

# 20

**UTS  
Annual  
Report**

Financial  
statements

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**Financial statements**

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accessUTS Pty Limited<sup>1</sup>

1. At the time of publication, the external audit of accounts for accessUTS Pty Limited was not complete and therefore not available for inclusion in this year's UTS Annual Report. accessUTS is planned for disestablishment in 2023.

# University of Technology Sydney

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# University of Technology Sydney

## Report by the Members of Council

For the year ended 31 December 2022

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 2022 and the auditor's report thereon. All commentary relates to the University (parent) performance unless otherwise noted.

### 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. In spite of the challenges of the global COVID-19 pandemic, the first four years of the implementation of UTS 2027 have led to significant achievements against the goals and targets set out in the plan. The 2022 year saw the continued evolution of new forms of learning including the growth of online learning and enterprise learning alongside a return to on-campus learning for the majority of students. The University has reimagined international education and put in place measures to grow new markets as well as re-establishing existing markets post-COVID. UTS continues to excel in, and expand, its research capabilities in targeted sectors including health, food & agriculture, defence, space and climate. UTS has committed to further invest in the successful Tech Lab facility at Botany as well as engage in the planning for precincts such as Tech Central and Bradfield in Western Sydney.

### Operating Result for 2022

UTS delivered an operating loss of \$53m (2021: an operating surplus of \$122m which included the one-off Education Australia dividend of \$93m, excluding which the result was a surplus of \$29m). The 2022 result was made up of an underlying deficit of \$42m and an \$11m revaluation loss related to UTS' investment in IDP Education Australia Limited (ASX Code IEL) due to movements in the stock market. This result was an improvement on the 2022 budgeted loss of \$85m, primarily reflecting reduced expenditure and staff position vacancies due to the impact of supply constraints and the highly competitive employment market. In addition, as the University executes on its strategy, the financial results have benefited from increases in external research income, online program management and enterprise learning revenues, all of which were above budget.

UTS College which is the University's pathway provider and largest controlled entity, delivered an operating loss of \$19m (2021: \$14m) bringing the consolidated group deficit to \$72m (2021: \$109m group surplus). The UTS College result was in line with budget and reflected the accumulated impact of the pandemic on the student population, transitional expenditure to diversify channels for international students transferring to the UTS Campus, and preparation for growth recovery in 2023-2025.

### Revenue

As expected, UTS saw further reductions in International Student Load with 2022 bearing the cumulative impact of Australian and Chinese borders being closed. The International Equivalent Full-time Students Load (EFTSL) was down 33% on pre-pandemic levels or circa 3,800 EFTSL. This was a better than anticipated outcome, with the University maintaining a strong continuing international cohort on the back of several key initiatives and investments. These investments included the rapid move to remote teaching on UTS' 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 was lower than the previous year, primarily in postgraduate enrolments, reflecting the impact of high levels of employment opportunities across the Australian economy.

### Education Australia / IDP Shareholding

In 2021, UTS benefited from a one-off transaction in relation to its shareholding in IDP Education Australia Limited. Education Australia paid the university a dividend of \$83m in the form of both cash and shares in IDP and at the end of that period, UTS held 1.8m shares in IDP subject to certain escrow restrictions. The fair value of the IDP shares increased a further \$10m as at 31 December 2021. In 2022, UTS executed a sale of approximately half its shareholding generating circa \$27m in cash. Given the reduction in share price during the year, UTS recognised an investment income loss of \$11m, a portion of which was realised upon sale of the shares. UTS subsequently sold the remaining shares in 2023 generating another \$27m in cash.

### Expenditure

Total expenditure on operating activities was \$1.08b (2021: \$1.02b). In 2022 UTS saw students returning to campus and a ramp-up in activities throughout the year following two years of COVID restrictions. UTS was also impacted by inflationary pressures in the second half of the year, which will have an increasingly material impact in 2023 onwards.

# University of Technology Sydney

## Report by the Members of Council (continued)

For the year ended 31 December 2022

### Cash and Capital

UTS finished the year with \$329m in cash and long-term deposits (2021: \$205m), which reflected a continued focus on cash preservation. The proceeds from asset sales netted the university over \$100m in 2022, with the proceeds on the sale of outlying housing settled early in the year and the first tranche of the IDP share sale in December 2022. Capital expenditures continue to be closely managed, however UTS expects this to increase in the coming years as the university invests in and executes on its digital strategy and Campus Masterplan.

### Borrowings

The University's gross total debt in the form of bonds and revolving debt facilities was maintained at \$300m (2021: \$300m). In 2022, the university reduced its available debt facilities to \$475m (\$2021: \$550m).

### Context and Outlook

The global pandemic was forecast to impact UTS' revenue, with a reduction in excess of \$400m 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 in 2020 and 2021 and the completion of studies by continuing students, many of whom continued to study remotely from overseas. In addition to the COVID impact, the university is now experiencing a high inflation and supply-constrained environment, putting significant pressure on salary and operating costs. UTS expects to see operating losses continue in 2023 and 2024, with a return to surplus in 2025. UTS College expects a return to surplus on a slightly earlier timeframe in 2024, reflecting the costs savings made through greater alignment with the University as well as the return of international students. Actions taken since 2020 through asset sales and cash preservation have ensured a robust balance sheet that provides a platform to absorb these losses as well as supporting future growth and investment.



Ms Catherine Livingstone AO

Chancellor  
Sydney

19 April 2023

## University of Technology Sydney

### Statement by accountable authority for the year ended 31 December 2022

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 2022 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 2022 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 inaccurate
5. there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due
6. the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted, and
7. the University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial statements.
8. the University charged the student services and amenities fees strictly in accordance with the *Higher Education Support Act 2003* (HESA) and the administration guidelines made under HESA. Revenue from the fee was spent strictly in accordance with HESA and only on services and amenities specified in subsection 19-38(4) of HESA.



Professor Andrew Parfitt  
Vice-Chancellor



Ms Michelene Collopy  
Chair, Audit and Risk Committee

19 April 2023

# 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 Accountable Authority, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, 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
- present 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).

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

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 2022. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
<b>Fair value assessment of property, plant and equipment</b>	
<p>At 31 December 2022, the University reported \$2.5 billion in property, plant and equipment.</p> <p>In 2022, the University:</p> <ul style="list-style-type: none"> <li>revalued land, buildings and infrastructure assets</li> <li>recorded a net revaluation increment of \$106 million at 31 December 2022.</li> </ul> <p>I considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> <li>significance of property, plant and equipment to the University's financial position</li> <li>extent of significant management judgements underpinning key assumptions used in the valuation process</li> <li>judgement and complexities associated with the application of AASB 13 'Fair Value Measurement'.</li> </ul> <p>Further information on the fair value measurement of property, plant and equipment is included in Note 15 'Property, plant and equipment' and Note 34(g) 'Financial risk management - Fair value measurements'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessed the competence, capability and objectivity of management's independent valuers</li> <li>assessed the accuracy and completeness of assets included in the revaluation</li> <li>assessed the appropriateness of the methodology used and the key assumptions and judgements adopted</li> <li>assessed material changes to useful lives</li> <li>assessed the sufficiency and appropriateness of management's valuation against the requirements of applicable Australian Accounting Standards</li> <li>agreed valuation amounts to the reported financial statement balances</li> <li>assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.</li> </ul>
<b>Valuation of defined benefit superannuation and long service leave liabilities</b>	
<p>At 31 December 2022, the University reported:</p> <ul style="list-style-type: none"> <li>defined benefit superannuation liabilities totalling \$451 million</li> <li>employee long service leave liabilities totalling \$102 million.</li> </ul> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position</li> <li>there is a risk the data used in the defined benefit superannuation and long service leave liability valuation models (the models) is not accurate and/or complete</li> <li>the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involved in the valuation assumptions, including discount rates and salary inflation</li> <li>the value of the liabilities is sensitive to minor changes in key valuation inputs.</li> </ul> <p>Further information on the valuation of defined benefit superannuation and long service leave liabilities is included in Note 19 'Provisions' and Note 25 'Defined benefit plans'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessed the key controls supporting the data used in the models for defined benefit superannuation liabilities and long service leave liabilities</li> <li>assessed the completeness and mathematical accuracy of the data used in the models</li> <li>obtained management's actuarial reports and year-end adjustments, and for defined benefit superannuation liabilities engaged a qualified actuary ('auditor's expert') to assess the: <ul style="list-style-type: none"> <li>competence, capability and objectivity of management's independent experts</li> <li>appropriateness of the models</li> <li>reasonableness of key assumptions used</li> <li>reasonableness of the reported liability balances</li> </ul> </li> <li>assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.</li> </ul>



## Independent auditor's report (continued)

### Other Information

The University's annual report for the year ended 31 December 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The University Council is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Report by Members of the Council.

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

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

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

I have nothing to report in this regard.

### The 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 2022 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.

### 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](http://www.auasb.gov.au/auditors_responsibilities/ar5.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 University carried out its activities effectively, efficiently and economically
- as to the appropriateness of the certifications in the Statement by Members of Council that:
  - the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted
  - the University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in the financial statements
  - the University charged the Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* (HESA) and the Administration Guidelines made under the HESA. Revenue from the fee was spent strictly in accordance with the HESA and only on services and amenities specified in subsection 19-38(4) of the HESA
- 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

26 April 2023  
SYDNEY

# Income statement

for the year ended 31 December 2022

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Revenue and income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2.1	308,251	329,545	308,251	328,159
HELP - Australian Government payments	2.1	263,507	256,560	247,925	240,974
State and Local Government financial assistance					
HECS - HELP - student payments	2.2	7,226	6,836	7,226	6,836
Fees and charges	2.3	377,653	412,332	349,892	377,601
Investment income (net gains/losses)	2.4	(1,108)	96,918	(1,291)	96,867
Royalties, trademarks and licences	2.5	135	66	81	65
Consultancy and contracts	2.6	44,822	38,888	44,822	38,888
Other revenue	2.7	35,548	27,548	35,908	26,417
Other income	2.7	10,909	8,660	11,315	8,754
Share of profit on investments accounted for using the equity method	14	42	-	-	-
<b>Total revenue and income from continuing operations</b>		<b>1,066,837</b>	<b>1,194,969</b>	<b>1,023,981</b>	<b>1,142,177</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	3.1	643,401	634,716	609,230	599,079
Depreciation and amortisation	3.2	140,498	142,176	125,542	124,443
Repairs and maintenance	3.3	16,572	13,705	16,383	13,502
Borrowing costs	4	16,979	19,149	16,028	17,461
Impairment (reversal)/loss on assets	3.4	1	(675)	(104)	(680)
Losses on disposal of assets	5	1,412	2,759	1,527	910
Deferred superannuation expense	3.1	-	100	-	100
Other expenses	3.5	319,402	273,650	307,917	265,408
Share of loss on investments accounted for using the equity method	14	-	190	-	-
<b>Total expenses from continuing operations</b>		<b>1,138,265</b>	<b>1,085,770</b>	<b>1,076,523</b>	<b>1,020,223</b>
<b>Net result before income tax from continuing operations</b>		<b>(71,428)</b>	<b>109,199</b>	<b>(52,542)</b>	<b>121,954</b>
Income tax expense	6	76	82	-	-
<b>Net result from continuing operations (after tax)</b>		<b>(71,504)</b>	<b>109,117</b>	<b>(52,542)</b>	<b>121,954</b>
<b>Net result attributable to members of the University of Technology Sydney</b>		<b>(71,504)</b>	<b>109,117</b>	<b>(52,542)</b>	<b>121,954</b>
Net result attributable to members from:					
continuing operations		(71,504)	109,117	(52,542)	121,954
<b>Total</b>		<b>(71,504)</b>	<b>109,117</b>	<b>(52,542)</b>	<b>121,954</b>

