,101	1,090
Increase/(decrease) in provision for expected credit losses		(676)	2,219	(680)	2,159
Write off		(334)	(148)	(256)	(148)
Unused amounts reversed		-	(4)	-	-
At 31 December		2,185	3,195	2,165	3,101
The information about the credit exposures are disclosed in note 34.					
11. Other financial assets					
Current					
Other financial assets at fair value through profit and loss					
Managed funds – New South Wales Treasury Corporation	34(d)	20,147	18,119	20,147	18,119
Listed shares - Other financial assets	34(d)	63,450	-	63,450	-
Total current other financial assets at fair value through profit or loss		83,597	18,119	83,597	18,119
Total current other financial assets		83,597	18,119	83,597	18,119
Non-current					
Investments in equity instruments designated at fair value through other comprehensive income					
Unlisted shares		15,399	65,187	15,399	65,187
Total investments in equity instruments designated at fair value through other comprehensive income		15,399	65,187	15,399	65,187
Other financial assets at amortised cost					
Shares in subsidiaries		-	-	1,785	1,785
Shares in other entities		555	496	555	496
Interest in joint venture partnerships and investment in associates		-	-	3,010	3,010
Other unlisted securities – security deposits		257	245	-	-
Total non-current other financial assets at cost		812	741	5,350	5,291
Total non-current other financial assets		16,211	65,928	20,749	70,478
Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement.					
The information about the credit exposures are disclosed in note 34.					
In 2021, the Education Australia liquidity event resulted in the University acquiring listed shares in IDP, and a reduction in the fair value of unlisted shares in Education Australia.					

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
12. Other non-financial assets					
Current					
Accrued income		31,829	9,358	31,829	9,354
Prepayments		24,413	19,063	21,081	15,004
Total current other non-financial assets		56,242	28,421	52,910	24,358
Non-current					
Prepayments		1,062	590	1,062	590
Prepaid rent		63	63	-	-
Total non-current other non-financial assets		1,125	653	1,062	590
Total other non-financial assets		57,367	29,074	53,972	24,948
13. Non-current assets classified as held for sale					
Land		38,265	4,500	38,265	4,500
Buildings		46,735	4,925	46,735	4,925
Total non-current assets classified as held for sale		85,000	9,425	85,000	9,425
14. Investments accounted for using the equity method					
Investments in associates		2,582	2,227	-	-
Investments in joint ventures		2,182	2,865	-	-
Total investments accounted for using the equity method		4,764	5,092	-	-
(a) Reconciliation					
Balance at 1 January		5,092	5,829	-	-
Share of profit/(loss) for the year		(190)	(334)	-	-
Dividends		-	(380)	-	-
Foreign currency translation		(138)	(23)	-	-
Balance at 31 December		4,764	5,092	-	-

- Cicada Innovations Pty Ltd (formally Australian Technology Park Innovation Proprietary Limited (ATPI)) has a reporting date of 30 June 2021. The University has relied on the statutory accounts to the 30 June 2021 for Cicada Innovations Pty Ltd.
- Rugby Australia House Pty Ltd, a joint venture between the University of Technology Sydney and the Australian Rugby Union Ltd, was established in December 2015 to construct a building on land owned by 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. The entity has served its purpose and will be wound up. The investment is recorded at \$0m.
- Sabre Autonomous Solutions Pty Ltd has a reporting date of 30 June 2021, the University has relied on the management accounts to the 31 December 2021 for Sabre Autonomous Solutions Pty Ltd as the statutory accounts for 30 June 2021 are not yet available.

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(b) Individually immaterial joint ventures or associates

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

	Economic entity (Consolidated)		Parent entity (University)	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'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	(190)	(334)		
Profit/(loss) from continuing operations after income tax	(190)	(334)		
Total comprehensive income	(190)	(334)		
Total share of profit or loss on investments accounted for using the equity method	(190)	(334)		

(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 ¹	Leasehold improvements	Library	Other property, plant and equipment ²	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
15. Property, plant and equipment											
Consolidated											
At 1 January 2020											
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
Year ended 31 December 2020											
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
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)
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
At 31 December 2020											
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)
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

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	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
Consolidated											
At 1 January 2021											
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)
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
Year ended 31 December 2021											
Opening 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
Exchange differences	-	-	-	-	(30)	-	-	-	(30)	(48)	(78)
Revaluation surplus/(deficit)	-	(5,032)	24,282	22,072	-	2,283	-	-	43,605	-	43,605
Additions	(5,168)	-	14,310	3,388	17,126	1,498	70	304	31,528	8,702	40,230
Assets included in a disposal group classified as held for sale and other disposals	-	(37,385)	(38,465)	(7,763)	(1,794)	(513)	-	-	(85,920)	(1,419)	(87,339)
Depreciation charge	-	-	(34,071)	(28,244)	(33,613)	(5,701)	(1,086)	-	(102,715)	(24,830)	(127,545)
Closing net book amount	15,395	539,820	1,120,040	386,132	147,303	69,709	9,111	3,834	2,291,344	135,446	2,426,790
As at 31 December 2021											
cost	15,395	-	-	-	395,440	87,784	-	-	498,619	200,046	698,665
valuation	-	539,820	1,693,026	692,751	-	-	111,020	3,834	3,040,451	-	3,040,451
Accumulated depreciation and impairment	-	-	(572,986)	(306,439)	(248,317)	(18,075)	(101,909)	-	(1,247,726)	(64,600)	(1,312,326)
Net book amount	15,395	539,820	1,120,040	386,312	147,123	69,709	9,111	3,834	2,291,344	135,446	2,426,790

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment ¹	Leasehold improvements	Library	Other property, plant and equipment ²	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
Parent entity											
At 1 January 2020											
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)
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
Year ended 31 December 2020											
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
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
At 31 December 2020											
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)
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

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	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
Parent entity										
At 1 January 2021										
cost	20,584	-	-	350,467	75,013	-	-	446,064	133,534	579,598
valuation	-	582,237	1,720,579	-	-	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)
Net book amount	20,584	582,237	1,153,984	396,679	61,865	10,127	3,530	2,388,072	107,763	2,495,835
Year ended 31 December 2021										
Opening net book amount	20,584	582,237	1,153,984	396,679	61,865	10,127	3,530	2,388,072	107,763	2,495,835
Revaluation surplus/(deficit)	-	(5,032)	24,282	22,072	2,283	-	-	43,605	-	43,605
Additions	(5,319)	-	14,310	3,388	590	70	304	30,321	8,056	38,377
Assets included in a disposal group classified as held for sale and other disposals		(37,385)	(38,465)	(7,763)	(513)			(85,790)	(6)	(85,796)
Depreciation charge	-	-	(34,071)	(28,244)	(5,498)	(1,086)	-	(98,512)	(13,091)	(111,603)
Closing net book amount	15,265	539,820	1,120,040	386,132	58,727	9,111	3,834	2,277,696	102,722	2,380,418
At 31 December 2021										
cost	15,265	-	-	361,246	76,599	-	-	453,110	134,654	587,764
valuation	-	539,820	1,693,026	692,571	-	111,020	3,834	3,040,271	-	3,040,271
Accumulated depreciation and impairment		(572,986)	(306,439)	(216,479)	(17,872)	(101,909)		(1,215,685)	(31,932)	(1,247,617)
Net book amount	15,265	539,820	1,120,040	386,132	58,727	9,111	3,834	2,277,696	102,722	2,380,418

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

15. Property, plant and equipment (continued)

(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 arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2021 revaluations were based on independent assessments by Marsh as at 31 December 2021. 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 2021.

(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)
	2021 \$'000	2021 \$'000
Buildings		
At 1 January 2021	143,753	98,477
Additions of right-of-use assets	5,938	5,340
Disposals (Net)	(1,413)	-
Depreciation charge	(20,726)	(8,987)
At 31 December 2021	127,552	94,830
Computer equipment		
At 1 January 2021	9,288	9,286
Additions of right-of-use assets	2,716	2,716
Disposals (Net)	(6)	(6)
Depreciation charge	(4,104)	(4,104)
At 31 December 2021	7,894	7,892
Total right-of-use asset	135,446	102,722

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	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Total \$'000
16. Intangible assets				
Consolidated				
As at 1 January 2020				
Cost	5,544	135,957	12,791	154,292
Accumulated amortisation and impairment	(3,430)	(103,254)	(2,352)	(109,036)
Net book amount	2,114	32,703	10,439	45,256
Year ended 31 December 2020				
Opening net book amount	2,114	32,703	10,439	45,256
Additions	-	21,340	3,047	24,387
Disposals	-	(66)	-	(66)
Amortisation charge	(113)	(11,577)	(941)	(12,631)
Closing net book amount	2,001	42,400	12,545	56,946
As at 31 December 2020				
Cost	5,544	135,957	12,791	154,292
Accumulated amortisation and impairment	(3,543)	(106,775)	(3,293)	(113,611)
Net book amount	2,001	42,400	12,545	56,946
Year ended 31 December 2021				
Opening net book amount	2,001	42,400	12,545	56,946
Additions	-	16,180	3,067	19,247
Disposals	(1,874)	-	-	(1,874)
Amortisation charge	(127)	(13,239)	(1,265)	(14,631)
Closing net book amount	-	45,341	14,347	59,688
As at 31 December 2021				
Cost	5,544	165,142	18,905	189,591
Accumulated amortisation and impairment	(5,544)	(119,801)	(4,558)	(129,903)
Net book amount	-	45,341	14,347	59,688
Net book amount	-	45,341	14,347	59,688

	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Total \$'000
Parent entity				
As at 1 January 2020				
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
Year ended 31 December 2020				
Opening net book amount	-	29,079	10,439	39,518
Additions	-	19,464	3,047	22,511
Amortisation charge	-	(10,378)	(941)	(11,319)
Closing net book amount	-	38,165	12,545	50,710
As at 31 December 2020				
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
Year ended 31 December 2021				
Opening net book amount	-	38,165	12,545	50,710
Additions	-	13,768	3,067	16,835
Amortisation charge	-	(11,575)	(1,265)	(12,840)
Closing net book amount	-	40,358	14,347	54,705
As at 31 December 2021				
Cost	-	152,646	18,905	171,551
Accumulated amortisation and impairment	-	(112,288)	(4,558)	(116,846)
Net book amount	-	40,358	14,347	54,705

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
17. Trade and other payables					
Current					
OS-HELP liability to Australian Government		11,805	11,795	11,805	11,795
Deputy Commissioner of Taxation – PAYG		-	-	-	2
Office of State Revenue – payroll tax		15,228	2,482	15,228	2,477
Trade creditors and accruals		32,426	29,128	30,851	27,544
Capital accruals		262	2,440	262	2,440
Other payroll accruals		22,549	23,243	22,823	23,241
Other		6,831	4,776	6,502	4,574
Total trade and other payables		89,101	73,864	87,471	72,073

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Foreign currency risk					
The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:					
AUD		88,442	72,877	87,154	71,647
CHF		-	2	-	2
LKR		212	-	-	-
EUR		78	89	78	89
GBP		71	54	71	54
NZD		-	1	-	1
RMB		72	154	2	-
INR		47	-	-	-
LKR		-	233	-	-
IDR		2	174	-	-
USD		169	271	164	271
SGD		2	9	2	9
VND		6	-	-	-
		89,101	73,864	87,471	72,073

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34.

18. Borrowings

Current					
Lease liabilities		22,839	23,186	10,006	10,477
Unsecured bank loans		-	40,000	-	40,000
Total current borrowings		22,839	63,186	10,006	50,477
Non-current					
Lease liabilities		124,368	137,550	99,018	101,401
Bond issued		298,884	298,707	298,884	298,707
Total non-current borrowings		423,252	436,257	397,902	400,108
Total borrowings		446,091	499,443	407,908	450,585
Current					
Interest bearing borrowings		22,839	63,186	10,006	50,477
Non-current					
Interest bearing borrowings		423,252	436,257	397,902	400,108
Total borrowings		446,091	499,443	407,908	450,585
(a) Assets pledged as security					
Non-current					
Finance lease					
Plant and equipment	15	13,839	16,453	13,839	16,453
Total non-current assets pledged as security		13,839	16,453	13,839	16,453

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(b) Financing arrangements					
Unrestricted access was available at balance date to the following lines of credit:					
Loan facilities					
Total facilities		250,000	250,000	250,000	250,000
Used at balance date		-	40,000	-	40,000
Unused at balance date		250,000	210,000	250,000	210,000
Borrowing commitments					
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
Total borrowing commitments		300,000	340,000	300,000	340,000
(c) Lease liabilities					
Amounts recognised in the income statement					
Interest on lease liabilities		5,570	6,146	3,884	4,011
Expenses relating to short-term leases		605	802	299	406
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets		1,744	1,488	1,744	1,488
Total lease expenses recognised in income statement		7,919	8,436	5,927	5,905
Maturity analysis – undiscounted contractual cash flows					
Less than one year		27,154	27,064	13,634	14,196
One to five years		71,280	79,795	46,078	44,930
More than 5 years		75,927	85,915	73,412	79,420
Total undiscounted contractual cash flows		174,361	192,774	133,124	138,546
Total lease liabilities recognised in the statement of financial position					
Current		22,839	23,186	10,006	10,477
Non-current		124,368	137,550	99,018	101,401
Total		147,207	160,736	109,024	111,878

(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 2021, 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.

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
19. Provisions					
Current provisions expected to be settled wholly within 12 months					
Employee benefits					
annual leave	1 (w)/ 1(x)	24,036	29,296	22,919	26,070
long service leave	1 (w)/ 1(x)	6,291	9,637	5,383	9,102
Total current provisions expected to be settled within 12 months		30,327	38,933	28,302	35,172
Current provisions expected to be settled wholly after more than 12 months					
Employee benefits					
annual leave	1 (w)/ 1(x)	21,155	4,655	19,476	5,123
long service leave	1 (w)/ 1(x)	68,074	61,651	66,229	59,070
Total current employee benefit provisions expected to be settled wholly after more than 12 months		89,229	66,306	85,705	64,193
Make good provision		20	20	20	20
Total current provisions		119,576	105,259	114,027	99,385
Non-current					
Employee benefits					
long service leave	1 (w)/ 1(x)	31,545	32,020	30,125	30,053
defined benefit obligation		553,541	599,894	553,541	599,894
defined benefit obligation — payroll tax		10,860	11,802	10,860	11,802
Total non-current employee benefit provisions		595,946	643,716	594,526	641,749
Make good provision		10,119	9,478	5,528	4,968
Total non-current provisions		606,065	653,194	600,054	646,717
Total provisions		725,641	758,453	714,081	746,102

(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
Consolidated 2021		
Carrying amount as at 1 January 2021	9,498	9,498
Additional provisions recognised	866	866
Unused amounts reversed	(225)	(225)
Carrying amount as at 31 December 2022	10,139	10,139
Parent 2021		
Carrying amount as at 1 January 2021	4,988	4,988
Additional provisions recognised	785	785
Unused amounts reversed	(225)	(225)
Carrying amount as at 31 December 2022	5,548	5,548

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
20. Other financial liabilities					
Current					
Other financial liabilities at amortised cost	34	7,229	5,103	7,229	5,103
Total current other financial liabilities		7,229	5,103	7,229	5,103
There are no other financial liabilities as at 31 December 2021 (31 December 2020: \$0)					
21. Other liabilities					
Current					
Australian government unspent financial assistance		261	469	261	469
Prepaid student fees		41,661	45,919	41,661	45,919
Other		5,773	3,913	2,613	1,481
Total current other liabilities		47,695	50,301	44,535	47,869
Total other liabilities		47,695	50,301	44,535	47,869
22. Contract liabilities					
Current					
Amount received in advance from customers for partially completed contracts		67,890	65,569	57,121	47,724
Total current contract liabilities		67,890	65,569	57,121	47,724
Total contract liabilities		67,890	65,569	57,121	47,724
23. Reserves and retained earnings					
(a) Reserves comprise					
Property, plant and equipment revaluation reserve					
freehold land		542,561	547,593	542,561	547,593
buildings		189,837	165,555	189,837	165,555
building infrastructure		255,913	233,841	255,913	233,841
leasehold improvements		6,794	4,511	6,794	4,511
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)		23,331	64,585	23,331	64,585
Foreign currency translation reserve		64,585	64,585	64,585	64,585
Total reserves		1,019,166	1,016,731	1,020,084	1,017,733
(b) Movements in reserves					
Property, plant and equipment revaluation reserve					
Balance 1 January		953,148	904,849	953,148	904,849
Increase/(decrease) revaluation	15	43,605	48,299	43,605	48,299
Balance 31 December		996,753	953,148	996,753	953,148
Investments revaluation reserve					
Balance 1 January		64,585	54,167	64,585	54,167
Retrospective changes		-	-	-	-
Balance as restated		64,585	54,167	64,585	54,167
Increase/(decrease) revaluation		(41,254)	10,418	(41,254)	10,418
Balance 31 December		23,331	64,585	23,331	64,585

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flow hedge reserve					
Balance 1 January		-	(173)	-	(173)
Increase/(decrease) revaluation		-	173	-	173
Balance 31 December		-	-	-	-
Foreign currency translation reserve					
Balance 1 January		(1,002)	(724)	-	-
Net exchange differences on translation of foreign controlled entity		84	(278)	-	-
Balance 31 December		(918)	(1,002)	-	-
Total reserves		1,019,166	1,016,731	1,020,084	1,017,733

(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)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(d) Retained earnings					
Movements in retained earnings were as follows:					
Retained earnings at 1 January		1,032,613	1,083,399	999,724	1,043,006
Net result for the period		109,117	(50,579)	121,954	(43,075)
Net actuarial gains/(losses) recognised in respect of defined benefit plans		(17)	(207)	(17)	(207)
Retained earnings at 31 December		1,141,713	1,032,613	1,121,661	999,724

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
24. Commitments					
(a) Capital expenditure commitments					
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:					
Building works					
within one year		9,124	8,164	9,124	7,166
Plant and equipment					
within one year		2,259	3,834	2,259	3,834
Intangible assets					
within one year		1,358	165	1,358	165
between one and five years		392	-	392	-
Total capital commitments		13,133	12,163	13,133	11,165

25. Defined benefit plans

During the 2021 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 2021 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 2021. The next actuarial investigation will be performed at 30 June 2024.

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.

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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 2022 A\$	Financial year to 31 December 2022 A\$	Financial year to 31 December 2022 A\$	Financial year to 31 December 2022 A\$
Expected employer contributions	-	504,127	-	504,127

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 10.1 years (2020: 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.

	Total as at 30 November 2021*	Quoted prices in active markets for identical assets ¹	Significant observable inputs ²	Unobservable inputs ³
	\$'000	\$'000	\$'000	\$'000
Asset category				
Short-term securities	5,961,646	1,987,744	3,973,896	6
Australian fixed interest	689,736	-	689,736	-
International fixed interest	1,641,922	26,106	1,594,115	21,701
Australian equities	7,758,778	7,050,764	274,642	433,372
International equities	14,841,351	14,822,979	18,316	56
Property	2,654,407	-	-	2,654,407
Alternatives	8,293,622	(10,483)	2,772,589	5,531,516
Total	41,841,462	23,877,110	9,323,294	8,641,058

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

	30 November 2021*	30 November 2020*
	%	%
Asset category		
Short-term securities	14.25	9.48
Australian fixed interest	1.65	1.93
International fixed interest	3.92	4.61
Australian equities	18.54	19.89
International equities	35.47	32.30
Property	6.34	8.27
Alternatives	19.82	23.51
Total	100	100

* Actual asset allocation as at 31 December 2021 is not available as advised by the actuary therefore 30 November 2021 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 2021
Discount rate	1.68% pa
Salary increase rate (excluding promotional increases)	2.74% for 2021/2022 to 2025/2026; 3.2% pa thereafter.
Rate of CPI increase	2.50% for 2021/2022; 2.25% for 2022/2023; 2.25% for 2023/2024 and 2024/2025; 2.75% for 2025/2026, 2026/2027 and 2027/2028; 2.50% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2021 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 2021 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 2021.

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.

		Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
	Base case	-0.5% discount rate	+0.5% discount rate	+0.5% rate of CPI increase	-0.5% rate of CPI increase	+0.5% salary increase rate	-0.5% salary increase rate
Discount rate	as above	as above -0.5% pa	as above +0.5% pa	as above	as above	as above	as above
Rate of CPI increase	as above	as above	as above	as above +0.5% pa	as above -0.5% pa	as above	as above
Salary inflation rate	as above	as above	as above	as above	as above	as above +0.5% pa	as above -0.5% pa
Defined benefit obligation	604,214,659	637,298,822	573,866,316	638,553,500	572,433,843	604,722,115	603,719,308

		Scenario G	Scenario H
	Base case	lower mortality ¹	higher mortality ²
Defined benefit obligation	691,135,141	610,543,043	597,492,838

1. Assumes the short-term pensioner mortality improvement factors for years 2020–2026 also apply for years after 2026.

2. Assumes the long-term pensioner mortality improvement factors for years post 2026 also apply for years 2020–2026.

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	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Opening 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
Current service cost	419,871	567,211	127,093	169,247	-	-	546,964	736,458
Interest expense/(income)	236,602	399,743	33,756	71,850	5,888,395	8,710,625	6,158,753	9,182,218
	28,569,875	33,214,216	4,275,485	6,265,208	629,272,681	661,574,393	662,118,041	701,053,817
Remeasurements								
Actuarial losses/(gains) arising from changes in demographic assumptions	295,801		32,560		(5,485,860)		(5,157,499)	
Actuarial losses/(gains) arising from changes in financial assumptions	(370,387)	(284,780)	(64,102)	(89,396)	(20,889,879)	5,809,741	(21,324,368)	5,435,565
Actuarial losses/(gains) arising from liability experience	335,987	(760,925)	(842,660)	(4,860,587)	10,132,084	(10,962,418)	9,625,411	(16,583,930)
	261,401	(1,045,705)	(874,202)	(4,949,983)	(16,243,655)	(5,152,677)	(16,856,456)	(11,148,365)