Included in revenue for 2021 is a material one-off dividend in relation to the Education Australia liquidity event. As part of the dividend was paid in the form of shares, there was also an impact to 2022 financial statements, although this was less material than 2021. Refer to revenue notes 2.4 and 2.7 and asset notes 11 and 12 for more information

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

## Statement of comprehensive income

for the year ended 31 December 2022

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Net result after income tax for the period</b>		(71,504)	109,117	(52,542)	121,954
<b>Items that will be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	23(b)	(284)	84	-	-
<b>Total items that will be reclassified to profit or loss</b>		(284)	84	-	-
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation of property, plant and equipment, net of tax	23(b)	106,187	43,605	106,187	43,605
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	23(b)	2,074	(41,254)	2,074	(41,254)
Net actuarial gains/(losses) recognised in respect of defined benefit plans	23(d)	(257)	(17)	(257)	(17)
<b>Total items that will not be reclassified to profit or loss</b>		108,004	2,334	108,004	2,334
<b>Total comprehensive income attributable to members of the University of Technology Sydney</b>		<b>36,216</b>	<b>111,535</b>	<b>55,462</b>	<b>124,288</b>
Total comprehensive income attributable to members from:					
continuing operations		36,216	111,535	55,462	124,288
<b>Total</b>		<b>36,216</b>	<b>111,535</b>	<b>55,462</b>	<b>124,288</b>

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

# Statement of financial position

as at 31 December 2022

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	229,624	233,113	219,024	205,528
Receivables	10	29,007	22,116	29,541	20,241
Contract assets	10	3,361	3,311	3,361	3,311
Other financial assets	11	43,265	83,597	43,265	83,597
Other non-financial assets	12	63,215	56,242	59,660	52,910
Non-current assets classified as held for sale	13	-	85,000	-	85,000
<b>Total current assets</b>		<b>368,472</b>	<b>483,379</b>	<b>354,851</b>	<b>450,587</b>
<b>Non-current assets</b>					
Receivables	10	449,550	552,569	449,550	552,569
Investments accounted for using the equity method	14	5,314	4,764	-	-
Other financial assets	11	128,259	16,211	132,858	20,749
Other non-financial assets	12	1,637	1,125	1,573	1,062
Property, plant and equipment	15	2,465,026	2,426,790	2,443,534	2,380,418
Intangible assets	16	66,086	59,688	62,156	54,705
<b>Total non-current assets</b>		<b>3,115,872</b>	<b>3,061,147</b>	<b>3,089,671</b>	<b>3,009,503</b>
<b>Total assets</b>		<b>3,484,344</b>	<b>3,544,526</b>	<b>3,444,522</b>	<b>3,460,090</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	17	76,907	89,101	75,224	87,471
Borrowings <sup>1</sup>	18	19,042	22,839	11,768	10,006
Provisions	19	123,919	119,576	118,709	114,027
Other financial liabilities	20	7,903	7,229	7,903	7,229
Other liabilities	21	72,262	47,695	69,561	44,535
Contract liabilities	22	77,317	67,890	68,338	57,121
<b>Total current liabilities</b>		<b>377,350</b>	<b>354,330</b>	<b>351,503</b>	<b>320,389</b>
<b>Non-current liabilities</b>					
Trade and other payables	17	7,629	-	7,629	-
Borrowings <sup>1</sup>	18	404,060	423,252	395,654	397,902
Provisions	19	498,210	606,065	492,529	600,054
<b>Total non-current liabilities</b>		<b>909,899</b>	<b>1,029,317</b>	<b>895,812</b>	<b>997,956</b>
<b>Total liabilities</b>		<b>1,287,249</b>	<b>1,383,647</b>	<b>1,247,315</b>	<b>1,318,345</b>
<b>Net assets</b>		<b>2,197,095</b>	<b>2,160,879</b>	<b>2,197,207</b>	<b>2,141,745</b>
<b>Equity</b>					
Reserves	23(a)	1,127,143	1,019,166	1,128,345	1,020,084
Retained earnings	23(d)	1,069,952	1,141,713	1,068,862	1,121,661
<b>Total equity</b>		<b>2,197,095</b>	<b>2,160,879</b>	<b>2,197,207</b>	<b>2,141,745</b>

1. 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 2022

	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>			
<b>Balance at 1 January 2021</b>	<b>1,016,731</b>	<b>1,032,613</b>	<b>2,049,344</b>
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)
<b>Total comprehensive income</b>	<b>2,435</b>	<b>109,100</b>	<b>111,535</b>
<b>Balance at 31 December 2021</b>	<b>1,019,166</b>	<b>1,141,713</b>	<b>2,160,879</b>
<b>Balance at 1 January 2022</b>	<b>1,019,166</b>	<b>1,141,713</b>	<b>2,160,879</b>
Net result after income tax	-	(71,504)	(71,504)
Exchange differences on translation of foreign operations	(284)	-	(284)
Gain/(loss) on financial assets at fair value through OCI	2,074	-	2,074
Gain/(loss) on revaluation of property, plant and equipment	106,187	-	106,187
Net actuarial gains/(losses) recognised in respect of defined benefit plans	-	(257)	(257)
<b>Total comprehensive income</b>	<b>107,977</b>	<b>(71,761)</b>	<b>36,216</b>
<b>Balance at 31 December 2022</b>	<b>1,127,143</b>	<b>1,069,952</b>	<b>2,197,095</b>
<b>Parent</b>			
<b>Balance at 1 January 2021</b>	<b>1,017,733</b>	<b>999,724</b>	<b>2,017,457</b>
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)
<b>Total comprehensive income</b>	<b>2,351</b>	<b>121,937</b>	<b>124,288</b>
<b>Balance at 31 December 2021</b>	<b>1,020,084</b>	<b>1,121,661</b>	<b>2,141,745</b>
<b>Balance at 1 January 2022</b>	<b>1,020,084</b>	<b>1,121,661</b>	<b>2,141,745</b>
Net result after income tax	-	(52,542)	(52,542)
Gain/(loss) on financial assets at fair value through OCI	2,074	-	2,074
Gain/(loss) on revaluation of property, plant and equipment	106,187	-	106,187
Net actuarial gains/(losses) recognised in respect of defined benefit plans	-	(257)	(257)
<b>Total comprehensive income</b>	<b>108,261</b>	<b>(52,799)</b>	<b>55,462</b>
<b>Balance at 31 December 2022</b>	<b>1,128,345</b>	<b>1,068,862</b>	<b>2,197,207</b>

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

# Statement of cash flows

for the year ended 31 December 2022

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants		576,546	599,755	561,322	582,783
OS-Help (net)	33.7	(11,407)	10	(11,407)	10
State government grants received	2.2	16,720	6,029	16,720	6,029
Local government grants received	2.2	506	807	506	807
HECS-HELP – student payments		19,852	17,616	19,852	17,616
Receipts from student fees and other customers		521,283	505,006	484,840	464,771
Dividends received		494	5,260	494	5,260
Interest received		9,159	765	8,686	710
Payments to suppliers and employees (inclusive of goods and services tax)		(1,021,330)	(925,698)	(965,858)	(871,768)
Interest and other costs of finance		(17,387)	(17,745)	(16,436)	(16,140)
Short-term lease payments		(467)	(605)	(245)	(299)
Lease payments for leases of low-value assets		(1,402)	(1,744)	(1,402)	(1,744)
<b>Net cash provided by/(used in) operating activities</b>	<b>32</b>	<b>92,567</b>	<b>189,456</b>	<b>97,072</b>	<b>188,035</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment, intangible assets and other long-term assets	5	84,307	10,095	84,141	10,095
Proceeds from sale of financial assets		28,258	12,679	28,258	12,678
Payments for financial assets		(110,120)	(390)	(110,120)	(390)
Payments for property, plant and equipment, intangible assets and other long-term assets		(76,885)	(54,089)	(75,842)	(51,130)
<b>Net cash provided by/(used in) investing activities</b>		<b>(74,440)</b>	<b>(31,705)</b>	<b>(73,563)</b>	<b>(28,747)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		-	(40,000)	-	(40,000)
Repayment of leases		(21,423)	(22,162)	(10,013)	(10,815)
<b>Net cash provided by/(used in) financing activities</b>		<b>(21,423)</b>	<b>(62,162)</b>	<b>(10,013)</b>	<b>(50,815)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,296)</b>	<b>95,589</b>	<b>13,496</b>	<b>108,473</b>
Cash and cash equivalents at the beginning of the financial year		233,113	137,346	205,528	97,055
Effect of exchange rate changes on cash and cash equivalents		(193)	178	-	-
<b>Cash and cash equivalents at end of the financial year</b>	<b>9</b>	<b>229,624</b>	<b>233,113</b>	<b>219,024</b>	<b>205,528</b>
<b>Financing arrangements</b>	<b>18(b)</b>				
<b>Non-cash financing and investing activities</b>	<b>15</b>	<b>9,661</b>	<b>8,702</b>	<b>9,346</b>	<b>8,056</b>

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 19 April 2023.

### (a) COVID-19 disclosures

COVID-19, an infectious disease caused by a new virus, was declared a world-wide 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 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 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 2022 statutory accounts.

- **Going concern:** The University has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. Those measures included, in 2020, the obtaining of an additional \$100m revolving debt facility and successfully implementing a voluntary separation program for staff which has reduced future employee benefit costs for the University. In 2022, the University has further strengthened its liquidity through asset sales including the Education Australia / IDP transaction. As the University has built significant cash reserves, the debt facilities have since been reviewed and reduced by \$75m.
- **Land and buildings:** The University has obtained an updated valuation from Marsh Valuation Services in December 2022 for its land, buildings and infrastructure which has indicated no impairment on the total property portfolio, compared to the previous year.
- **Revenue:** The major impact to the University's revenue stream was international student fees with 2022 bearing the cumulative impact of Australian borders being closed. International students, in Equivalent Full-Time Student Load (EFTSL) terms, were down 33% on pre-pandemic levels. Student housing and commercial rents were also impacted but have since recovered through 2022. International student numbers are expected to return to pre-pandemic levels by 2025.
- **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 2022 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, certain classes of plant and equipment and leave entitlements.