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	SASS		SANCS		SSS		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Contributions								
Plan participants	251,035	323,073	-	-	138,844	242,595	389,879	565,668
	251,035	323,073	-	-	138,844	242,595	389,879	565,668
Taxes, premiums and expenses paid	(1,253,025)	(90,251)	255,287	3,694,341	251,305	(4,231,958)	(746,433)	(627,868)
Payments from plan								
Benefits paid	(9,776,710)	(4,487,931)	(1,144,176)	(894,930)	(29,769,486)	(29,048,067)	(40,690,372)	(34,430,928)
	(9,776,710)	(4,487,931)	(1,144,176)	(894,930)	(29,769,486)	(29,048,067)	(40,690,372)	(34,430,928)
Closing defined benefit obligation	18,052,576	27,913,402	2,512,394	4,114,636	583,649,689	623,384,286	604,214,659	655,412,324
Present value of plan assets								
Opening 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
Interest income	104,292	155,426	53,812	23,347	350,755	518,097	508,859	696,870
	10,592,903	14,525,193	5,869,425	1,983,024	39,565,121	38,245,053	56,027,449	54,753,270
Remeasurements								
Actual return on fund assets less interest income	909,358	130,223	(51,924)	(14,988)	(25,179)	(277,456)	832,255	(162,221)
	909,358	130,223	(51,924)	(14,988)	(25,179)	(277,456)	832,255	(162,221)
Exchange differences on foreign plans								
Contributions								
Employer	7,569,283	88,304	733,242	1,048,166	26,558,230	34,284,199	34,860,755	35,420,669
Plan participants	251,035	323,073	-	-	138,843	242,595	389,878	565,668
	7,820,318	411,377	733,242	1,048,166	26,697,073	34,526,794	35,250,633	35,986,337
Taxes, premiums and expenses paid	(1,253,025)	(90,251)	255,287	3,694,341	251,305	(4,231,958)	(746,433)	(627,868)
Payments from plan								
Benefits paid	(9,776,711)	(4,487,931)	(1,144,176)	(894,930)	(29,769,486)	(29,048,067)	(40,690,373)	(34,430,928)
	(9,776,711)	(4,487,931)	(1,144,176)	(894,930)	(29,769,486)	(29,048,067)	(40,690,373)	(34,430,928)
Closing fair value of plans assets	8,292,843	10,488,611	5,661,854	5,815,613	36,718,834	39,214,366	50,673,531	55,518,590
Reconciliation of the net defined benefit liability/(asset)								
Net defined benefit liability/(asset) at start of year	17,424,792	17,877,495	(1,700,979)	4,064,433	584,169,921	615,136,813	599,893,734	637,078,741
Current service cost	419,871	567,211	127,093	169,247	-	-	546,964	736,458
Net interest on the net defined benefit liability/(asset)	132,309	244,317	(20,056)	48,503	5,537,641	8,192,528	5,649,894	8,485,348
Actual return on fund assets less interest income	(909,358)	(130,223)	51,924	14,988	25,179	277,456	(832,255)	162,221
Actuarial (gains)/losses from changes in demographic assumptions	295,801		32,560		(5,485,860)		(5,157,499)	
Actuarial (gains)/losses from changes in financial assumptions	(370,387)	(284,780)	(64,102)	(89,396)	(20,889,879)	5,809,741	(21,324,368)	5,435,565
Actuarial (gains)/losses from liability experience	335,987	(760,924)	(842,660)	(4,860,588)	10,132,084	(10,962,418)	9,625,411	(16,583,930)
Employer contributions	(7,569,283)	(88,304)	(733,242)	(1,048,166)	(26,558,230)	(34,284,199)	(34,860,755)	(35,420,669)
Net defined benefit liability/(asset) at end of year note 19	9,759,732	17,424,792	(3,149,462)	(1,700,979)	546,930,856	584,169,921	553,541,126	599,893,734

	SASS		SANCS		SSS		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Reimbursement rights								
Opening 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
Expected return on reimbursement rights	(7,732,462)	(462,595)	(1,446,492)	(5,795,107)	(37,190,746)	(31,133,941)	(46,369,700)	(37,391,643)
Closing value of reimbursement right	9,414,952	17,147,414	(3,293,841)	(1,847,349)	546,447,616	583,638,362	552,568,727	598,938,427
Net liability								
Defined benefit obligation	18,052,576	27,913,402	2,512,394	4,114,636	583,649,689	623,384,286	604,214,659	655,412,324
Fair value of plan assets	(8,292,843)	(10,488,611)	(5,661,854)	(5,815,613)	(36,718,834)	(39,214,366)	(50,673,531)	(55,518,590)
Net liability note 19	9,759,733	17,424,791	(3,149,460)	(1,700,977)	546,930,855	584,169,920	553,541,128	599,893,734
Reimbursement right note 10	9,414,952	17,147,414	(3,293,841)	(1,847,349)	546,447,616	583,638,362	552,568,727	598,938,427
Net liability/(asset) in balance sheet	344,781	277,377	144,381	146,372	483,239	531,558	972,401	955,307
Amounts recognised in the statement of financial position								
Liabilities								
Provision for deferred government benefits for superannuation	9,759,733	17,424,791	(3,149,460)	(1,700,977)	546,930,855	584,169,920	553,541,128	599,893,734
Total liabilities recognised in statement of financial position	9,759,733	17,424,791	(3,149,460)	(1,700,977)	546,930,855	584,169,920	553,541,128	599,893,734
Assets								
Receivable for deferred government contribution for superannuation	9,414,952	17,147,414	(3,293,841)	(1,847,349)	546,447,616	583,638,362	552,568,727	598,938,427
Total assets recognised in statement of financial position	9,414,952	17,147,414	(3,293,841)	(1,847,349)	546,447,616	583,638,362	552,568,727	598,938,427
Net liability recognised in the statement of financial position	344,781	277,377	144,381	146,372	483,239	531,558	972,401	955,307
Amounts recognised in other statements								
Amounts recognised in the income statement								
Current service cost	419,871	567,211	127,093	169,247	-	-	546,964	736,458
Net interest	132,309	244,317	(20,056)	48,503	5,537,641	8,192,528	5,649,894	8,485,348
Expense/(income)	552,180	811,528	107,037	217,750	5,537,641	8,192,528	6,196,858	9,221,806
Other comprehensive income								
Actuarial losses/(gains) on liabilities	261,402	(1,045,704)	(874,202)	(4,949,983)	(16,243,655)	(5,152,676)	(16,856,455)	(11,148,363)
Actual return on fund assets less interest income	(909,358)	(130,224)	51,924	14,988	25,179	277,455	(832,255)	162,219
Recognised in other comprehensive income	(647,956)	(1,175,928)	(822,278)	(4,934,995)	(16,218,476)	(4,875,221)	(17,688,710)	(10,986,144)

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 2021, the assets of the DBD in aggregate were estimated to be \$5,070 million above vested benefits, after allowing for various reserves. The vested benefit index based on funding assumptions was 121.3%. 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.

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- As at 30 June 2021, the assets of the DBD in aggregate were estimated to be \$7,339 million above accrued benefits, after allowing for various reserves. The accrued benefit index based on best estimate assumptions was 134.2%. 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 2021. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return – DBD pensions	5.3% p.a	6.5% p.a
Gross of tax investment return – commercial rate indexed pensions	2.4% p.a	2.4% p.a
Net of tax investment return – non-pensioner members	4.6% p.a	5.7% p.a
Consumer Price Index		
for the next 3 years	2.0% p.a	2.0% p.a
Inflationary salary increases		
for the next 3 years	2.25% p.a	2.25% p.a
beyond 3 years	2.75% p.a	2.75% p.a

- 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 \$638,000 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 \$972,402 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	
			2021 %	2020 %	2021 \$'000	2020 \$'000
Parent entity						
University of Technology Sydney	Education services	Australia			2,140,709	2,016,131
Controlled entities						
Insearch Limited (company limited by guarantee) ¹	Education services	Australia	100	100	13,468	26,981
Insearch (Shanghai) Limited	Education services	China	100	100	1,315	1,067
Insearch Education International Pty Limited	Education services	Australia	100	100	190	186
Insearch India LLP	Education services	India	100	100	196	142
Insearch Global Pty Ltd	Education services	Australia	100	100	2	3
Insearch Lanka PVT	Education services	Sri Lanka	100	100	564	944
accessUTS Pty Limited	Consulting	Australia	100	100	193	213
UTS Global Pty Ltd	Marketing services	Australia	100	100	2,597	2,228
UTS Beijing Ltd	Marketing services	China	100	100	68	24
UTS Shenzhen Ltd	Research and education services	China	100	100	1,577	1,425

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 \$276,473 (2020: \$148,168) were paid or payable to the ultimate controlling entity.
- Donations amounting to \$1,217,000 (2020: \$400,000) were paid by the ultimate controlling entity to subsidiaries.
- Sale of services and fees \$9,258,344 (2020: \$15,515,028) to the wholly owned University of Technology Sydney group.
- Purchase of services and fees \$7,281,539 (2020: \$13,539,355) by the wholly owned University of Technology Sydney group.
- Purchase of shares in a subsidiary \$0 (2020: \$0) by the wholly owned University of Technology Sydney group.

(e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current receivables				
Subsidiaries	-	-	704	578
Current receivables (loans)				
Subsidiaries	-	-	35	35
Current payables				
Subsidiaries	-	-	255	4

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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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
30. Disaggregation information (consolidated)						
Geographical (consolidated entity)						
Australia	1,188,325	1,123,008	106,390	(55,159)	3,535,705	3,492,763
China	6,312	7,521	3,736	6,028	6,445	6,368
India and sub-continent	332	79	(1,009)	(1,448)	2,376	2,946
Total	1,194,969	1,130,608	109,117	(50,579)	3,544,526	3,502,077

(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 2022 mainly in relation to students from Peoples Republic of China.

On 16 March 2022, a recommendation was made that Council approve the winding up of accessUTS Pty Limited, a subsidiary of the University. Council will consider this recommendation at the April 13 meeting. This event is not expected to have a material effect on the consolidated financial statements of the University.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group or Parent, the results of those operations, or the state of affairs of the Group or Parent in future financial years.

	Economic entity (Consolidated)		Parent entity (University)	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
32. Reconciliation of net result after income tax to net cash flows from operating activities				
Net result for the period	109,117	(50,579)	121,954	(43,075)
Depreciation, amortisation and impairment PPE	142,176	140,133	124,443	122,471
Increase/(decrease) in provisions:				
annual leave	11,240	(11,363)	11,202	(11,600)
doubtful debts	(1,010)	2,067	(936)	2,011
long service leave	2,603	(4,100)	3,512	(3,489)
deferred superannuation	(46,353)	(37,185)	(46,353)	(37,185)
payroll tax on deferred super provision	(942)	(211)	(942)	(211)
Decrease/(increase) in receivables	(1,198)	9,082	(2,123)	10,210
Decrease/(increase) in non-current receivables	46,370	37,392	46,370	37,392
Decrease/(increase) in prepayments and accrued income	(26,608)	(4,389)	(27,339)	(5,574)
(Decrease)/increase in trade and other payables	14,691	(5,004)	14,852	(3,587)
(Decrease)/increase in income in advance	1,841	5,718	8,189	11,267
Amortisation of prepaid borrowing costs	177	327	177	327
(Profit)/loss on sale of assets	2,758	68	910	(95)
Share of profit of joint venture not received as dividends or distribution	475	714	-	-
Fair value gains on other financial assets at fair value through profit or loss	(65,864)	263	(65,864)	263
Actuarial gain/(loss) on deferred superannuation	(17)	(207)	(17)	(207)
Net cash provided by operating activities	189,456	82,726	188,035	78,918

33. Acquittal of Australian Government financial assistance

33.1 Education – CGS and other education grants

Parent entity (University) only									
	Notes	Commonwealth Grant Scheme ¹		Indigenous Student Success Program		Access and Participation Fund		Disability Performance Funding	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		231,965	216,902	1,658	1,704	3,201	3,531	263	543
Net accrual adjustments		24	-	-	-	184	(184)	-	-
Revenue for the period	2.1 (a)	231,989	216,902	1,658	1,704	3,385	3,347	263	543
Total revenue including accrued revenue		231,989	216,902	1,658	1,704	3,385	3,347	263	543
Less expenses including accrued expenses		(231,989)	(216,902)	(1,658)	(1,704)	(3,385)	(3,347)	(263)	(543)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-

Parent entity (University) only									
	Notes	Tertiary Access Payment		Advanced Apprenticeships Pilot		Strategic University Reform Fund		National Priorities and Industry Linkage Fund	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		180	-	182	-	289	-	7,000	-
Net accrual adjustments		(155)	-	(80)	-	(288)	-	-	-
Revenue for the period	2.1 (a)	25	-	102	-	1	-	7,000	-
Surplus/(deficit) from the previous year									
Total revenue including accrued revenue		25	-	102	-	1	-	7,000	-
Less expenses including accrued expenses		(25)	-	(102)	-	(1)	-	-	-
Surplus/(deficit) for reporting period		-	-	-	-	-	-	7000	-

Parent entity (University) only			
Total			
	Notes	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		244,738	222,680
Net accrual adjustments		(315)	(184)
Revenue for the period	2.1 (a)	244,423	222,496
Total revenue and income including accrued revenue		244,423	222,496
Less expenses including accrued expenses		(237,423)	(222,496)
Surplus/(deficit) for reporting period		7,000	-

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

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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	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash payable/(receivable) at beginning of year		(3,557)	1,541	2,577	(74)	12	(6)	(968)	1,461
Financial assistance received in cash during the reporting period		183,872	179,752	62,628	55,501	3,897	3,814	250,397	239,067
Cash available for period		180,315	181,293	65,205	55,427	3,909	3,808	249,429	240,528
Net accrual adjustments		(3,686)	3,557	(4,728)	(2,577)	(41)	(12)	(8,455)	968
Revenue and income for the period	2.1 (b)	176,629	184,850	60,477	52,850	3,868	3,796	240,974	241,496
Cash payable/(receivable) at end of year		3,686	(3,557)	4,728	2,577	41	12	8,455	(968)

33.3 Australian Research Council grants

	Parent entity (University) only						
	Notes	Discovery		Linkages		Networks and centres	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		13,094	14,530	3,597	3,360	-	-
Net accrual adjustments		(3,095)	(3,615)	(1,386)	(352)	488	538
Revenue for the period	2.1(d)	9,999	10,915	2,211	3,008	488	538
Surplus/(deficit) from the previous year		8,977	9,496	3,755	3,961	708	176
Total revenue including accrued revenue		18,976	20,411	5,966	6,969	1,196	714
Less expenses including accrued expenses		(4,246)	(11,434)	(604)	(3,214)	(417)	(6)
Surplus/(deficit) for reporting period		14,730	8,977	5,362	3,755	779	708

	Parent entity (University) only				
	Notes	Special research initiatives		Total	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		-	-	16,691	17,890
Net accrual adjustments		-	-	(3,993)	(3,429)
Revenue for the period	2.1 (d)	-	-	12,698	14,461
Surplus/(deficit) from the previous year		-	18	13,440	13,651
Total revenue including accrued revenue		-	18	26,138	28,112
Less expenses including accrued expenses		21	(18)	(5,246)	(14,672)
Surplus/(deficit) for reporting period		21	-	20,892	13,440

33.4 Other capital funding

Parent entity (University) only					
		Linkage Infrastructure, Equipment and Facilities		Total	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)					
		–	400	–	400
Net accrual adjustments					
		81	655	81	655
Revenue for the period					
	2.1 (e)	81	1,055	81	1,055
Surplus/(deficit) from the previous year					
		262	1,189	262	1,189
Total revenue including accrued revenue					
		343	2,244	343	2,244
Less expenses including accrued expenses					
		(253)	(1,982)	(253)	(1,982)
Surplus/(deficit) for reporting period					
		90	262	90	262

33.5 Education research

Parent entity (University) only							
		Research Training Program ¹		Research Support Program ²		Total	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)							
		20,196	18,603	34,009	14,408	54,205	33,011
Revenue for the period							
	2.1 (c)	20,196	18,603	34,009	14,408	54,205	33,011
Total revenue including accrued revenue							
		20,196	18,603	34,009	14,408	54,205	33,011
Less expenses including accrued expenses							
		(20,196)	(18,603)	(31,116)	(14,408)	(51,312)	(33,011)
Surplus/(deficit) for reporting period							
		–	–	2,893	–	2,893	–

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.

33.6 Total Higher Education Provider research training program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research training program fees offsets	5,309	273
Research training program stipends	13,385	1,232
Total for all types of support	18,694	1,505

33.7 OS-HELP

Parent entity (University) only			
OS-HELP			
	2021 \$'000	2020 \$'000	
Cash received during the reporting period	10	7,989	
Cash spent during the reporting period	–	(414)	
Net cash received	10	7,575	
Cash surplus/(deficit) from previous period	11,795	4,220	
Cash surplus/(deficit) for reporting period	11,805	11,795	

33.8 Higher Education Superannuation Program

	Parent entity (University) only	
	Superannuation program	
	2021 \$'000	2020 \$'000
Cash received during the reporting period	34,113	34,284
Cash available	34,113	34,284
Cash available for current period	34,113	34,284
Contributions to specified defined benefit funds	(34,113)	(34,284)
Cash surplus/(deficit) for reporting period	-	-

33.9 Student Services and Amenties Fee

	Parent entity (University) only	
	SA-HELP	
	2021 \$'000	2020 \$'000
Unspent/(overspent) revenue from previous period		
SA-HELP revenue earned	3,868	3,796
Student services fees direct from students	6,387	6,417
Total revenue expendable in period	10,255	10,213
Student services expenses during period	(10,255)	(10,213)
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 debtor 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 (\$100 million), National Australia Bank (\$75 million) and the Commonwealth Bank of Australia (\$75 million). As at 31 December 2021, 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 (2020: \$250m).

Cash flow hedges

The university has no cash flow hedges as at 31 December 2021.

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 2022 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
31 December 2021									
Financial assets									
Cash and cash equivalents	233,113	233	233	(233)	(233)	-	-	-	-
Receivables	574,685	-	-	-	-	(109)	(109)	109	109
Managed funds	20,147	20	20	(20)	(20)	-	-	-	-
Shares in other organisations	79,661	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	4,764	-	-	-	-	-	-	-	-
Total financial assets	912,370	-	-	-	-	-	-	-	-
Financial liabilities									
Payables	89,101	-	-	-	-	66	66	(66)	(66)
Bonds	298,884	-	-	-	-	-	-	-	-
Lease liabilities	147,207	-	-	-	-	-	-	-	-
Total financial liabilities	535,192	-	-	-	-	-	-	-	-
Total increase/(decrease)	-	253	253	(253)	(253)	(43)	(43)	43	43
	Carrying amount	Interest rate risk				Foreign exchange risk			
		0.25%		-0.25%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2020									
Financial assets									
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)	-	-	-	-
Shares in other organisations	65,928	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	5,092	-	-	-	-	-	-	-	-
Total financial assets	844,492	-	-	-	-	-	-	-	-
Financial liabilities									
Payables	73,864	-	-	-	-	99	99	(99)	(99)
Bonds	338,707	-	-	-	-	-	-	-	-
Lease liabilities	160,736	-	-	-	-	-	-	-	-
Total financial liabilities	573,307	-	-	-	-	-	-	-	-
Total increase/(decrease)	-	155	155	(155)	(155)	98	98	(98)	(98)

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(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.

(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 2021, total of \$0 has been drawn down from these three facilities.

The parent entity liquidity ratio has improved in 2021 due to an increase in cash holdings.

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
31 December 2021							
Financial assets							
Cash and cash equivalents	0.39	-	233,113	-	-	-	233,113
Receivables	-	-	-	-	-	574,685	574,685
Managed funds	12.82	-	-	20,147	-	-	20,147
Shares in other organisations	-	-	-	-	-	79,661	79,661
Investments accounted for using the equity method	-	-	-	-	-	4,764	4,764
Total financial assets	-	-	233,113	20,147	-	659,110	912,370
Financial liabilities							
Payables	-	-	-	-	-	89,101	89,101
Bonds and loans	4.07	-	-	-	298,884	-	298,884
Lease liabilities	3.83	-	22,839	59,916	64,452	-	147,207
Total financial liabilities	-	-	22,839	59,916	363,336	89,101	535,192
31 December 2020							
Financial assets							
Cash and cash equivalents	0.82	-	137,346	-	-	-	137,346
Receivables	-	-	-	-	-	618,007	618,007
Managed funds	4.36	-	-	18,119	-	-	18,119
Shares in other organisations	-	-	-	-	-	65,928	65,928
Investments accounted for using the equity method	-	-	-	-	-	5,092	5,092
Total financial assets	-	-	137,346	18,119	-	689,027	844,492
Financial liabilities							
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
Total financial liabilities	-	-	66,566	77,075	355,802	73,864	573,307

(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:

	2021		2020	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	233,113	233,113	137,346	137,346
Receivables	574,685	574,685	618,007	618,007
Managed funds	20,147	20,147	18,119	18,119
Shares in other organisations	79,661	79,661	65,928	65,928
Total financial assets	907,606	907,606	839,400	839,400
Financial liabilities				
Payables	89,101	89,101	73,864	73,864
Bonds	298,884	298,884	338,707	338,707
Finance leases	147,207	147,207	160,736	160,736
Total financial liabilities	535,192	535,192	573,307	573,307

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 2021 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Receivables	10	552,569	-	552,569	-
Other financial assets at fair value through profit or loss – managed funds	11	20,147	20,147	-	-
Investments in equity instruments designated at fair value through other comprehensive income	11	78,849	63,450	15,399	-
Other financial assets at amortised cost	11	812	812	-	-
Total financial assets		652,377	84,409	567,968	-
Non-financial assets					
Land, buildings, infrastructure and works of art	15	2,119,535	-	3,834	2,115,701
Total non-financial assets		2,119,535	-	3,834	2,115,701

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	Notes	31 Dec 2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
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	-	-
Total financial assets		682,985	18,860	664,125	-
Non-financial assets					
Land, buildings, infrastructure and works of art	15	2,208,572	-	3,530	2,205,042
Total non-financial assets		2,208,572	-	3,530	2,205,042

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 2021, the borrowing rate is 4.07 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 2021 and 31 December 2020.

	Land, buildings and infrastructure \$'000	Total \$'000
31 December 2021		
Opening balance	2,205,042	2,205,042
Acquisitions	19,196	19,196
Disposals	(84,126)	(84,126)
Recognised in profit or loss	(68,016)	(68,016)
Recognised in other comprehensive income	43,605	43,605
Closing balance	2,115,701	2,115,701
31 December 2020		
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
Recognised in profit or loss	(66,312)	(66,312)
Recognised in other comprehensive income	48,299	48,299
Closing balance	2,205,042	2,205,042

End of audited financial statements

UTS Global Pty Ltd

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Directors' report

UTS Global Pty Ltd

ABN 32 154 014 481

DIRECTORS' REPORT

For the year ended 31 December 2021

In accordance with *Governance Standard 5* of the *Australian Charities and Not-for-Profits Commission Act 2012*, 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 three (3) ordinary meetings and zero (0) annual general meeting during the year ended 31st December 2021. Attendance at those meetings was as follows:

	Number of Meetings	Meetings Attended
Mr Iain Watt	3	3
Mr Patrick Woods	3	3
Professor Chris Earley	3	3

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

ABN 32 154 014 481

DIRECTORS' REPORT

For the year ended 31 December 2021

5. Operations for the financial period ended 31 December 2021 resulted in a profit of \$368,068.
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 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 2021 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. In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.
12. The Company's operations comply with the environmental regulations under both Commonwealth and State legislation.

Signed on
7 April 2022



Director
Mr Iain Watt



Director
Mr Patrick Woods

Responsible persons declaration

UTS Global Pty Ltd

ABN 32 154 014 481

RESPONSIBLE PERSONS DECLARATION For the year ended 31 December 2021

In accordance with section 60.15 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*, 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 2021 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 *Australian Charities and Not-for-Profits Commission Act 2012* and the *Government Sector Finance Act 2018 NSW*;
- c) the financial statements and notes have been prepared in accordance with Australian Accounting Standards, authoritative pronouncements of the Australian Accounting Standards Board 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 continuing support from 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 7 April 2022 in accordance with subsection 60.15(2) of the *Australian Charities and Not-For-Profits Commission Regulation 2013*.



Director
Mr Iain Watt



Director
Mr Patrick Woods

Statement of comprehensive income

for the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Continuing operations			
Revenue from continuing operations	2	1,217,000	402,626
Other expenses	3	848,932	465,488
Profit before income tax		368,068	(62,862)
Net result for the period for continuing operations		368,068	(62,862)
Net result for the period is attributable to the owners		368,068	(62,862)
Total comprehensive income is attributable to the owners		368,068	(62,862)

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

Statement of financial position

as at 31 December 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	4	911,055	532,065
Receivables	5	3,126	12,948
Total current assets		914,181	545,013
Non-current assets			
Other financial assets	6	1,700,000	1,700,000
Total non-current assets		1,700,000	1,700,000
Total assets		2,614,181	2,245,013
Liabilities			
Current liabilities			
Payables	7	17,600	16,500
Total current liabilities		17,600	16,500
Total liabilities		17,600	16,500
Net assets		2,596,581	2,228,513
Equity			
Retained earnings	8	996,580	628,512
Share capital	9	1,600,001	1,600,001
Total equity		2,596,581	2,228,513

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

Statement of changes in equity

as at 31 December 2021

	Retained earnings \$	Share capital \$	Total \$
Balance at 1 January 2020	691,374	1,600,001	2,291,375
Profit for the period	(62,862)	-	(62,862)
Balance at 31 December 2020	628,512	1,600,001	2,228,513
Balance at 1 January 2021	628,512	1,600,001	2,228,513
Profit for the period	368,068	-	368,068
Transactions with owners recorded directly in equity	-	-	-
Balance at 31 December 2021	996,580	1,600,001	2,596,581

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

Statement of cash flows

as at 31 December 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Contribution from UTS		1,217,000	400,000
Interest received		-	2,626
Bank fees and charges		(172)	(120)
Payment to supplier and other related parties		(841,286)	(436,360)
GST refund		3,448	670
Net cash provided by/(used in) operating activities	12	378,990	(33,184)
Cash flows from investing activities			
Share capital in UTS Shenzhen		-	(1,600,000)
Net cash used in investing activities		-	(1,600,000)
Cash flows from financing activities			
Issue capital in UTS Global		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		378,990	(1,633,184)
Cash and cash equivalents at the beginning of the financial year		532,065	2,165,249
Cash and cash equivalents at the end of the financial year		911,055	532,065

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, the Government Sector Finance Act 2018, the Australian Charities and Not-for-profits Commission Act 2013 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 income 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.