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

Investments in non-listed entities have been valued by using either the net asset method, capitalisation of earnings or deprival method.

Annual Leave and Long Service Leave provisions have been valued based on actuarial 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 current management expectations from ongoing Enterprise Bargaining negotiations. 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 where required under legislation.

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 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 9 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 \$5,000 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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**for the year ended 31 December 2022**

**(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 (AASB 138), 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 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 2022 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 \$175 million in revolving debt facilities of which Nil is drawn as at 31 December 2022.

**(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 finance leases are included in the definition of borrowing costs.

**(w) Provisions**

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

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

**(x) Employee benefits**

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

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

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

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

The University in 2022 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.

**(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**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

**(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 2022 year.

**(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)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>(a) Commonwealth Grant Scheme and other grants</b>	33.1				
Commonwealth Grant Scheme <sup>1</sup>		219,260	231,989	219,260	231,989
Indigenous Student Success Program		1,771	1,658	1,771	1,658
Access and Participation Fund		2,900	3,385	2,900	3,385
Disability Performance Funding		261	263	261	263
Tertiary Access Payment		-	25	-	25
Advanced Apprenticeships Pilot		197	102	197	102
Strategic University Reform Fund		289	1	289	1
National Priorities and Industry Linkage Fund		8,829	7,000	8,829	7,000
<b>Total Commonwealth Grant Scheme and other grants</b>		<b>233,507</b>	<b>244,423</b>	<b>233,507</b>	<b>244,423</b>
<b>(b) Higher education loan programs (HELP)</b>	33.2				
HECS-HELP		183,823	176,629	183,823	176,629
FEE-HELP		75,975	76,063	60,393	60,477
SA-HELP		3,709	3,868	3,709	3,868
<b>Total higher education loan programs</b>		<b>263,507</b>	<b>256,560</b>	<b>247,925</b>	<b>240,974</b>
<b>(c) Education research</b>	33.5				
Research Training Program <sup>2</sup>		25,974	20,196	25,974	20,196
Research Support Program <sup>3</sup>		16,601	34,009	16,601	34,009
<b>Total education research grants</b>		<b>42,575</b>	<b>54,205</b>	<b>42,575</b>	<b>54,205</b>
<b>(d) Australian Research Council</b>	33.3				
Discovery		12,233	9,999	12,233	9,999
Linkages		2,402	2,211	2,402	2,211
Networks and centres		1,022	488	1,022	488
<b>Total ARC</b>		<b>15,657</b>	<b>12,698</b>	<b>15,657</b>	<b>12,698</b>
<b>(e) Other capital funding</b>	33.4				
Linkage Infrastructure, Equipment and Facilities grant		276	81	276	81
<b>Total other capital funding</b>		<b>276</b>	<b>81</b>	<b>276</b>	<b>81</b>

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

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

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

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2022**

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>(f) Other Australian Government financial assistance</b>					
<b>Non-capital</b>					
Other Australian Government financial assistance		16,236	18,138	16,236	16,752
<b>Total non-capital Other Australian Government financial assistance</b>		<b>16,236</b>	<b>18,138</b>	<b>16,236</b>	<b>16,752</b>
<b>Total Australian Government financial assistance</b>		<b>571,758</b>	<b>586,105</b>	<b>556,176</b>	<b>569,133</b>
<b>Australian Government financial assistance including Australian Government loan programs</b>					
<b>Reconciliation</b>					
Australian Government grants (a+c+d+e+f)		308,251	329,545	308,251	328,159
Higher education loan programs (b)		263,507	256,560	247,925	240,974
<b>Total Australian Government financial assistance</b>		<b>571,758</b>	<b>586,105</b>	<b>556,176</b>	<b>569,133</b>
<b>2.2 State and local government financial assistance</b>					
<b>Non-capital</b>					
New South Wales State Government		6,241	5,796	6,241	5,796
Other state governments		221	233	221	233
Local government		506	807	506	807
<b>Total non-capital</b>		<b>6,968</b>	<b>6,836</b>	<b>6,968</b>	<b>6,836</b>
<b>Capital</b>					
New South Wales State Government		258	-	258	-
<b>Total capital</b>		<b>258</b>	<b>-</b>	<b>258</b>	<b>-</b>
<b>Total state and local government financial assistance</b>		<b>7,226</b>	<b>6,836</b>	<b>7,226</b>	<b>6,836</b>
<b>2.3 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		337,513	370,797	310,472	336,149
Fee-paying offshore overseas students		4,741	4,749	4,741	4,749
Continuing education		7,805	5,605	7,805	5,605
Fee-paying domestic postgraduate students		10,885	13,872	10,885	13,872
Fee-paying domestic undergraduate students		741	691	741	691
Other domestic course fees and charges		7,470	7,952	7,153	7,952
<b>Total course fees and charges</b>		<b>369,155</b>	<b>403,666</b>	<b>341,797</b>	<b>369,018</b>
<b>Other non-course fees and charges</b>					
Library charges		993	1,180	993	1,180
Student accommodation charges		201	12	-	-
Student services and amenities fee from students	33.9	6,173	6,387	6,173	6,387
Medical fees		925	935	925	935
English testing centre		-	81	-	81
Other fees and charges		206	71	4	-
<b>Total other non-course fees and charges</b>		<b>8,498</b>	<b>8,666</b>	<b>8,095</b>	<b>8,583</b>
<b>Total fees and charges</b>		<b>377,653</b>	<b>412,332</b>	<b>349,892</b>	<b>377,601</b>



	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>2.4 Investment income (net gains/losses)</b>					
Interest					
Debt instruments at fair value through profit or loss		7,004	781	6,821	730
Dividends					
Equity instruments designated at fair value through through profit or loss		494	83,377	494	83,377
<b>Total interest and dividends</b>		<b>7,498</b>	<b>84,158</b>	<b>7,315</b>	<b>84,107</b>
<b>Net fair value gains/losses</b>					
Gain/(loss) on financial assets designated at fair value through profit or loss					
IDP shares		(6,844)	10,346	(6,844)	10,346
Managed funds		(1,762)	2,414	(1,762)	2,414
<b>Total net fair value gains/(losses)</b>		<b>(8,606)</b>	<b>12,760</b>	<b>(8,606)</b>	<b>12,760</b>
<b>Total investment income (net gains/losses)</b>		<b>(1,108)</b>	<b>96,918</b>	<b>(1,291)</b>	<b>96,867</b>
<b>2.5 Royalties, trademarks and licences</b>					
Royalties, trademarks and licences		135	66	81	65
<b>2.6 Consultancy and contracts</b>					
Contract research		41,733	34,693	41,733	34,693
Consultancy		3,089	4,195	3,089	4,195
<b>Total consultancy and contracts</b>		<b>44,822</b>	<b>38,888</b>	<b>44,822</b>	<b>38,888</b>
<b>2.7 Other revenue and income</b>					
<b>Other revenue</b>					
Contribution from Insearch Limited		-	-	713	276
Donations and bequests		17,595	10,668	17,595	10,668
Foreign exchange gain (net) (note (a))		(14)	51	(14)	51
Non-government grants		7,520	6,850	7,520	6,850
Scholarships and prizes		2,402	2,883	2,402	2,883
Services		1,012	1,075	1,012	1,075
Sponsorships		1,735	1,698	1,735	1,698
Other		5,298	4,323	4,945	2,916
<b>Total other revenue</b>		<b>35,548</b>	<b>27,548</b>	<b>35,908</b>	<b>26,417</b>
<b>Other income</b>					
Hire and rental		12,680	6,566	13,086	6,660
Profit/(loss) on sale of IDP shares		(4,255)	-	(4,255)	-
Contributions for salary from other entities		1,885	1,991	1,885	1,991
Sale of goods		599	103	599	103
<b>Total other income</b>		<b>10,909</b>	<b>8,660</b>	<b>11,315</b>	<b>8,754</b>
<b>Total other revenue and income</b>		<b>46,457</b>	<b>36,208</b>	<b>47,223</b>	<b>35,171</b>
<b>(a) Net foreign exchange gain/(loss)</b>					
Net foreign exchange gain/(loss) included in other income for the year		(14)	51	(14)	51
Net foreign exchange gain/(loss) recognised in operating result before income tax for the year (as either other revenue or expense)		(14)	51	(14)	51

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2022**

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>2.8 Reconciliation revenue and income</b>					
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	571,758	586,105	556,176	569,133
Total state and local government financial assistance	2.2	7,226	6,836	7,226	6,836
Total HECS-HELP – Student payments		19,852	17,616	19,852	17,616
Total fees and charges	2.3	377,653	412,332	349,892	377,601
Total investment income (net gains/losses)	2.4	(1,108)	96,918	(1,291)	96,867
Total royalties, trademarks and licences	2.5	135	66	81	65
Total consultancy and contracts	2.6	44,822	38,888	44,822	38,888
Total other revenue and income	2.7	46,457	36,208	47,223	35,171
Share of profit on investments accounted for using the equity method	14	42	-	-	-
<b>Total</b>		<b>1,066,837</b>	<b>1,194,969</b>	<b>1,023,981</b>	<b>1,142,177</b>
<b>3. Expenses from continuing operations</b>					
<b>3.1 Employee related expenses</b>					
<b>Academic</b>					
Salaries		241,716	251,703	231,446	238,644
Contributions to superannuation and pension schemes					
Contributions to funded schemes		40,246	39,517	38,753	38,022
Payroll tax		14,912	14,601	14,375	14,052
Workers' compensation		927	467	880	336
Long service leave expense		3,322	3,498	3,785	4,310
Annual leave		17,163	16,955	16,977	16,965
<b>Total academic</b>		<b>318,286</b>	<b>326,741</b>	<b>306,216</b>	<b>312,329</b>
<b>Non-academic</b>					
Salaries		251,214	237,059	232,701	219,524
Contributions to superannuation and pension schemes					
Contributions to funded schemes		38,809	34,901	37,051	33,269
Payroll tax		14,788	13,215	13,730	12,205
Workers' compensation		957	489	871	292
Long service leave expense		560	4,436	939	4,532
Annual leave		18,787	17,875	17,722	16,928
<b>Total non-academic</b>		<b>325,115</b>	<b>307,975</b>	<b>303,014</b>	<b>286,750</b>
<b>Total employee related expenses</b>		<b>643,401</b>	<b>634,716</b>	<b>609,230</b>	<b>599,079</b>
Deferred superannuation expense	25	-	100	-	100
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>		<b>643,401</b>	<b>634,816</b>	<b>609,230</b>	<b>599,179</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>3.2 Depreciation and amortisation</b>					
<b>Depreciation property, plant and equipment</b>					
Buildings		34,082	34,071	34,082	34,071
Infrastructure		29,469	28,244	29,469	28,244
Right-of-use assets		22,758	24,830	12,817	13,091
Equipment		31,998	33,500	28,695	29,546
Library collection		874	1,086	874	1,086
Motor vehicles		81	113	49	67
<b>Total depreciation property, plant and equipment</b>		<b>119,262</b>	<b>121,844</b>	<b>105,986</b>	<b>106,105</b>
<b>Amortisation property, plant and equipment</b>					
Leasehold improvements		5,838	5,701	5,534	5,498
<b>Total amortisation property, plant and equipment</b>		<b>5,838</b>	<b>5,701</b>	<b>5,534</b>	<b>5,498</b>
<b>Total depreciation and amortisation property, plant and equipment</b>		<b>125,100</b>	<b>127,545</b>	<b>111,520</b>	<b>111,603</b>
<b>Amortisation intangibles</b>					
Software		13,725	13,239	12,376	11,575
Licences perpetual		1,646	1,265	1,646	1,265
Patents and trademarks		27	127	-	-
<b>Total amortisation intangibles</b>		<b>15,398</b>	<b>14,631</b>	<b>14,022</b>	<b>12,840</b>
<b>Total depreciation and amortisation</b>		<b>140,498</b>	<b>142,176</b>	<b>125,542</b>	<b>124,443</b>
<b>3.3 Repairs and maintenance</b>					
Buildings		12,895	10,823	12,895	10,823
Plant and equipment		3,677	2,882	3,488	2,679
<b>Total repairs and maintenance</b>		<b>16,572</b>	<b>13,705</b>	<b>16,383</b>	<b>13,502</b>
<b>3.4 Impairment of assets</b>					
Bad debts		362	256	361	256
Increase/(decrease) in provision for doubtful debts		(361)	(931)	(465)	(936)
<b>Total impairment (reversal)/loss of assets</b>		<b>1</b>	<b>(675)</b>	<b>(104)</b>	<b>(680)</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>3.5 Other expenses</b>					
Advertising, marketing and promotional expenses		13,269	9,490	9,498	6,283
Building rent and rates		3,586	3,168	2,512	2,346
Cleaning		12,599	11,493	12,248	11,212
Consultancy		24,957	21,661	24,464	20,960
Contributions other		11,946	9,354	13,629	10,666
Contributions research		15,811	17,847	15,811	17,847
Entertainment		3,062	1,209	2,997	1,187
Fees and subscriptions		48,678	46,203	48,121	46,711
Heating and lighting		9,024	8,198	8,785	7,960
Insurance		4,871	4,177	4,520	3,954
Laboratory supplies		6,341	5,954	6,341	5,954
Software maintenance		28,142	24,236	25,251	21,515
Minimum lease payments on operating lease rental expenses		2,089	2,261	2,089	2,261
Non-capitalised equipment		7,520	5,949	7,520	5,949
Other expenses		11,423	8,994	11,364	9,770
Postage		129	171	109	140
Printing		460	317	415	264
Scholarships, grants and prizes		41,198	37,590	40,794	37,210
Security contract staff		6,235	6,110	5,913	5,937
Stationery		957	563	957	563
Telecommunications		3,205	2,864	2,935	2,642
Travel and related staff development and training		14,740	4,436	14,090	3,925
Tuition fees		49,160	41,405	47,554	40,152
<b>Total other expenses</b>		<b>319,402</b>	<b>273,650</b>	<b>307,917</b>	<b>265,408</b>
<b>4. Borrowing costs</b>					
Interest expense on financial liabilities at amortised cost		12,205	13,579	12,205	13,577
Interest expense on lease liabilities		4,774	5,570	3,823	3,884
		16,979	19,149	16,028	17,461
Less: amount capitalised		-	-	-	-
<b>Total borrowing costs expensed</b>		<b>16,979</b>	<b>19,149</b>	<b>16,028</b>	<b>17,461</b>
<b>5. Sales of assets</b>					
<b>Proceeds from sale</b>					
Property, plant and equipment		84,307	10,095	84,141	10,095
<b>Less carrying amount of assets sold</b>					
Property, plant and equipment		85,719	12,854	85,668	11,005
Total carrying amount of assets		85,719	12,854	85,668	11,005
<b>Net gain or (loss) on sale of assets</b>		<b>(1,412)</b>	<b>(2,759)</b>	<b>(1,527)</b>	<b>(910)</b>
<b>6. Income tax</b>					
The income tax expense includes tax liabilities for overseas entities in China.		76	82	-	-

## 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 Antony Riordan (commenced November 2022)
Professor Andrew Parfitt	Professor Prabhu Sivabalan (commenced November 2022)
Professor Anthony Dooley	Professor Isabella Alexander (commenced November 2022)
Dr John Laker AO	Mr Kurt Cheng (commenced November 2022)
Dr Jack Steele	Mr Peter Munford
Ms Dianne Hill	Mr Tony Tobin (ended October 2022)
Dr Lisa O'Brien	Mr Peter Bennett (ended October 2022)
Mr Patrick Tooth	Professor Anita Stuhmcke (ended October 2022)
Ms Kim McKay AO (commenced March 2022)	Mr Juneyt Cihan (ended October 2022)
Mr Richard Howes (commenced March 2022)	Distinguished Professor Larissa Behrendt AO (ended October 2022)

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

#### Insearch Limited

Mr Mark Leigh	Emeritus Professor Ross Milbourne AO
Ms Anne Dwyer	Mr Alex Murphy
Ms Nell Anderson	Mr G Freeland
Mr Iain Watt	Professor Carl Rhodes

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Mr Patrick Woods (ended April 2022)	Mr Glen Babington (commenced April 2022)
Mr Nicholas William Glover (ended August 2022)	Mr Glenn Wightwick (commenced August 2022)
Ms Taia Rowe	

#### UTS Global Pty Limited

Mr Patrick Woods (ended April 2022)	Mr Glen Babington (commenced April 2022)
Mr Iain Watt	Mr Glenn Wightwick (commenced April 2022)
Professor Debra Anderson (commenced April 2022)	Professor Paul Chris Earley (ended April 2022)

### (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 Andrew Parfitt	Professor Glenn Wightwick
Professor Lesley Hitchens	Professor Vicki Chen (commenced November 2022)
Mr Glen Babington	Professor Kylie Readman (commenced November 2022)
Mr Iain Watt	Professor Shirley Alexander (ended July 2022)
Professor Kate McGrath	

#### Insearch Limited

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

#### accessUTS Pty Limited

Mr Patrick Woods (ended April 2022)	Mr Glen Babington (commenced April 2022)
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**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2022**

	Economic entity (Consolidated)		Parent entity (University)	
	2022	2021	2022	2021
<b>(c) Remuneration of board members and executives</b>				
The university's responsible persons do not receive any remuneration in respect of their work as members of Council. Members of the Board of Insearch Ltd are remunerated.				
<b>Remuneration of board members</b>				
\$60,000 to \$69,999	1	2	-	-
\$70,000 to \$79,999	2	1	-	-
\$100,000 to \$109,999	1	1	-	-
	4	4	-	-
<b>Remuneration of executive officers</b>				
\$280,000 to \$289,999	-	1	-	-
\$290,000 to \$299,999	1	-	-	-
\$310,000 to \$319,999	-	1	-	-
\$320,000 to \$329,999	-	1	-	-
\$330,000 to \$339,999	2	-	-	-
\$350,000 to \$359,999	-	1	-	-
\$370,000 to \$379,999	1	-	-	-
\$400,000 to \$409,999	1	-	1	-
\$420,000 to \$429,999	-	2	-	-
\$430,000 to \$439,999	-	2	-	-
\$450,000 to \$459,999	2	-	-	-
\$460,000 to \$469,999	-	1	-	1
\$470,000 to \$479,999	-	2	-	2
\$480,000 to \$489,999	-	1	-	1
\$500,000 to \$509,999	-	1	-	1
\$540,000 to \$549,999	2	-	2	-
\$550,000 to \$559,999	1	1	1	1
\$560,000 to \$569,999	1	-	1	-
\$580,000 to \$589,999	1	-	1	-
\$740,000 to \$749,999	-	1	-	1
\$930,000 to \$939,999	1	-	1	-
\$1,070,000 to \$1,079,999	-	1	-	1
	13	16	7	8
<b>Key management personnel compensation</b>				
Short-term employee benefits	6,368,106	6,897,200	4,115,106	4,770,200
	6,368,106	6,897,200	4,115,106	4,770,200
	Economic entity (Consolidated)		Parent entity (University)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>8. Remuneration of auditors</b>				
<b>Audit the Financial Statements</b>				
Fees paid to Audit Office of New South Wales	584	537	402	375
<b>Total paid for audit</b>	<b>584</b>	<b>537</b>	<b>402</b>	<b>375</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Other services</b>					
Fees paid to non-audit firms for audit and review of financial statements		59	61	36	35
<b>Total paid for non-audit services</b>		<b>59</b>	<b>61</b>	<b>36</b>	<b>35</b>
<b>Total remuneration for audit services</b>		<b>643</b>	<b>598</b>	<b>438</b>	<b>410</b>
<b>9. Cash and cash equivalents</b>					
Cash at bank and on hand		6,096	8,550	533	490
Short-term deposits at call		73,147	157,563	68,491	155,038
Fixed-term deposits		150,381	67,000	150,000	50,000
<b>Total cash and cash equivalents</b>		<b>229,624</b>	<b>233,113</b>	<b>219,024</b>	<b>205,528</b>
<b>(a) Reconciliation to cash at the end of the year</b>					
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:					
balances as above		229,624	233,113	219,024	205,528
<b>Balance as per statement of cash flows</b>		<b>229,624</b>	<b>233,113</b>	<b>219,024</b>	<b>205,528</b>
<b>(b) Cash at bank and on hand</b>					
Cash at bank are interest bearing with interest rates ranging between 0.01% and 3.00% (2021: 0% and 2.50%). Cash on hand are non-interest bearing.					
<b>(c) Short-term deposits at call and term deposits</b>					
The deposits at call are bearing floating interest rates between 2.85% and 3.35% (2021: 0.01% and 0.30%). Term deposits are interest bearing with rates ranging between 3.46% and 18%. Term deposits are able to be recalled by providing 31 days' notice.					
<b>10. Receivables and contract assets</b>					
<b>Current</b>					
Trade debtors – other		25,176	19,886	22,931	17,657
less: provision for impaired receivables		(551)	(785)	(552)	(786)
		24,625	19,101	22,379	16,871
Trade debtors – student		5,453	4,262	5,175	3,857
less: provision for impaired receivables		(1,244)	(1,400)	(1,148)	(1,379)
		4,209	2,862	4,027	2,478
		28,834	21,963	26,406	19,349
Amounts receivable from wholly owned subsidiaries					
Insearch Limited		-	-	2,962	452
accessUTS Pty Limited		-	-	-	287
Amounts receivable from related entities					
Sydney Educational Broadcasting Limited		173	153	173	153
<b>Total current receivables</b>		<b>29,007</b>	<b>22,116</b>	<b>29,541</b>	<b>20,241</b>
<b>Contract assets</b>					
Contract expenditures for partially completed contracts with customers		3,361	3,311	3,361	3,311
<b>Total current contract assets</b>		<b>3,361</b>	<b>3,311</b>	<b>3,361</b>	<b>3,311</b>
<b>Non-current</b>					
Deferred government contribution for superannuation		449,550	552,569	449,550	552,569
<b>Total non-current receivables</b>		<b>449,550</b>	<b>552,569</b>	<b>449,550</b>	<b>552,569</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
As at 31 December 2022, the parent entity has total contract assets of \$3,361,000 (2021: \$3,311,000) which is net of an allowance for expected credit losses of \$0 (2021: \$0)					
<b>Total receivables and contract assets</b>		<b>481,918</b>	<b>577,996</b>	<b>482,452</b>	<b>576,121</b>
Set out below is the movement in the allowance for expected credit losses of receivables:					
At 1 January		2,185	3,195	2,165	3,101
Increase/(decrease) in provision for expected credit losses		1	(676)	(104)	(680)
Write off		(391)	(334)	(361)	(256)
At 31 December		1,795	2,185	1,700	2,165
The information about the credit exposure is disclosed in note 34.					
<b>11. Other financial assets</b>					
<b>Current</b>					
<b>Other financial assets at fair value through profit and loss</b>					
Managed funds – New South Wales Treasury Corporation	34(d)	-	20,147	-	20,147
Managed funds - Australian Ethical Limited	34(d)	18,364	-	18,364	-
Listed shares (IDP) - Other financial assets	34(d)	24,901	63,450	24,901	63,450
<b>Total current other financial assets at fair value through profit or loss</b>		<b>43,265</b>	<b>83,597</b>	<b>43,265</b>	<b>83,597</b>
<b>Total current other financial assets</b>		<b>43,265</b>	<b>83,597</b>	<b>43,265</b>	<b>83,597</b>
<b>Non-current</b>					
<b>Other financial assets at fair value through profit and loss</b>					
Fixed term deposits - non current	34(d)	110,000	-	110,000	-
<b>Total current other financial assets at fair value through profit or loss</b>		<b>110,000</b>	<b>-</b>	<b>110,000</b>	<b>-</b>
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>					
Unlisted shares		17,389	15,399	17,389	15,399
<b>Total investments in equity instruments designated at fair value through other comprehensive income</b>		<b>17,389</b>	<b>15,399</b>	<b>17,389</b>	<b>15,399</b>
<b>Other financial assets at amortised cost</b>					
Shares in subsidiaries		-	-	1,785	1,785
Shares in other entities		674	555	674	555
Interest in joint venture partnerships and investment in associates		-	-	3,010	3,010
Other unlisted securities – security deposits		196	257	-	-
<b>Total non-current other financial assets at cost</b>		<b>870</b>	<b>812</b>	<b>5,469</b>	<b>5,350</b>
<b>Total non-current other financial assets</b>		<b>128,259</b>	<b>16,211</b>	<b>132,858</b>	<b>20,749</b>

Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement.

The information about the credit exposure is disclosed in note 34.



	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>12. Other non-financial assets</b>					
<b>Current</b>					
Accrued income - Franking credits		22,759	26,676	22,759	26,676
Accrued income - Other		6,304	5,153	6,304	5,153
Prepayments		34,152	24,413	30,597	21,081
<b>Total current other non-financial assets</b>		<b>63,215</b>	<b>56,242</b>	<b>59,660</b>	<b>52,910</b>
<b>Non-current</b>					
Prepayments		1,573	1,062	1,573	1,062
Prepaid rent		64	63	-	-
<b>Total non-current other non-financial assets</b>		<b>1,637</b>	<b>1,125</b>	<b>1,573</b>	<b>1,062</b>
<b>Total other non-financial assets</b>		<b>64,852</b>	<b>57,367</b>	<b>61,233</b>	<b>53,972</b>
<p>The University recognised a receivable of \$22.76M that has been outstanding since 2021 relating to the expected receipt of franking credits arising from the in-specie distribution of IDP shares by Education Australia Limited in that year.</p> <p>The ATO has advised that it considers the University is not eligible to make the claim and has provided the University with a formal position paper. The University is considering this and will respond accordingly. The University believes its claim for refundable franking credits is valid and recoverable from the ATO.</p>					
<b>13. Non-current assets classified as held for sale</b>					
Land		-	38,265	-	38,265
Buildings		-	46,735	-	46,735
<b>Total non-current assets classified as held for sale</b>		<b>-</b>	<b>85,000</b>	<b>-</b>	<b>85,000</b>
<b>14. Investments accounted for using the equity method</b>					
Investments in associates		2,820	2,582	-	-
Investments in joint ventures		2,494	2,182	-	-
<b>Total investments accounted for using the equity method</b>		<b>5,314</b>	<b>4,764</b>	<b>-</b>	<b>-</b>
<b>(a) Reconciliation</b>					
Balance at 1 January		4,764	5,092	-	-
Share of profit/(loss) for the year		42	(190)	-	-
Foreign currency translation		508	(138)	-	-
<b>Balance at 31 December</b>		<b>5,314</b>	<b>4,764</b>	<b>-</b>	<b>-</b>

- Cicada Innovations Pty Ltd (formally Australian Technology Park Innovation Proprietary Limited (ATPI)) has a reporting date of 30 June 2022. The University has relied on the statutory accounts to the 30 June 2022 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 2022. The University has relied on the statutory accounts to the 30 June 2022 for Sabre Autonomous Solutions Pty Ltd.

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

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

	Economic entity (Consolidated)		Parent entity (University)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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	42	(190)	-	-
Profit/(loss) from continuing operations after income tax	42	(190)	-	-
Total comprehensive income	42	(190)	-	-
Total share of profit or loss on investments accounted for using the equity method	42	(190)	-	-

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

No material losses are anticipated in respect to contingent liabilities.

**(d) Restrictions**

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

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Library	Other property, plant and equipment <sup>2</sup>	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
<b>15. Property, plant and equipment</b>											
<b>Consolidated</b>											
<b>At 1 January 2021</b>											
cost	20,563	-	-	-	399,601	85,290	-	-	505,454	202,953	708,407
valuation	-	582,237	1,720,579	698,355	-	-	110,950	3,530	3,115,651	-	3,115,651
Accumulated depreciation and impairment	-	-	(566,595)	(301,676)	(233,987)	(13,148)	(100,823)	-	(1,216,229)	(49,912)	(1,266,141)
<b>Net book amount</b>	<b>20,563</b>	<b>582,237</b>	<b>1,153,984</b>	<b>396,679</b>	<b>165,614</b>	<b>72,142</b>	<b>10,127</b>	<b>3,530</b>	<b>2,404,876</b>	<b>153,041</b>	<b>2,557,917</b>
<b>Year ended 31 December 2021</b>											
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)
<b>Closing net book amount</b>	<b>15,395</b>	<b>539,820</b>	<b>1,120,040</b>	<b>386,132</b>	<b>147,303</b>	<b>69,709</b>	<b>9,111</b>	<b>3,834</b>	<b>2,291,344</b>	<b>135,446</b>	<b>2,426,790</b>
<b>As at 31 December 2021</b>											
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)
<b>Net book amount</b>	<b>15,395</b>	<b>539,820</b>	<b>1,120,040</b>	<b>386,312</b>	<b>147,123</b>	<b>69,709</b>	<b>9,111</b>	<b>3,834</b>	<b>2,291,344</b>	<b>135,446</b>	<b>2,426,790</b>

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	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Library	Other property, plant and equipment <sup>2</sup>	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
<b>Consolidated</b>											
<b>At 1 January 2022</b>											
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)
<b>Net book amount</b>	<b>15,395</b>	<b>539,820</b>	<b>1,120,040</b>	<b>386,312</b>	<b>147,123</b>	<b>69,709</b>	<b>9,111</b>	<b>3,834</b>	<b>2,291,344</b>	<b>135,446</b>	<b>2,426,790</b>
<b>Year ended 31 December 2022</b>											
Opening 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
Exchange differences	-	-	-	-	(210)	-	-	-	(210)	(375)	(585)
Revaluation surplus/(deficit)	-	(11,626)	82,400	30,913	-	4,777	-	(277)	106,187	-	106,187
Additions	10,130	-	15,122	9,180	24,052	2,619	85	145	61,333	9,661	70,994
Assets included in a disposal group classified as held for sale and other disposals	21	-	-	-	(2,145)	-	-	-	(2,124)	(11,136)	(13,260)
Depreciation charge	-	-	(34,082)	(29,469)	(32,079)	(5,838)	(874)	-	(102,342)	(22,758)	(125,100)
<b>Closing net book amount</b>	<b>25,546</b>	<b>528,194</b>	<b>1,183,480</b>	<b>396,756</b>	<b>136,921</b>	<b>71,267</b>	<b>8,322</b>	<b>3,702</b>	<b>2,354,188</b>	<b>110,838</b>	<b>2,465,026</b>
<b>As at 31 December 2022</b>											
cost	25,546	-	-	-	400,213	97,701	-	-	523,460	169,682	693,142
valuation	-	528,194	1,821,322	745,558	-	-	111,105	3,702	3,209,881	-	3,209,881
Accumulated depreciation and impairment	-	-	(637,842)	(348,802)	(263,292)	(26,434)	(102,783)	-	(1,379,153)	(58,844)	(1,437,997)
<b>Net book amount</b>	<b>25,546</b>	<b>528,194</b>	<b>1,183,480</b>	<b>396,756</b>	<b>136,921</b>	<b>71,267</b>	<b>8,322</b>	<b>3,702</b>	<b>2,354,188</b>	<b>110,838</b>	<b>2,465,026</b>