(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 2021 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.

Notes	2021 \$	2020 \$
2. Income from continuing operations		
Contribution from UTS	1,217,000	400,000
Interest earned	0	2,626
Total revenue from continuing operations	1,217,000	402,626
3. Expenses from continuing operations		
Consulting	832,500	415,891
Audit fee	16,260	49,477
Bank fees and charges	172	120
Total expenses from continuing operations	848,932	465,488
4. Cash and cash equivalents		
Cash at bank and on hand	911,055	532,065
Total cash and cash equivalents	911,055	532,065
5. Receivables		
UTS Shenzhen Limited	0	8,000
GST receivables	3,126	4,948
Total receivables	3,126	12,948
6. Non-current assets		
Shares in UTS Beijing Limited	100,000	100,000
Shares in UTS Shenzhen Limited	1,600,000	1,600,000
Total other non-financial assets	1,700,000	1,700,000
7. Payables		
UTS Shenzhen Limited	-	-
Accrual – audit	17,600	16,500
Total payables	17,600	16,500

Financial statements: UTS Global Pty Ltd
Notes to the financial statements
for the year ended 31 December 2021

	Notes	2021 \$	2020 \$
8. Retained earnings			
Balance at the beginning of the period		628,512	691,374
Surplus/(deficit) for the period		368,068	(62,862)
Balance as at 31 December		996,580	628,512
9. Share capital			
Ordinary shares		1,600,001	1,600,001
Total share capital		1,600,001	1,600,001

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 2021 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.

	2021 \$	2020 \$
Credit risk by classification of counterparty:		
Cash and cash equivalent assets		
bank	911,054	532,064
on hand	1	1
receivables	3,126	12,948
	914,181	545,013

(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:

	2021 \$	2020 \$
Cash at bank and on hand	911,055	532,065
(b) Reconciliation of profit to net cash provided by operating activities		
Profit/(loss) for the year	368,068	(62,862)
Decrease/(increase) in receivables	9,822	20,549
(Decrease)/increase in payables	1,100	9,129
Prepayments	-	-
Net cash provided by operating activities	378,990	(33,184)

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 2021.

	Notes	2021 \$	2020 \$
15. Remuneration of auditors			
Fees paid to the Audit Office of New South Wales for audit and review of financial statements		-	-

UTS Global Pty Ltd meets the Government Sector Finance Act 2018 (NSW) 'kind' exemption, requiring no financial statements be prepared for audit purposes.

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' report

accessUTS Pty Limited

Directors' report

For the year ended 31 December 2021

The directors present their report, together with the financial statements, on the Company for the year ended 31 December 2021.

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

Principal activities

The principal activities during the financial year were 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 \$20,103 (31 December 2020: \$24,975 loss).

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

Significant changes in 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

On 16th March 2022, a recommendation was made by the University of Technology Sydney to its Council to approve the winding up of accessUTS Pty Limited, a subsidiary of the University. UTS Council will consider this recommendation at the April 13th meeting. Consequently, the directors have determined that the going concern basis of preparation is no longer appropriate, and the accounts have been prepared on a non-going concern basis.

Other than the matter discussed above, no matter or circumstance has arisen since 31 December 2021 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 2021 and up to the date of this report.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the 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 COVID-19 pandemic.

Directors' report (continued)

accessUTS Pty Limited

Directors' report (continued)

For the year ended 31 December 2021

Indemnification 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 Limited.

Indemnification and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the 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

8th April 2022

Directors' declaration

accessUTS Pty Limited

Directors' declaration

For the year ended 31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018*, the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- As disclosed in note 1 to the financial statements, the Company will be wound up within twelve months from the date of this report as a result of a decision by the members. However, the assets exceed the liabilities and there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance and cash flows for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- The directors are not aware of any circumstances that would render any particulars included in the financial 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

8th April 2022

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 statements of accessUTS Pty Limited (the Company), which comprise the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information of the Company, and the directors' declaration.

In my opinion, the financial statements:

- have been prepared in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions.

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

Basis for Opinion

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

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

- Australian Auditing Standards
- *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 6 April 2022, 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 2021 includes other information in addition to the financial statements 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 Directors' 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.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions, and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole 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.

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/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 statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

14 April 2022
SYDNEY

Auditor's independence declaration



To the Directors

accessUTS Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of accessUTS Pty Limited for the year ended 31 December 2021, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read 'Cathy Wu'.

Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 April 2022
SYDNEY

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2021

	Note	2021 \$	2020 \$
Rendering of services	3	759,164	926,040
Interest revenue		127	3,827
Government grants		-	38,138
Total revenue		759,291	968,005
Expenses			
Employee benefits expenses	4	(5,716)	(207,163)
Other operating expenses	5	(773,678)	(785,817)
Total expenses		(779,394)	(992,980)
Loss before income tax expense		(20,103)	(24,975)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of accessUTS Pty Limited		(20,103)	(24,975)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of accessUTS Pty Limited		(20,103)	(24,975)

The accompanying notes form part of these financial statements.

Statement of financial position

as at 31 December 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	591,460	668,507
Trade and other receivables	7	204,142	76,336
Total current assets		795,602	744,843
Total assets		795,602	744,843
Liabilities			
Current liabilities			
Trade and other payables	8	282,944	316,526
Income received in advance	9	284,594	180,150
Borrowings	11	35,000	35,000
Total current liabilities		602,538	531,676
Total liabilities		602,538	531,676
Net assets		193,064	213,167
Equity			
Issued capital	10	450,001	450,001
Accumulated losses		(256,937)	(236,834)
Total equity		193,064	213,167

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2021

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2020	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	-	-	-
Total comprehensive income for the year	-	(24,975)	(24,975)
Balance at 31 December 2020	450,001	(236,834)	213,167
Balance at 1 January 2021	450,001	(236,834)	213,167
Loss after income tax expense for the year	-	(20,103)	(20,103)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(20,103)	(20,103)
Balance at 31 December 2021	450,001	(256,937)	193,064

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		727,489	1,077,476
Payments to suppliers (inclusive of GST)		(798,947)	(1,132,994)
Payments to employees		(5,716)	(207,163)
Interest received		127	3,827
Government grants received		-	38,138
Income taxes refunded		-	1,572
Net cash used in operating activities		(77,047)	(219,144)
Cash flows from investing activities			
Net cash from investing activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(77,047)	(219,144)
Cash and cash equivalents at the beginning of the financial year		668,507	887,651
Cash and cash equivalents at the end of the financial year	6	591,460	668,507

The accompanying notes form part of these financial statements.

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 Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018 and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Subsequent to the reporting date, the members of accessUTS Pty Limited resolved to liquidate the Company. This remains subject to final board approval of the ultimate parent, University of Technology Sydney, however it is likely that the Company will be liquidated within twelve months from the date of the directors' declaration, being 8th April 2022. Consequently, the directors have determined that the going concern basis of preparation is no longer appropriate, and the accounts have been prepared on a non-going concern basis.

There have been no changes to the carrying value of assets or liabilities as a result of the financial statements being prepared on this basis, as no items on the statement of financial position are affected by the change. No assets are expected to be recovered through a forced sale, and there are no onerous contracts giving rise to additional liabilities. There were no non-current assets or non-current liabilities that were required to be reclassified to current. Liabilities have been presented in their order of priority in liquidation.

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.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

Income tax expense or benefit for the period is the expected tax payable or receivable on that period's taxable income or loss 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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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 judgement 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 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 COVID-19 pandemic.

	2021 \$	2020 \$
3. Rendering of services		
Consulting fees	103,691	133,647
Training courses	655,473	792,393
Total rendering of services	759,164	926,040

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.

The types of services rendered by the Company during the year are below:

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.

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.

Vocational Education and Training (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.

	2021 \$	2020 \$
4. Employee benefits expenses		
Employee benefits expenses	5,716	207,163
	5,716	207,163
5. Other operating expenses		
Consulting fees	466,519	482,211
General and administrative expenses	56,171	48,958
Service level agreement — Commercial Service Unit	227,588	226,423
Auditor remuneration	23,400	28,225
Total other operating expenses	773,678	785,817

Financial statements: accessUTS Pty Limited
Notes to the financial statements
for the year ended 31 December 2021

	2021 \$	2020 \$
6. Cash and cash equivalents		
Current assets		
Cash at bank	153,433	230,524
Cash on deposit	438,027	437,983
Cash and cash equivalents in the statement of cash flows	591,460	668,507

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.

	2021 \$	2020 \$
7. Trade and other receivables		
Current assets		
Trade receivables	161,535	26,246
Less: Allowance for expected credit losses	-	-
	161,535	26,246
Other receivables	28,589	27,759
Prepayments	14,018	22,331
Total current receivables	204,142	76,336

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. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost.

The Company did not recognise any expected credit losses in respect of trade receivable and other receivables for the year ended 31 December 2021 (2020: \$Nil).

	2021 \$	2020 \$
8. Trade and other payables		
Current liabilities		
Trade payables	2,304	4,664
Amounts due to associates	250,346	249,065
Accrued expenses	22,076	54,839
Other payables	8,218	7,958
Total rendering of services	282,944	316,526

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.

	2021 \$	2020 \$
9. Income received in advance		
Current liabilities		
Income received in advance	284,594	180,150
	284,594	180,150

Accounting policy for income received in advance

Income received in advance represents 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.

	2021 \$	2020 \$
10. Issued capital		
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. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

	2021 \$	2020 \$
11. Financial instruments		
Financial assets		
Financial assets at amortised cost		
Trade and other receivables	204,142	76,336
Total current	204,142	76,336
Financial liabilities: interest-bearing loans and borrowings		
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.

Financial statements: accessUTS Pty Limited

Notes to the financial statements for the year ended 31 December 2021

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 non-derivative 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 \$5,915 and decrease by \$5,915 respectively (2020: increase by \$6,685 and decrease by \$6,685). 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)	
	2021 \$	2020 \$	2021 \$	2020 \$
Judgements of reasonably possible movements				
+0.5% (50 basis points)	3,150	2,606	3,150	2,606
-0.5% (50 basis points)	(3,150)	(460)	(3,150)	(460)

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:

	2021 \$	2020 \$
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 the 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

The 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, premises and the payment of various operating expenses amounting to \$227,588 (2020: \$226,423).

Faculty costs charged by University of Technology Sydney

During the year ended 31 December 2021 the Company did not recognise any expense in respect of the University of Technology Sydney personnel services (2020: \$51,613).

Training and development services provided to University of Technology Sydney

During the year ended 31 December 2021 no certification fees was recognised in respect of training and development services provided to the University of Technology Sydney (2020: Nil).