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Library	Other property, plant and equipment <sup>2</sup>	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
<b>Parent entity</b>											
<b>At 1 January 2021</b>											
cost	20,584	-	-	-	350,467	75,013	-	-	446,064	133,534	579,598
valuation	-	582,237	1,720,579	698,355	-	-	110,950	3,530	3,115,651	-	3,115,651
Accumulated depreciation and impairment	-	-	(566,595)	(301,676)	(191,401)	(13,148)	(100,823)	-	(1,173,643)	(25,771)	(1,199,414)
<b>Net book amount</b>	<b>20,584</b>	<b>582,237</b>	<b>1,153,984</b>	<b>396,679</b>	<b>159,066</b>	<b>61,865</b>	<b>10,127</b>	<b>3,530</b>	<b>2,388,072</b>	<b>107,763</b>	<b>2,495,835</b>
<b>Year ended 31 December 2021</b>											
Opening 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
Revaluation surplus/(deficit)	-	(5,032)	24,282	22,072	-	2,283	-	-	43,605	-	43,605
Additions	(5,319)	-	14,310	3,388	16,978	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)	(1,664)	(513)	-	-	(85,790)	(6)	(85,796)
Depreciation charge	-	-	(34,071)	(28,244)	(29,613)	(5,498)	(1,086)	-	(98,512)	(13,091)	(111,603)
<b>Closing net book amount</b>	<b>15,265</b>	<b>539,820</b>	<b>1,120,040</b>	<b>386,132</b>	<b>144,767</b>	<b>58,727</b>	<b>9,111</b>	<b>3,834</b>	<b>2,277,696</b>	<b>102,722</b>	<b>2,380,418</b>
<b>As at 31 December 2021</b>											
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)
<b>Net book amount</b>	<b>15,265</b>	<b>539,820</b>	<b>1,120,040</b>	<b>386,132</b>	<b>144,767</b>	<b>58,727</b>	<b>9,111</b>	<b>3,834</b>	<b>2,277,696</b>	<b>102,722</b>	<b>2,380,418</b>

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	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Library	Other property, plant and equipment \$'000	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
<b>Parent entity</b>											
<b>As at 1 January 2022</b>											
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)
<b>Net book amount</b>	<b>15,265</b>	<b>539,820</b>	<b>1,120,040</b>	<b>386,132</b>	<b>144,767</b>	<b>58,727</b>	<b>9,111</b>	<b>3,834</b>	<b>2,277,696</b>	<b>102,722</b>	<b>2,380,418</b>
<b>Year ended 31 December 2022</b>											
Opening net book amount	15,265	539,820	1,120,040	386,132	144,767	58,727	9,111	3,834	2,277,696	102,722	2,380,418
Revaluation surplus/(deficit)	-	(11,626)	82,400	30,913	-	4,777	-	(277)	106,187	-	106,187
Additions	10,157	-	15,122	9,180	23,376	2,586	85	145	60,651	9,346	69,997
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(1,547)	-	-	-	(1,547)	(1)	(1,548)
Depreciation charge	-	-	(34,082)	(29,469)	(28,744)	(5,534)	(874)	-	(98,703)	(12,817)	(111,520)
<b>Closing net book amount</b>	<b>25,422</b>	<b>528,194</b>	<b>1,183,480</b>	<b>396,756</b>	<b>137,852</b>	<b>60,556</b>	<b>8,322</b>	<b>3,702</b>	<b>2,344,284</b>	<b>99,250</b>	<b>2,443,534</b>
<b>At 31 December 2022</b>											
cost	25,422	-	-	-	381,362	86,484	-	-	493,268	139,566	632,834
valuation	-	528,194	1,821,322	745,558	-	-	111,105	3,702	3,209,881	-	3,209,881
Accumulated depreciation and impairment	-	-	(637,842)	(348,802)	(243,510)	(25,928)	(102,783)	-	(1,358,865)	(40,316)	(1,399,181)
<b>Net book amount</b>	<b>25,422</b>	<b>528,194</b>	<b>1,183,480</b>	<b>396,756</b>	<b>137,852</b>	<b>60,556</b>	<b>8,322</b>	<b>3,702</b>	<b>2,344,284</b>	<b>99,250</b>	<b>2,443,534</b>

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 2022 revaluations were based on independent assessments by Marsh Valuation Services as at 31 December 2022. 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 Marsh Valuation Services as at 31 December 2022.

### (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)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Buildings</b>				
At 1 January	127,552	143,753	94,830	98,477
Additions of right-of-use assets	1,894	5,938	1,953	5,340
Disposals (Net)	(11,136)	(1,413)	-	-
Depreciation charge	(18,500)	(20,726)	(8,559)	(8,987)
<b>At 31 December</b>	<b>99,810</b>	<b>127,552</b>	<b>88,224</b>	<b>94,830</b>
<b>Computer equipment</b>				
At 1 January	7,894	9,288	7,892	9,286
Additions of right-of-use assets	7,393	2,716	7,393	2,716
Disposals (Net)	(1)	(6)	(1)	(6)
Depreciation charge	(4,258)	(4,104)	(4,258)	(4,104)
<b>At 31 December</b>	<b>11,028</b>	<b>7,894</b>	<b>11,026</b>	<b>7,892</b>
<b>Total right-of-use asset</b>	<b>110,838</b>	<b>135,446</b>	<b>99,250</b>	<b>102,722</b>
			Patents and trademarks \$'000	Total \$'000
			Software \$'000	Licences perpetual \$'000

## 16. Intangible assets

### Consolidated

#### As at 1 January 2021

Cost	5,544	149,175	15,838	170,557
Accumulated amortisation and impairment	(3,543)	(106,775)	(3,293)	(113,611)
<b>Net book amount</b>	<b>2,001</b>	<b>42,400</b>	<b>12,545</b>	<b>56,946</b>

#### 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)
<b>Closing net book amount</b>	<b>-</b>	<b>45,341</b>	<b>14,347</b>	<b>59,688</b>

#### 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)
<b>Net book amount</b>	<b>-</b>	<b>45,341</b>	<b>14,347</b>	<b>59,688</b>

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	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Total \$'000
<b>Year ended 31 December 2022</b>				
Opening net book amount	-	45,341	14,347	59,688
Additions	413	18,396	3,029	21,838
Disposals	-	(42)	-	(42)
Amortisation charge	(27)	(13,725)	(1,646)	(15,398)
Closing net book amount	386	49,970	15,730	66,086
<b>As at 31 December 2022</b>				
Cost	3,765	183,497	21,934	209,196
Accumulated amortisation and impairment	(3,379)	(133,527)	(6,204)	(143,110)
Net book amount	386	49,970	15,730	66,086
<b>Net book amount</b>	<b>386</b>	<b>49,970</b>	<b>15,730</b>	<b>66,086</b>
<b>Parent entity</b>				
<b>As at 1 January 2021</b>				
Cost	-	139,091	15,838	154,929
Accumulated amortisation and impairment	-	(100,926)	(3,293)	(104,219)
Net book amount	-	38,165	12,545	50,710
<b>Year ended 31 December 2021</b>				
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
<b>As at 31 December 2021</b>				
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
<b>Year ended 31 December 2022</b>				
Opening net book amount	-	40,358	14,347	54,705
Additions	-	18,444	3,029	21,473
Amortisation charge	-	(12,376)	(1,646)	(14,022)
Closing net book amount	-	46,426	15,730	62,156
<b>As at 31 December 2022</b>				
Cost	-	171,090	21,934	193,024
Accumulated amortisation and impairment	-	(124,664)	(6,204)	(130,868)
Net book amount	-	46,426	15,730	62,156



	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>17. Trade and other payables</b>					
<b>Current</b>					
OS-HELP liability to Australian Government		1,345	11,805	1,345	11,805
Trade creditors and accruals		53,559	39,519	51,876	37,615
Other payroll accruals		22,003	37,777	22,003	38,051
<b>Total current trade and other payables</b>		<b>76,907</b>	<b>89,101</b>	<b>75,224</b>	<b>87,471</b>
<b>Non-current</b>					
OS-HELP Liability to Australian Government		5,681	-	5,681	-
Trade creditors and accruals		1,948	-	1,948	-
<b>Total non-current trade and other payables</b>		<b>7,629</b>	<b>-</b>	<b>7,629</b>	<b>-</b>
<b>Total non-current trade and other payables</b>		<b>84,536</b>	<b>89,101</b>	<b>82,853</b>	<b>87,471</b>
<b>(a) Foreign currency risk</b>					
The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:					
AUD		83,450	88,442	81,991	87,154
CAD		3	-	3	-
LKR		55	212	-	-
EUR		51	78	51	78
GBP		73	71	73	71
RMB		128	72	-	2
INR		133	47	92	-
IDR		12	2	12	-
USD		631	169	631	164
SGD		-	2	-	2
VND		-	6	-	-
		<b>84,536</b>	<b>89,101</b>	<b>82,853</b>	<b>87,471</b>
For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34.					
<b>18. Borrowings</b>					
<b>Current</b>					
Lease liabilities		19,042	22,839	11,768	10,006
<b>Total current borrowings</b>		<b>19,042</b>	<b>22,839</b>	<b>11,768</b>	<b>10,006</b>
<b>Non-current</b>					
Lease liabilities		104,992	124,368	96,586	99,018
Bond issued		299,068	298,884	299,068	298,884
<b>Total non-current borrowings</b>		<b>404,060</b>	<b>423,252</b>	<b>395,654</b>	<b>397,902</b>
<b>Total borrowings</b>		<b>423,102</b>	<b>446,091</b>	<b>407,422</b>	<b>407,908</b>
<b>(a) Assets pledged as security</b>					
<b>Non-current</b>					
<b>Finance lease</b>					
Plant and equipment	15	19,762	13,839	19,762	13,839
<b>Total non-current assets pledged as security</b>		<b>19,762</b>	<b>13,839</b>	<b>19,762</b>	<b>13,839</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>(b) Financing arrangements</b>					
Unrestricted access was available at balance date to the following lines of credit:					
<b>Loan facilities</b>					
Total facilities		175,000	250,000	175,000	250,000
Used at balance date		-	-	-	-
Unused at balance date		175,000	250,000	175,000	250,000
<b>Borrowing commitments</b>					
Within one year		-	-	-	-
Later than one year but not later than five years		300,000	-	300,000	-
Later than five years		-	300,000	-	300,000
<b>Total borrowing commitments</b>		<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>(c) Lease liabilities</b>					
<b>Amounts recognised in the income statement</b>					
Interest on lease liabilities		4,774	5,570	3,823	3,884
Expenses relating to short-term leases		467	605	245	299
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets		1,402	1,744	1,402	1,744
<b>Total lease expenses recognised in income statement</b>		<b>6,643</b>	<b>7,919</b>	<b>5,470</b>	<b>5,927</b>
<b>Maturity analysis – undiscounted contractual cash flows</b>					
Less than one year		22,899	27,154	15,503	13,634
One to five years		59,326	71,280	50,238	46,078
More than five years		64,367	75,927	64,367	73,412
<b>Total undiscounted contractual cash flows</b>		<b>146,592</b>	<b>174,361</b>	<b>130,108</b>	<b>133,124</b>
<b>Total lease liabilities recognised in the statement of financial position</b>					
Current		19,042	22,839	11,768	10,006
Non-current		104,992	124,368	96,586	99,018
<b>Total</b>		<b>124,034</b>	<b>147,207</b>	<b>108,354</b>	<b>109,024</b>

**(d) Interest rate risk exposures**

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

**(e) Fair value disclosures**

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

**(f) Borrowing classes and conditions**

The University's borrowings comprise a Bond (\$300m), two revolving debt facilities with the Commonwealth Bank (CBA) (\$75m) and Westpac Banking Corporation (WBC) (\$100m) and lease liabilities. Details of the borrowings are listed in Note 34.