Receivable from and payable to related parties

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

	2021 \$	2020 \$
Current receivables		
Amount receivable from parent entity	–	2,393
Current payables		
Other payable to parent entity	250,346	249,065

Loans to/from related parties

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

	2021 \$	2020 \$
Current borrowings		
Loans from parent entity	35,000	35,000

Wholly owned group

The wholly-owned group consists of the University of Technology Sydney (UTS) and its controlled entities, accessUTS Pty Limited, 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:

	2021 \$	2020 \$
Audit services		
Audit or review of the financial report of the entity and any other entity in the consolidated group	23,400	28,225

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

On 16 March 2022, a recommendation was made by the University of Technology Sydney to its Council to approve the winding up of accessUTS Pty Limited, a subsidiary of the University. UTS Council will consider this recommendation at the April 13 meeting. Consequently, the directors have determined that the going concern basis of preparation is no longer appropriate, and the accounts have been prepared on a non-going concern basis.

Other than the matter discussed above, no matter or circumstance has arisen since 31 December 2021 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 used in operating activities

	2021 \$	2020 \$
Loss after income tax benefit for the year	(20,103)	(24,975)
Adjustments for:		
Provision for doubtful debts	-	(3,489)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables, contract assets and prepayments	(127,806)	82,179
Decrease in payables and provisions	(33,582)	(290,783)
Increase in income in advance	104,444	17,924
Net cash used in operating activities	(77,047)	(219,144)

End of audited financial statements

Insearch Limited

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Directors' report

31 December 2021

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	Date of resignation
Emeritus Vice-Chancellor R D Milbourne AO	1 March 2016	
Ms J N 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 P C Earley	1 July 2018	19 August 2021
Mr M Leigh	1 October 2019	
Professor C Rhodes	19 August 2021	

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 2021 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 \$13.7 million (2020: deficit of \$7.3m) before the payment of a donation to the University of Technology Sydney of \$167,000 (2020: \$nil).

Significant changes in the state of affairs

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 results of Insearch Limited, predominantly in relation to international student fee income. In addition, Insearch Limited in response to the pandemic, instigated a number of measures to minimise the risks of COVID-19 on the College'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 2021 statutory accounts.

- **Going concern:** Insearch Limited has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. These measures, implemented since the start of the pandemic, include cost saving initiatives, streamlining our cost base, reducing staff numbers and obtaining a Letter of Support from the University of Technology Sydney to provide full financial support if necessary.
- **Impairment: Receivables:** Insearch Limited has reviewed outstanding receivable balances and assessed likely payment by third parties. We are not expecting a material movement in credit losses relative to prior years.

Event since the end of the financial year

Except as noted above, no other matter or circumstance has arisen since 31 December 2021 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.

Director's benefits

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

Insurance of directors and officers

During the financial year a premium to insure Directors and Officers of the company was paid by the University of Technology Sydney to the amount of \$12,451 (2020: \$12,020) per sections 300 (1)(g), 300(8) and 300(9) of the Corporations Act 2001.

Directors' report (continued)

The liabilities insured include costs and expenses that may be brought against the Directors and Officers in their capacity as Directors and Officers of the company.

Information on directors

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

Non-Executive Director

Chair of the Board

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

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

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

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 pharmaceutical 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 Campbell Page.

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 held senior executive positions in the construction, information technology and industrial products sectors for more than two decades, gaining extensive experience in finance and business systems, financial control and risk management, and strategic planning.

Currently Mr Freeland is a Non-Executive Director of Job Futures Limited and Advisory Board Chair 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 joined UTS College (Insearch Limited) in 1992 and was appointed to the Managing Director role in 2007.

He has a background in linguistics, philosophy and Indonesia Studies and has worked in a range of roles including teaching, curriculum design, intercultural communication, and marketing. Mr Murphy majored in Linguistics and Indonesian & Malayan Studies at University of Sydney and undertook research in linguistics at the University of Sydney and lived in Indonesia from 1986 to 1989.

Mr Murphy's current focus is on developing the leadership capability of UTS College in the pathway sector, drawing on the valuable experience and capability developed during the disruption of the Covid-19 pandemic.

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

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 a transformational Chief Financial Officer (CFO) with extensive experience in leading Australian and US multi-national companies.

Mr Leigh has worked for leading companies and institutions including 5 years at Qantas airways, 9 years at Microsoft (including two based in Singapore), 6 years at Hudson Global, 2 years at Mylan (Alphapharm) and is currently the CFO at the University of Technology Sydney (UTS).

Mr Leigh has extensive experience in building and leading high performing Finance and IT functions that are focused on delivering Business Insight, Business Excellence and Leadership.

He has extensive experience in the Australia and New Zealand Regions as well as Asia, India and Greater China through roles based in Singapore.

Currently, Mr Leigh is the Chief Financial Officer for UTS. With a large organisation reporting directly to him, Mark 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.

Professor Carl Rhodes

Non-Executive Director

Professor Rhodes is Dean of UTS Business School, University of Technology Sydney. In this role, Professor Rhodes is responsible for the academic and strategic leadership of the school in pursuit of its vision to be a socially committed business school focused on developing and sharing knowledge for an innovative, sustainable and prosperous economy in a fairer world.

As well as working at UTS, Professor Rhodes has held professorships at Swansea University, The University of Leicester, and Macquarie University. Prior to his academic career, Carl worked in professional and senior management positions in change management and organisational development for AGL, Lend Lease, Citibank and The Boston Consulting Group. Professor Rhodes' combination of senior experience in academia and the private sector provides him with a unique perspective on the role of universities in contributing to and questioning how business and economic activity can and should contribute to society.

As a scholar, Professor Rhodes researches the relationship between business and society in the nexus between liberal democracy and contemporary capitalism. His most recent books are *Woke Capitalism: How Corporate Morality is Sabotaging Democracy* (Bristol University Press, 2022), *Organizing Corporate Ethics* (Routledge, 2022 with Alison Pullen), *Disturbing Business Ethics* (Routledge, 2019) and *CEO Society: The Corporate Takeover of Everyday Life* (Zed, 2018 with Peter Bloom). His writing has appeared in *The Guardian*, *Times Higher Education*, *ABC News*, *The Sydney Morning Herald*, and *The Australian Financial Review*.

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.

Directors' report (continued)

During the previous 25 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 & 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.

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 2021, and the numbers of meetings attended by each Director were:

Director	Insearch Board meetings (9)		Audit and Risk Committee meetings (4) ¹		Remuneration and Nominations Committee meetings (3)		Academic Board meetings (4)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ross Milbourne AO	7	7	4 ²	4	-	-	4 ²	3
Nell Anderson	7	7	-	1	3	3	-	-
Anne Dwyer	7	7	4	4	3	3	-	-
Guy Freeland	7	7	4	4	-	-	-	1
Alex Murphy	7	7	-	4	-	3	-	3
Iain Watt	7	7	-	1	-	-	-	-
Chris Earley	4	2	-	-	2	2	-	-
Mark Leigh	7	7	4	4	-	-	-	-
Carl Rhodes	3	2	-	1	1	1	-	-

Note:

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's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 100 of this report.

For and on behalf of the Directors signed at Sydney this 22 March 2022.



Emeritus Vice-Chancellor RD Milbourne AO

Director



Mr A Murphy

Director

Sydney

22 March 2022

Directors' declaration

In accordance with a resolution of the Directors of Insearch Limited, the Directors of the company declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and:
- (i) comply with Accounting Standards and the Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018, 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 2021 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

Sydney
22 March 2022

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 statements of Insearch Limited (the Company), which comprise the Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information of the Company and the consolidated entity, and the directors' declaration. 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 statements:

- have been prepared 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 2021 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions.

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

Basis for Opinion

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

I am independent of the Company 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 21 March 2022, 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 2021 includes other information in addition to the financial statements 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 Directors' 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.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions, and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine 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 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 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.

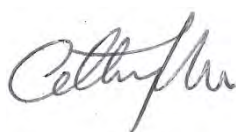
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate,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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.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 statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 March 2022
SYDNEY

Auditor's independence declaration



To the Directors

Insearch Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Insearch Limited for the year ended 31 December 2021, 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.

Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 March 2022
SYDNEY

Statement of comprehensive income

for the year ended 31 December 2021

	Notes	Consolidated entity		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue from contracts with customers	4	59,835	72,424	59,508	72,349
Other income	5	1,712	9,314	1,826	9,683
Total revenue and income from continuing operations		61,547	81,738	61,334	82,032
Employee benefits expenses	6(a)	(34,344)	(43,439)	(33,416)	(42,397)
Depreciation and amortisation expense	6(b)	(17,357)	(17,497)	(16,427)	(16,618)
Net (impairment losses)/reversal of impairment losses on financial assets		(5)	(63)	4	(63)
Other expenses	6(c)	(21,153)	(25,602)	(22,739)	(28,277)
Finance costs		(1,764)	(2,213)	(1,617)	(2,003)
Share of net loss of associate and joint venture accounted for using the equity method	11	(474)	(235)	-	-
Donation to University of Technology Sydney		(167)	-	(167)	
Total expenses from continuing operations		(75,264)	(89,049)	(74,362)	(89,358)
Deficit for the year attributable to members		(13,717)	(7,311)	(13,028)	(7,326)
Other comprehensive income/(loss)					
Item that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	19(a)	84	(227)	-	-
Other comprehensive income/(loss) for the year		84	(227)	-	-
Total comprehensive loss for the year attributable to members		(13,633)	(7,538)	(13,028)	(7,326)

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

Statement of financial position

as at 31 December 2021

	Notes	Consolidated entity		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets					
Current assets					
Cash and cash equivalents	7	25,927	37,935	24,022	36,439
Trade receivables	8	309	447	297	444
Financial assets at amortised cost	9	2,554	2,580	2,495	2,409
Other assets	10	3,314	4,032	3,233	3,932
Total current assets		32,104	44,994	30,047	43,224
Non-current assets					
Investments accounted for using the equity method	11	-	108	-	-
Property, plant and equipment	12	44,978	61,343	42,943	58,599
Intangible assets	13	4,989	6,236	4,989	6,236
Other assets	10	257	246	2,194	2,283
Total non-current assets		50,224	67,933	50,126	67,118
Total assets		82,328	112,927	80,173	110,342
Liabilities					
Current liabilities					
Trade and other payables	14	1,541	1,006	1,395	772
Lease liabilities	15	13,115	12,556	12,409	11,880
Contract liabilities	4(b)	10,768	17,845	10,665	17,826
Employee benefit obligations	16	5,550	5,874	5,550	5,874
Other current liabilities	17	4,828	3,828	4,114	3,597
Total current liabilities		35,802	41,109	34,133	39,949
Non-current liabilities					
Lease liabilities	15	24,867	36,060	23,990	34,849
Provisions	18	4,591	4,510	4,591	4,510
Employee benefit obligations	16	1,420	1,967	1,420	1,967
Total non-current liabilities		30,878	42,537	30,001	41,326
Total liabilities		66,680	83,646	64,134	81,275
Net assets		15,648	29,281	16,039	29,067
Equity					
Reserves	19(a)	(876)	(960)	-	-
Retained surplus	19(b)	16,524	30,241	16,039	29,067
Total equity		15,648	29,281	16,039	29,067

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 2021

	Notes	Reserves	Retained surplus	Total equity
		\$'000	\$'000	\$'000
Consolidated				
Balance at 1 January 2020		(733)	37,552	36,819
Deficit for the year	19(b)	-	(7,311)	(7,311)
Exchange differences on translation of foreign operations	19(a)	(227)	-	(227)
Total comprehensive loss for the year		(227)	(7,311)	(7,538)
Balance at 31 December 2020		(960)	30,241	29,281
Balance at 1 January 2021		(960)	30,241	29,281
Deficit for the year	19(b)	-	(13,717)	(13,717)
Exchange differences on translation of foreign operations	19(a)	84	-	84
Total comprehensive income/(loss) for the year		84	(13,717)	(13,633)
Balance at 31 December 2021		(876)	16,524	15,648
Parent entity				
Balance at 1 January 2020		-	36,393	36,393
Deficit for the year	19(b)	-	(7,326)	(7,326)
Total comprehensive loss for the year		-	(7,326)	(7,326)
Balance at 31 December 2020		-	29,067	29,067
Balance at 1 January 2021		-	29,067	29,067
Deficit for the year	19(b)	-	(13,028)	(13,028)
Total comprehensive loss for the year		-	(13,028)	(13,028)
Balance at 31 December 2021		-	16,039	16,039