The 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 2022, all of the University's borrowings, which has been drawn down, is at a fixed rate of interest. The carrying amount of the economic entity's borrowings are denominated in Australian dollars. Details of risk exposure of borrowings for the entity are set out in Note 34.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>19. Provisions</b>					
<b>Current provisions expected to be settled wholly within 12 months</b>					
Employee benefits					
annual leave	1 (w)/1(x)	33,020	24,036	31,335	22,919
long service leave	1 (w)/1(x)	9,951	6,291	8,388	5,383
<b>Total current provisions expected to be settled within 12 months</b>		<b>42,971</b>	<b>30,327</b>	<b>39,723</b>	<b>28,302</b>
<b>Current provisions expected to be settled wholly after more than 12 months</b>					
Employee benefits					
annual leave	1 (w)/ 1(x)	16,826	21,155	15,626	19,476
long service leave	1 (w)/ 1(x)	64,102	68,074	63,340	66,229
<b>Total current employee benefit provisions expected to be settled wholly after more than 12 months</b>		<b>80,928</b>	<b>89,229</b>	<b>78,966</b>	<b>85,705</b>
Make good provision		20	20	20	20
<b>Total current provisions</b>		<b>123,919</b>	<b>119,576</b>	<b>118,709</b>	<b>114,027</b>
<b>Non-current</b>					
Employee benefits					
long service leave	1 (w)/1(x)	27,657	31,545	26,651	30,125
defined benefit obligation		450,780	553,541	450,780	553,541
defined benefit obligation – payroll tax		8,893	10,860	8,893	10,860
<b>Total non-current employee benefit provisions</b>		<b>487,330</b>	<b>595,946</b>	<b>486,324</b>	<b>594,526</b>
Make good provision		10,880	10,119	6,205	5,528
<b>Total non-current provisions</b>		<b>498,210</b>	<b>606,065</b>	<b>492,529</b>	<b>600,054</b>
<b>Total provisions</b>		<b>622,129</b>	<b>725,641</b>	<b>611,238</b>	<b>714,081</b>

**(a) Movement in provisions**

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

	Make good provision \$'000	Total \$'000
<b>Consolidated 2022</b>		
Carrying amount as at 1 January 2022	10,139	10,139
Additional provisions recognised	761	761
Carrying amount as at 31 December 2022	10,900	10,900
<b>Parent 2022</b>		
Carrying amount as at 1 January 2022	5,548	5,548
Additional provisions recognised	677	677
Carrying amount as at 31 December 2022	6,225	6,225

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>20. Other financial liabilities</b>					
<b>Current</b>					
Other financial liabilities at amortised cost	34	7,903	7,229	7,903	7,229
<b>Total current other financial liabilities</b>		<b>7,903</b>	<b>7,229</b>	<b>7,903</b>	<b>7,229</b>
There are no other financial liabilities as at 31 December 2022 (31 December 2021: \$0)					
<b>21. Other liabilities</b>					
<b>Current</b>					
Australian government unspent financial assistance		270	261	270	261
Prepaid student fees		56,344	41,661	56,344	41,661
Other		15,648	5,773	12,947	2,613
<b>Total current other liabilities</b>		<b>72,262</b>	<b>47,695</b>	<b>69,561</b>	<b>44,535</b>
<b>Total other liabilities</b>		<b>72,262</b>	<b>47,695</b>	<b>69,561</b>	<b>44,535</b>
<b>22. Contract liabilities</b>					
<b>Current</b>					
Amount received in advance from customers for partially completed contracts		77,317	67,890	68,338	57,121
<b>Total current contract liabilities</b>		<b>77,317</b>	<b>67,890</b>	<b>68,338</b>	<b>57,121</b>
<b>Total contract liabilities</b>		<b>77,317</b>	<b>67,890</b>	<b>68,338</b>	<b>57,121</b>
<b>23. Reserves and retained earnings</b>					
<b>(a) Reserves comprise</b>					
Property, plant and equipment revaluation reserve					
freehold land		530,935	542,561	530,935	542,561
buildings		272,236	189,837	272,236	189,837
building infrastructure		286,826	255,913	286,826	255,913
leasehold improvements		11,572	6,794	11,572	6,794
artworks		1,254	1,531	1,254	1,531
library		116	116	116	116
other assets		1	1	1	1
Financial assets at fair value through other comprehensive income (OCI)		25,405	23,331	25,405	23,331
Foreign currency translation reserve		(1,202)	(918)	-	-
<b>Total reserves</b>		<b>1,127,143</b>	<b>1,019,166</b>	<b>1,128,345</b>	<b>1,020,084</b>
<b>(b) Movements in reserves</b>					
Property, plant and equipment revaluation reserve					
Balance 1 January		996,753	953,148	996,753	953,148
Increase/(decrease) revaluation	15	106,187	43,605	106,187	43,605
<b>Balance 31 December</b>		<b>1,102,940</b>	<b>996,753</b>	<b>1,102,940</b>	<b>996,753</b>
Investments revaluation reserve					
Balance 1 January		23,331	64,585	23,331	64,585
Retrospective changes		-	-	-	-
<b>Balance as restated</b>		<b>23,331</b>	<b>64,585</b>	<b>23,331</b>	<b>64,585</b>
Increase/(decrease) revaluation		2,074	(41,254)	2,074	(41,254)
<b>Balance 31 December</b>		<b>25,405</b>	<b>23,331</b>	<b>25,405</b>	<b>23,331</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Cash flow hedge reserve</b>					
Balance 1 January		-	-	-	-
Increase/(decrease) revaluation		-	-	-	-
<b>Balance 31 December</b>		-	-	-	-
<b>Foreign currency translation reserve</b>					
Balance 1 January		(918)	(1,002)	-	-
Net exchange differences on translation of foreign controlled entity		(284)	84	-	-
<b>Balance 31 December</b>		(1,202)	(918)	-	-
<b>Total reserves</b>		<b>1,127,143</b>	<b>1,019,166</b>	<b>1,128,345</b>	<b>1,020,084</b>

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

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

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

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

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

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>(d) Retained earnings</b>					
Movements in retained earnings were as follows:					
Retained earnings at 1 January		1,141,713	1,032,613	1,121,661	999,724
Net result for the period		(71,504)	109,117	(52,542)	121,954
Net actuarial gains/(losses) recognised in respect of defined benefit plans		(257)	(17)	(257)	(17)
<b>Retained earnings at 31 December</b>		<b>1,069,952</b>	<b>1,141,713</b>	<b>1,068,862</b>	<b>1,121,661</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>24. Commitments</b>					
<b>(a) Capital expenditure commitments</b>					
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:					
<b>Building works</b>		18,351	9,124	18,351	9,124
within one year					
<b>Plant and equipment</b>		2,454	2,259	2,454	2,259
within one year					
<b>Intangible assets</b>		880	1,358	880	1,358
within one year					
between one and five years		-	392	-	392
<b>Total capital commitments</b>		<b>21,685</b>	<b>13,133</b>	<b>21,685</b>	<b>13,133</b>

## **25. Defined benefit plans**

During the 2022 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 2022 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.

### 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 2023 A\$	Financial year to 31 December 2023 A\$	Financial year to 31 December 2023 A\$	Financial year to 31 December 2023 A\$
Expected employer contributions	-	478,253	-	478,253

### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 8.9 years (2021: 10.1 years).

### Categories of plan assets

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

Asset category	Total as at 30 November 2022*	Quoted prices in active markets for identical assets <sup>1</sup>	Significant observable inputs <sup>2</sup>	Unobservable inputs <sup>3</sup>
	\$'000	\$'000	\$'000	\$'000
Short-term securities	5,205,459	2,178,314	3,027,146	-
Australian fixed interest	99,002	-	99,002	-
International fixed interest	1,474,076	2,904	1,451,795	19,376
Australian equities	7,309,710	4,988,108	140,005	2,181,597
International equities	14,456,146	14,295,385	131,091	29,670
Property	860,250	-	-	860,250
Alternatives	8,617,788	69,240	1,491,542	7,057,005
<b>Total</b>	<b>38,022,432</b>	<b>21,533,952</b>	<b>6,340,581</b>	<b>10,147,898</b>

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

Asset category	30 November 2022*	30 November 2021*
	%	%
Short-term securities	13.69	14.25
Australian fixed interest	0.26	1.65
International fixed interest	3.88	3.92
Australian equities	19.22	18.54
International equities	38.02	35.47
Property	2.26	6.34
Alternatives	22.67	19.82
<b>Total</b>	<b>100</b>	<b>100</b>

\* Actual asset allocation as at 31 December 2022 is not available as advised by the actuary therefore 30 November 2022 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.

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**Significant actuarial assumptions at the reporting date**

	As at 31 December 2022
Discount rate	4.09% pa
Salary increase rate (excluding promotional increases)	3.19% for 2022/2023, 3.68% for 2023/2024, 2.87% for 2024/2025, 2.74% to 2025/2026, 3.2% pa thereafter.
Rate of CPI increase	7.00% for 2022/2023, 3.50% for 2023/2024, 2.75% for 2024/2025, 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 2022 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 2022.

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	495,526,806	517,762,691	474,891,724	519,313,227	473,297,881	495,854,809	495,206,733

		Scenario G	Scenario H
	Base case	lower mortality <sup>1</sup>	higher mortality <sup>2</sup>
Defined benefit obligation	495,526,806	499,667,515	490,532,002

1. Assumes the short-term pensioner mortality improvement factors for years 2022–2026 also apply for years after 2026.

2. Assumes the long-term pensioner mortality improvement factors for years post 2026 also apply for years 2022–2026.

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	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening 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
Current service cost	288,879	419,871	91,511	127,093	-	-	380,390	546,964
Interest expense/(income)	282,587	236,602	36,406	33,756	9,520,096	5,888,395	9,839,089	6,158,753
	18,624,042	28,569,875	2,640,311	4,275,485	593,169,785	629,272,681	614,434,138	662,118,041
<b>Remeasurements</b>								
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	(771,833)	(370,387)	(210,479)	(64,102)	(95,699,877)	(20,889,879)	(96,682,189)	(21,324,368)
Actuarial losses/(gains) arising from liability experience	83,578	335,987	(729,508)	(842,660)	14,727,716	10,132,084	14,081,786	9,625,411
	(688,255)	261,401	(939,987)	(874,202)	(80,972,161)	(16,243,655)	(82,600,403)	(16,856,456)