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 2021

	Notes	Consolidated entity		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		55,491	67,557	53,573	67,576
Grant income		1,386	9,049	1,386	9,049
Donation paid to the University of Technology Sydney		(167)	-	(167)	-
Payment to suppliers and employees (inclusive of goods and services tax)		(55,119)	(72,339)	(53,489)	(72,409)
		1,591	4,267	1,303	4,216
Net interest received		54	297	44	287
Joint venture partnership distribution received		-	622	-	622
Input tax credit refund from Australian Taxation Office		1,158	1,437	1,158	1,437
Net cash inflow from operating activities	27	2,803	6,623	2,505	6,562
Cash flows from investing activities					
Payments for property, plant and equipment		(292)	(1,223)	(259)	(970)
Payments for intangibles		(1,834)	(1,744)	(1,834)	(1,744)
Capital contribution to subsidiary		-	-	(699)	(1,350)
Proceeds from sale of property, plant and equipment		1	-	1	-
Net cash (outflow) from investing activities		(2,125)	(2,967)	(2,791)	(4,064)
Cash flows from financing activities					
Interest elements of lease payments		(1,683)	(2,133)	(1,536)	(1,922)
Principal elements of lease payments		(11,182)	(10,100)	(10,595)	(9,558)
Net cash (outflow) from financing activities		(12,865)	(12,233)	(12,131)	(11,480)
Net decrease in cash and cash equivalents		(12,187)	(8,577)	(12,417)	(8,982)
Cash and cash equivalents at the beginning of the financial year		37,935	46,423	36,439	45,421
Effects of exchange rate changes on cash and cash equivalents		179	89	-	-
Cash and cash equivalents at the end of the financial year	7	25,927	37,935	24,022	36,439
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.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Insearch Limited ('company' or 'parent entity') as at 31 December 2021 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.

(a) COVID-19 impact

COVID-19, an infectious disease caused by a new virus, was declared a worldwide pandemic by the World Health Organisation (WHO) on 11 March 2020. The measures to slow the spread of COVID-19 have had a significant impact on the results of Insearch Limited, predominantly in relation to international student fee income. In addition, Insearch Limited in response to the pandemic, instigated a number of measures to minimise the risks of COVID-19 on the College'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 2021 statutory accounts.

- **Going concern:** Insearch Limited has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. These measures, implemented since the start of the pandemic, include cost saving initiatives, streamlining our cost base, reducing staff numbers and obtaining a Letter of Support from the University of Technology Sydney to provide full financial support if necessary.
- **Impairment: Receivables:** Insearch Limited has reviewed outstanding receivable balances and assessed likely payment by third parties. We are not expecting a material movement in credit losses relative to prior years.

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.

(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 Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018 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 2021 were authorised for issue in accordance with a resolution of the Directors on 22 March 2022.

(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 Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018 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 2021:

- AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions [AASB 16], and
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139].

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 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:

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- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]
- AASB 2014-10 Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

(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

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 0.01% and 2.50% (2020: 0.10% and 3.00%). Deposits at Call are bearing a floating interest rate at 0.01% and 0.15% (2020: 0.01% and 0.20%). Fixed Term Deposits are bearing interest rates between 0.11% and 0.19% (2020: 0.12% and 0.27%).

(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. The Group only holds financial assets to be measured at amortised cost.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. The capitalisation threshold for all assets is \$1,000. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life 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 0.535% (2020: 0.075%).

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 1.67% (2020: 0.97%).

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
Consolidated	
Financial assets	
2021	
Cash and cash equivalents	25,927
Trade receivables — current ¹	309
Other non-current assets	257
	26,493
2020	
Cash and cash equivalents	37,935
Trade receivables — current ¹	447
Other non-current assets	246
	38,628

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

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	Liabilities at amortised cost \$'000
Consolidated	
Financial liabilities	
2021	
Trade and other payables	1,541
Contract liabilities	10,768
Other current liabilities ¹	4,323
	16,632
2020	
Trade and other payables	1,006
Contract liabilities	17,845
Other current liabilities ¹	3,828
	22,679

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

	Financial assets at amortised cost \$'000
Parent entity	
Financial assets	
2021	
Cash and cash equivalents	24,022
Trade receivables – current ¹	297
Other non-current assets	2,194
	26,513
2020	
Cash and cash equivalents	36,439
Trade receivables – current ¹	444
Other non-current assets	2,283
	39,166

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

	Liabilities at amortised cost \$'000
Parent entity	
Financial liabilities	
2021	
Trade and other payables	1,395
Contract liabilities	10,665
Other current liabilities ¹	4,114
	16,174
2020	
Trade and other payables	772
Contract liabilities	17,826
Other financial liabilities ¹	3,597
	22,195

1. Excluding prepaid student fees and statutory receivables/payables

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(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 2021 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	
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Consolidated				
RMB/AUD exchange rate – increase 10%	-	-	152	157
RMB/AUD exchange rate – decrease 10%	-	-	(152)	(157)
USD/AUD exchange rate – increase 10%	-	-	(1)	(1)
USD/AUD exchange rate – decrease 10%	-	-	1	1
INR/AUD exchange rate – increase 10%	-	-	15	6
INR/AUD exchange rate – decrease 10%	-	-	(15)	(6)
LKR/AUD exchange rate – increase 10%	-	-	51	22
LKR/AUD exchange rate – decrease 10%	-	-	(51)	(22)

(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	
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Consolidated				
Interest rates – increase by 1%	259	379	-	-
Interest rates – decrease by 1%	(259)	(379)	-	-

(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 2021 or 1 January 2021 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 2021 and 31 December 2020 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
Consolidated entity				
31 December 2021				
Expected loss rate	8.65%	100.00%	3.60%	
Gross carrying amount – trade receivables	104	4	222	330
Loss allowance	9	4	8	21
31 December 2020				
Expected loss rate	12.78%	100.00%	18.32%	
Gross carrying amount – trade receivables	267	12	262	541
Loss allowance	34	12	48	94

	Current (less than 90 days past due) \$'000	90–180 days past due \$'000	More than 180 days past due \$'000	Total \$'000
Parent entity				
31 December 2021				
Expected loss rate	9.78%	100.00%	3.60%	
Gross carrying amount – trade receivables	92	4	222	318
Loss allowance	9	4	8	21
31 December 2020				
Expected loss rate	12.88%	100.00%	18.32%	
Gross carrying amount – trade receivables	264	12	262	538
Loss allowance	34	12	48	94

(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.

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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
Consolidated entity – At 31 December 2021						
Lease liabilities	13,357	25,162	2,515	41,034	(3,051)	37,982
Consolidated entity – At 31 December 2020						
Lease liabilities	12,750	34,773	6,495	54,018	(5,402)	48,616
Parent entity – At 31 December 2021						
Lease liabilities	12,623	24,200	2,515	39,338	(2,939)	36,399
Parent entity – At 31 December 2020						
Lease liabilities	12,085	33,244	6,495	51,824	(5,095)	46,729

(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	
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
4. Revenue from contracts with customers				
Revenue from continuing operations				
Fees	59,835	72,424	59,508	72,349

(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
Consolidated 2021			
Timing of revenue recognition: external customers			
At a point in time – Other fees	634	-	634
Over time – Education course fees	58,874	327	59,201
	59,508	327	59,835
Consolidated 2020			
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
	72,349	75	72,424

	Australia \$'000
Parent entity 2021	
Timing of revenue recognition: external customers	
At a point in time – Other fees	634
Over time – Education course fees	58,874
	59,508
Parent entity 2020	
Timing of revenue recognition: external customers	
At a point in time – Other fees	1,029
Over time – Education course fees	71,320
	72,349

	Consolidated entity		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(b) Liabilities related to contracts with customers				
Total prepaid course fees	10,768	17,845	10,665	17,826
5. Other income				
JobKeeper grant income	1,386	9,049	1,386	9,049
Interest	50	235	40	225
Distributions from interest in associate	-	-	124	380
Other	276	30	276	29
Total other income	1,712	9,314	1,826	9,683
6. Expenses				
Expenses from continuing operations				
(a) Employee benefits expenses				
Salaries and wages	29,957	36,199	29,070	35,239
Superannuation	2,674	3,236	2,654	3,212
Payroll tax	1,310	2,198	1,310	2,198
Other	403	1,806	382	1,748
Total employee benefits expenses	34,344	43,439	33,416	42,397
(b) Depreciation and amortisation expense				
Depreciation				
Office equipment	467	508	439	482
Motor vehicles	46	78	46	78
Furniture and fittings	2,648	2,570	2,518	2,485
Computer equipment	833	1,056	770	989
Right-of-use assets	11,572	11,973	10,863	11,272
Total depreciation	15,566	16,185	14,636	15,306
Amortisation				
Curriculum	127	113	127	113
Software	1,664	1,199	1,664	1,199
Total amortisation	1,791	1,312	1,791	1,312
Total depreciation and amortisation expense	17,357	17,497	16,427	16,618

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	Consolidated entity		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(c) Other expenses				
Occupancy	1,455	1,817	1,335	1,490
Security	173	326	152	300
Communications	247	436	97	306
Homestay and welcome	7	84	7	84
Educational expenses	1,328	1,652	1,320	1,646
Scholarships	332	271	332	271
Promotion and channel partner commissions	9,952	13,002	11,923	15,485
Travel	182	241	40	154
Staff appointments	81	137	81	136
IT costs	2,765	2,701	2,758	2,694
Staff wellbeing	444	382	26	25
Sponsorships	3	21	3	20
Audit and accounting fees	331	559	240	406
Legal fees	247	283	245	280
Consultancy	626	1,424	594	1,391
Subscription and membership	272	211	268	207
Printing and stationery	53	57	36	41
Loss or gain on foreign exchange	37	70	37	70
Net losses on disposal of non-current assets	1,849	148	1,849	148
Impairment losses of investments	-	-	793	1,745
Other	769	1,780	603	1,378
Total other expenses	21,153	25,602	22,739	28,277
7. Cash and cash equivalents				
Cash at bank and in hand	6,402	5,654	4,497	4,158
Deposits at call	2,525	13,781	2,525	13,781
Term deposits	17,000	18,500	17,000	18,500
Total cash and cash equivalents	25,927	37,935	24,022	36,439
8. Trade receivables				
Trade receivables	330	541	318	538
Loss allowance (see note 3(b))	(21)	(94)	(21)	(94)
	309	447	297	444

(a) Loss allowance

The current trade receivables of the Group with a nominal value of \$21,226 (2020: \$94,105) 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	94	35	94	35
Increase/(decrease) in loss allowance recognised in profit or loss during the year	5	63	(4)	63
Receivables written off during the year as uncollectable	(78)	(4)	(69)	(4)
At 31 December	21	94	21	94

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.

	2021			2020		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
9. Financial assets at amortised cost						
Consolidated						
Accrued interest	-	-	-	4	-	4
Other receivables	2,554	-	2,554	2,576	-	2,576
	2,554	-	2,554	2,580	-	2,580
Parent						
Accrued interest	-	-	-	4	-	4
Other receivables	2,495	-	2,495	2,405	-	2,405
	2,495	-	2,495	2,409	-	2,409
10. Other assets						
Consolidated						
Prepayments	3,314	-	3,314	4,032	-	4,032
Security deposits	-	257	257	-	246	246
Interest in associate and joint venture	-	-	-	-	-	-
Insearch (Shanghai) Limited	-	-	-	-	-	-
Insearch India LLP	-	-	-	-	-	-
Insearch Global/Insearch Lanka	-	-	-	-	-	-
	3,314	257	3,571	4,032	246	4,278
Parent						
Prepayments	3,233	-	3,233	3,932	-	3,932
Security deposits	-	33	33	-	25	25
Interest in associate and joint venture	-	81	81	-	81	81
Insearch (Shanghai) Limited	-	1,306	1,306	-	1,062	1,062
Insearch India LLP	-	207	207	-	168	168
Insearch Global/Insearch Lanka	-	567	567	-	947	947
	3,233	2,194	5,427	3,932	2,283	6,215
	Consolidated entity		Parent entity			
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000		
11. Investments accounted for using the equity method						
Interest in associated undertaking	-	108	-	-		
Total investments accounted for using the equity method	-	108	-	-		
Share of profits/(losses)						
Associate	(474)	(235)	-	-		

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	Consolidated entity	
	2021 \$'000	2020 \$'000
Carrying amount of investment in associated entity	(505)	108
Share of assets and liabilities		
Current assets	409	665
Non-current assets	1,167	1,459
Total assets	1,576	2,124
Current liabilities	2,046	1,984
Non-current liabilities	35	32
Total liabilities	2,081	2,016
Net (liabilities)/assets	(505)	108
Share of revenue and expenses		
Revenues	1,331	2,066
Expenses	(1,805)	(2,301)
Net profit	(474)	(235)

(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 ¹	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

12. Property, plant and equipment

Consolidated

At 1 January 2020

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)
Net book amount	1,193	139	14,718	2,200	1,187	55,724	75,161

Year ended 31 December 2020

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)
Closing net book amount	1,011	61	13,198	1,777	249	45,047	61,343

At 31 December 2020

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)
Net book amount	1,011	61	13,198	1,777	249	45,047	61,343

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	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets ¹	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021							
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)
Net book amount	1,011	61	13,198	1,777	249	45,047	61,343
Year ended 31 December 2021							
Opening net book amount	1,011	61	13,198	1,777	249	45,047	61,343
Exchange differences	(1)	-	(19)	(10)	-	(48)	(78)
Additions	5	-	7	21	259	530	822
Disposals	-	-	(128)	(2)	-	(1,413)	(1,543)
Transfers	6	-	-	102	(108)	-	-
Depreciation charge	(467)	(46)	(2,648)	(833)	-	(11,572)	(15,566)
Closing net book amount	554	15	10,410	1,055	400	32,544	44,978
At 31 December 2021							
Cost	2,761	304	34,397	6,208	400	64,947	109,017
Accumulated depreciation	(2,207)	(289)	(23,987)	(5,153)	-	(32,403)	(64,039)
Net book amount	554	15	10,410	1,055	400	32,544	44,978
Parent entity							
At 1 January 2020							
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)
Net book amount	1,119	139	14,680	2,022	677	53,017	71,654
Year ended 31 December 2020							
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)
Closing net book amount	939	61	12,628	1,613	249	43,109	58,599
At 31 December 2020							
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)
Net book amount	939	61	12,628	1,613	249	43,109	58,599
At 1 January 2021							
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)
Net book amount	939	61	12,628	1,613	249	43,109	58,599
Year ended 31 December 2021							
Opening net book amount	939	61	12,628	1,613	249	43,109	58,599
Additions	-	-	-	-	259	264	523
Disposals	-	-	(128)	(2)	-	(1,413)	(1,543)
Transfers	6	-	-	102	(108)	-	-
Depreciation charge	(439)	(46)	(2,518)	(770)	-	(10,863)	(14,636)
Closing net book amount	506	15	9,982	943	400	31,097	42,943

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	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets ¹	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2021							
Cost	2,632	304	33,729	5,897	400	62,276	105,238
Accumulated depreciation	(2,126)	(289)	(23,747)	(4,954)	-	(31,179)	(62,295)
Net book amount	506	15	9,982	943	400	31,097	42,943

1. Right-of-use assets relates to teaching and 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 2020

Cost	3,352	13,855	2,892	20,099
Accumulated amortisation and impairment	(3,181)	(11,048)	-	(14,229)
Net book amount	171	2,807	2,892	5,870

Year ended 31 December 2020

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)
Closing net book amount	58	2,204	3,974	6,236

At 31 December 2020

Cost	3,352	8,054	3,974	15,380
Accumulated amortisation and impairment	(3,294)	(5,850)	-	(9,144)
Net book amount	58	2,204	3,974	6,236

Year ended 31 December 2021

Opening net book amount	58	2,204	3,974	6,236
Additions	-	-	1,834	1,834
Disposals	(1,290)	-	-	(1,290)
Transfers	1,359	2,974	(4,333)	-
Amortisation charge	(127)	(1,664)	-	(1,791)
Closing net book amount	-	3,514	1,475	4,989

At 31 December 2021

Cost	3,352	11,027	1,475	15,854
Accumulated amortisation and impairment	(3,352)	(7,513)	-	(10,865)
Net book amount	-	3,514	1,475	4,989

	2021			2020		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
14. Trade and other payables						
Consolidated						
Trade and other payables	1,460	-	1,460	866	-	866
Other creditors	81	-	81	140	-	140
	1,541	-	1,541	1,006	-	1,006
Parent						
Trade and other payables	1,395	-	1,395	772	-	772
Other creditors	-	-	-	-	-	-
	1,395	-	1,395	772	-	772

15. Lease liabilities						
Consolidated						
Lease liabilities	13,115	24,867	37,982	12,556	36,060	48,616
Parent						
Lease liabilities	12,409	23,990	36,399	11,880	34,849	46,729

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest expense (included in finance cost)	1,682	2,133	1,535	1,922
Expense relating to short-term leases (included in occupancy cost)	306	334	251	75

The total cash outflow for leases in 2021, excluding short-term leases, was \$12,864,003 (2020: \$12,233,225) for the Group and \$12,129,535 (2020: \$11,480,433) for the parent entity.

	2021			2020		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
16. Employee benefit obligations						
Consolidated						
Leave obligations — annual leave (a)	2,796	-	2,796	2,758	-	2,758
Leave obligations — long service leave (a)	2,754	1,420	4,174	3,116	1,967	5,083
Total employee benefit obligations	5,550	1,420	6,970	5,874	1,967	7,841
Parent						
Leave obligations — annual leave (a)	2,796	-	2,796	2,758	-	2,758
Leave obligations — long service leave (a)	2,754	1,420	4,174	3,116	1,967	5,083
Total employee benefit obligations	5,550	1,420	6,970	5,874	1,967	7,841

(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).

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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 \$5,550,313 (2020: \$5,873,747) 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current annual leave obligations expected to be settled after 12 months	1,117	834	1,117	834
Current long service leave obligations expected to be settled after 12 months	888	917	888	917
17. Other liabilities				
Current liabilities				
Accrued expenses	2,473	3,589	2,264	3,358
Liabilities in interest in associated undertaking	505	-	-	-
Others	1,850	239	1,850	239
Total other current liabilities	4,828	3,828	4,114	3,597

	2021			2020		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
18. Provisions						
Consolidated						
Make good provision	-	4,591	4,591	-	4,510	4,510
	-	4,591	4,591	-	4,510	4,510
Parent						
Make good provision	-	4,591	4,591	-	4,510	4,510
	-	4,591	4,591	-	4,510	4,510

(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
Consolidated 2021	
Current and non-current	
Carrying amount at start of year	4,510
Charged to the profit or loss	81
Carrying amount at end of year	4,591
Parent entity 2021	
Carrying amount at start of year	4,510
Charged to the profit or loss	81
Carrying amount at end of year	4,591

	Consolidated entity		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
19. Reserves and retained surplus				
(a) Reserves				
Foreign currency translation reserve	(876)	(960)	-	-
Movements				
Foreign currency translation reserve				
Balance 1 January	(960)	(733)	-	-
Currency translation differences arising during the year	84	(227)	-	-
Balance 31 December	(876)	(960)	-	-
(b) Retained surplus				
Movements in retained surplus were as follows:				
Balance 1 January	30,241	37,552	29,067	36,393
Deficit for the year	(13,717)	(7,311)	(13,028)	(7,326)
Balance 31 December	16,524	30,241	16,039	29,067

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 C Earley

Dr A Dwyer

Emeritus Vice-Chancellor RD Milbourne, AO

Mr M Leigh

Mr G Freeland

Ms N Anderson

Mr A Murphy

Professor C Rhodes

(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.

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	Consolidated		Parent entity	
	2021	2020	2021	2020
Remuneration of directors				
\$0 to \$49,999	4	3	4	3
\$50,000 to \$99,999	3	3	3	3
\$100,000 to \$149,999	1	1	1	1
\$150,000 to \$199,999	-	-	-	-
\$200,000 to \$249,999	-	-	-	-
\$250,000 to \$299,999	-	-	-	-
\$300,000 to \$349,999	-	-	-	-
\$350,000 to \$399,999	-	-	-	-
\$400,000 to \$449,999	1	-	1	-
\$450,000 to \$499,999	-	1	-	1
\$500,000+	-	-	-	-
	9	8	9	8

	Consolidated entity		Parent entity	
	2021 \$	2020 \$	2021 \$	2020 \$
Short-term employee benefits	685,522	753,867	685,522	753,867
Post-employment benefits	54,230	52,266	54,230	52,266
	739,752	806,133	739,752	806,133

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 \$167,000 (2020: \$nil), this includes \$167,000 (2020: \$nil) in respect of UTS staff acting as Directors on the Insearch Board.
- Sales of services and fees to the University of Technology Sydney \$54,266 (2020: \$74,645).
- Services rendered by the University of Technology Sydney to Insearch Limited \$2,521,807 (2020: \$1,870,065).
- Consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,728,462 (2020: \$1,944,283).
- Consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,728,462 (2020: \$1,944,283).
- Consulting service income between Insearch India LLP and Insearch Limited \$535,722 (2020: \$805,774).
- Consulting service expense between Insearch Limited and Insearch India LLP \$535,722 (2020: \$805,774).
- Consulting service income between Insearch Education International Pty Ltd and Insearch Limited \$4,000 (2020: \$4,000).
- Consulting service expense between Insearch Limited and Insearch Education International Pty Ltd \$4,000 (2020: \$4,000).

(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	
	2021 \$	2020 \$	2021 \$	2020 \$
Current receivables (sales of goods and services)				
Insearch (Shanghai) Limited	–	–	4,915	4,915
Insearch Lanka (Private) Limited	–	–	214,131	214,131
Current payables (sales of goods and services)				
Insearch India LLP	–	–	11,752	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	
			2021 %	2020 %
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 ¹	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	
	2021 \$	2020 \$	2021 \$	2020 \$
The Audit Office of New South Wales				
(i) Audit and other assurance services				
Audit and review of financial statements	122,500	112,485	90,000	83,885
Total auditors' remuneration	122,500	112,485	90,000	83,885

24. Contingent liabilities

The Group has given bank guarantees in respect of rental leases amounting to \$1,912,008 (2020: \$1,954,387).

25. 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.

26. Events occurring after the reporting period

Except as disclosed in note 1(a), no other matter or circumstance has arisen since 31 December 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.


	Consolidated entity		Parent entity	
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
27. Cash flow information				
Reconciliation of deficit for the year to net cash inflow from operating activities				
Deficit for the year	(13,717)	(7,311)	(13,028)	(7,326)
Depreciation and amortisation	17,357	17,497	16,427	16,618
Impairment losses on investments	-	-	793	1,745
Interest expense classified as financing cash flows	1,683	2,133	1,536	1,922
Net losses on sale of non-current assets	1,849	149	1,849	149
Share of loss of associates	474	235	-	-
Bad debt (reversal)/provisions	5	63	(4)	63
Change in operating assets and liabilities:				
Increase in trade and other receivables	(147)	(1,466)	(365)	(1,355)
Decrease in other operating assets	718	1,268	699	1,301
(Increase)/decrease in other non-current assets	(11)	457	-	-
Increase/(decrease) in trade and other payables	1,964	(1,014)	2,032	(949)
Increase in provisions	81	81	81	81
Decrease in contract liabilities	(7,077)	(4,372)	(7,161)	(4,388)
Decrease in employee benefit obligations	(871)	(373)	(871)	(373)
Increase/(decrease) in other liabilities	495	(724)	517	(926)
Net cash inflow from operating activities	2,803	6,623	2,505	6,562

(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 \$530,000 (2020: \$1,811,000) for the Group and \$264,000 (2020: \$1,364,000) for the parent entity – note 12.

End of audited financial statements



The UTS Annual Report 2021 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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