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	SASS		SANCS		SSS		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
<b>Contributions</b>								
Plan participants	191,047	251,035	-	-	102,737	138,844	293,784	389,879
	191,047	251,035	-	-	102,737	138,844	293,784	389,879
Taxes, premiums and expenses paid	(2,699)	(1,253,025)	626,321	255,287	(4,729,837)	251,305	(4,106,215)	(746,433)
<b>Payments from plan</b>								
Benefits paid	(2,702,407)	(9,776,710)	(383,181)	(1,144,176)	(29,408,910)	(29,769,486)	(32,494,498)	(40,690,372)
	(2,702,407)	(9,776,710)	(383,181)	(1,144,176)	(29,408,910)	(29,769,486)	(32,494,498)	(40,690,372)
Closing defined benefit obligation	15,421,728	18,052,576	1,943,464	2,512,394	478,161,614	583,649,689	495,526,806	604,214,659
<b>Present value of plan assets</b>								
Opening 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
Interest income	119,915	104,292	95,048	53,812	577,772	350,755	792,735	508,859
	8,412,758	10,592,903	5,756,902	5,869,425	37,296,606	39,565,121	51,466,266	56,027,449
<b>Remeasurements</b>								
Actual return on fund assets less interest income	(249,648)	909,358	(22,071)	(51,924)	(276,412)	(25,179)	(548,131)	832,255
	(249,648)	909,358	(22,071)	(51,924)	(276,412)	(25,179)	(548,131)	832,255
Exchange differences on foreign plans								
<b>Contributions</b>								
Employer	153,792	7,569,283	682,341	733,242	29,299,378	26,558,230	30,135,511	34,860,755
Plan participants	191,047	251,035	-	-	102,737	138,843	293,784	389,878
	344,839	7,820,318	682,341	733,242	29,402,115	26,697,073	30,429,295	35,250,633
Taxes, premiums and expenses paid	(2,699)	(1,253,025)	626,321	255,287	(4,729,837)	251,305	(4,106,215)	(746,433)
<b>Payments from plan</b>								
Benefits paid	(2,702,407)	(9,776,711)	(383,181)	(1,144,176)	(29,408,910)	(29,769,486)	(32,494,498)	(40,690,373)
	(2,702,407)	(9,776,711)	(383,181)	(1,144,176)	(29,408,910)	(29,769,486)	(32,494,498)	(40,690,373)
Closing fair value of plans assets	5,802,843	8,292,843	6,660,312	5,661,854	32,283,562	36,718,834	44,746,717	50,673,531
<b>Reconciliation of the net defined benefit liability/(asset)</b>								
Net defined benefit liability/(asset) at start of year	9,759,732	17,424,792	(3,149,462)	(1,700,979)	546,930,856	584,169,921	553,541,126	599,893,734
Current service cost	288,879	419,871	91,511	127,093	-	-	380,390	546,964
Net interest on the net defined benefit liability/(asset)	162,672	132,309	(58,643)	(20,056)	8,942,325	5,537,641	9,046,354	5,649,894
Actual return on fund assets less interest income	249,648	(909,358)	22,071	51,924	276,412	25,179	548,131	(832,255)
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	(771,833)	(370,387)	(210,479)	(64,102)	(95,699,877)	(20,889,879)	(96,682,189)	(21,324,368)
Actuarial (gains)/losses from liability experience	83,578	335,987	(729,509)	(842,660)	14,727,718	10,132,084	14,081,787	9,625,411
Employer contributions	(153,792)	(7,569,283)	(682,341)	(733,242)	(29,299,377)	(26,558,230)	(30,135,510)	(34,860,755)
Net defined benefit liability/(asset) at end of year <span style="float: right;">note 19</span>	9,618,884	9,759,732	(4,716,852)	(3,149,462)	445,878,057	546,930,856	450,780,089	553,541,126

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	SASS		SANCS		SSS		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
<b>Reimbursement rights</b>								
Opening 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
Expected return on reimbursement rights	(360,781)	(7,732,462)	(1,613,996)	(1,446,492)	(101,043,672)	(37,190,746)	(103,018,449)	(46,369,700)
Closing value of reimbursement right	9,054,171	9,414,952	(4,907,837)	(3,293,841)	445,403,944	546,447,616	449,550,278	552,568,727
<b>Net liability</b>								
Defined benefit obligation	15,421,728	18,052,576	1,943,464	2,512,394	478,161,614	583,649,689	495,526,806	604,214,659
Fair value of plan assets	(5,802,843)	(8,292,843)	(6,660,312)	(5,661,854)	(32,283,562)	(36,718,834)	(44,746,717)	(50,673,531)
Net liability note 19	9,618,885	9,759,733	(4,716,848)	(3,149,460)	445,878,052	546,930,855	450,780,089	553,541,128
Reimbursement right note 10	9,054,171	9,414,952	(4,907,837)	(3,293,841)	445,403,944	546,447,616	449,550,278	552,568,727
Net liability/(asset) in balance sheet	564,714	344,781	190,989	144,381	474,108	483,239	1,229,811	972,401
<b>Amounts recognised in the statement of financial position</b>								
<b>Liabilities</b>								
Provision for deferred government benefits for superannuation	9,618,885	9,759,733	(4,716,848)	(3,149,460)	445,878,052	546,930,855	450,780,089	553,541,128
Total liabilities recognised in statement of financial position	9,618,885	9,759,733	(4,716,848)	(3,149,460)	445,878,052	546,930,855	450,780,089	553,541,128
<b>Assets</b>								
Receivable for deferred government contribution for superannuation	9,054,171	9,414,952	(4,907,837)	(3,293,841)	445,403,944	546,447,616	449,550,278	552,568,727
Total assets recognised in statement of financial position	9,054,171	9,414,952	(4,907,837)	(3,293,841)	445,403,944	546,447,616	449,550,278	552,568,727
Net liability recognised in the statement of financial position	564,714	344,781	190,989	144,381	474,108	483,239	1,229,811	972,401
<b>Amounts recognised in other statements</b>								
<b>Amounts recognised in the income statement</b>								
Current service cost	288,879	419,871	91,511	127,093	-	-	380,390	546,964
Net interest	162,672	132,309	(58,643)	(20,056)	8,942,324	5,537,641	9,046,353	5,649,894
Expense/(income)	451,551	552,180	32,868	107,037	8,942,324	5,537,641	9,426,743	6,196,858
<b>Other comprehensive income</b>								
Actuarial losses/(gains) on liabilities	(688,255)	261,402	(939,987)	(874,202)	(80,972,160)	(16,243,655)	(82,600,402)	(16,856,455)
Actual return on fund assets less interest income	249,648	(909,358)	22,071	51,924	276,412	25,179	548,131	(832,255)
Recognised in other comprehensive income	(438,607)	(647,956)	(917,916)	(822,278)	(80,695,748)	(16,218,476)	(82,052,271)	(17,688,710)

## UniSuper Management Limited

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

- The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under superannuation law but is considered to be a defined contribution plan under AASB 119.
- During the 2006 year clause 34 of the UniSuper Trust Deed was amended which substantially transfers the actuarial risks from the employer to the employee. The amendment to the trust deed has resulted in the UniSuper defined benefit fund to be reclassified as a defined contribution fund for the purposes of AASB 119.
- As at 30 June 2022, the assets of the DBD in aggregate were estimated to be \$5,214 million above vested benefits, after allowing for various reserves. The vested benefit index based on funding assumptions was 121.0%. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- As at 30 June 2022, the assets of the DBD in aggregate were estimated to be \$7,895 million above accrued benefits, after allowing for various reserves. The accrued benefit index based on best estimate assumptions was 135.7%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.
- The vested benefit and accrued benefit liabilities were determined by the fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2022. The financial assumptions used were:

	Vested benefits	Accrued benefits
	%pa	%pa
Gross of tax investment return – DBD pensions	6.4	7.4
Gross of tax investment return – commercial rate indexed pensions	3.1	3.1
Net of tax investment return – non-pensioner members	5.6	6.5
Consumer Price Index		
for the next 2 years	4.0	4.0
beyond 2 years	2.5	2.5
Inflationary salary increases		
for the next 2 years	2.75	2.75
beyond 2 years	3.25	3.25

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 \$1,229,811 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	
			2022 %	2021 %	2022 \$'000	2021 \$'000
<b>Parent entity</b>						
University of Technology Sydney	Education services	Australia			2,196,577	2,140,710
<b>Controlled entities</b>						
Insearch Limited (company limited by guarantee) <sup>1</sup>	Education services	Australia	100	100	(6,479)	13,468
Insearch (Shanghai) Limited	Education services	China	100	100	1,361	1,315
Insearch Education International Pty Limited	Education services	Australia	100	100	191	190
Insearch India LLP	Education services	India	100	100	189	196
Insearch Global Pty Ltd	Education services	Australia	100	100	2	2
Insearch Lanka PVT	Education services	Sri Lanka	100	100	776	564
accessUTS Pty Limited <sup>2</sup>	Consulting	Australia	100	100	240	193
UTS Global Pty Ltd	Marketing services	Australia	100	100	2,597	2,597
UTS Beijing Ltd	Marketing services	China	100	100	441	68
UTS Shenzhen Ltd	Research and education services	China	100	100	1,200	1,577
Kilimanjaro Learning Solutions Pty Ltd <sup>3</sup>	Research and education services	Australia	48	100	-	-

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.

2. In 2022, Council approved that the accessUTS Pty Limited would be wound up. Trading activities have ceased and the entity is expected to be wound up in 2023.

3. Kilimanjaro Learning Solutions Pty Ltd is a proprietary company limited by shares and was incorporated in 2021. At time of incorporation, UTS held 100% shareholding however, in 2022, an external party invested into Kilimanjaro Learning Solutions Pty Ltd and UTS is now a minority shareholder. UTS has determined that they do not have control and will not consolidate. Once the entity begins trading, UTS will equity account for its interest in Kilimanjaro Learning Solutions Pty Ltd.

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 \$713,132 (2021: \$276,473) were paid or payable to the ultimate controlling entity.
- Donations amounting to \$1,297,000 (2021: \$1,217,000) were paid by the ultimate controlling entity to subsidiaries.
- Repayments of borrowings amounting to \$35,000 (2021: \$0) by the wholly owned University of Technology Sydney group.
- Sale of services and fees \$7,441,266 (2021: \$9,258,344) to the wholly owned University of Technology Sydney group.
- Purchase of services and fees \$6,037,571 (2021: \$7,281,539) by the wholly owned University of Technology Sydney group.
- Purchase of shares in a subsidiary \$0 (2021: \$0) by the wholly owned University of Technology Sydney group.
- During 2022, UTS entered into two lease agreements with its wholly owned subsidiary UTS College (Insearch Limited). Under the lease agreements, there is a nominal charge for approximately 4,500 SQMs of space for the term of each agreement.

**(e) Outstanding balances**

	Economic entity (Consolidated)		Parent entity (University)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current receivables</b>				
Subsidiaries	-	-	2,980	704
<b>Current receivables (loans)</b>				
Subsidiaries	-	-	-	35
<b>Current payables</b>				
Subsidiaries	-	-	232	255

Included in the total doubtful debts provision in the parent entity is a provision of \$0 (2021: \$0) for doubtful debts for outstanding balances due from related parties.

	Revenue		Results		Assets	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>30. Disaggregation information (consolidated)</b>						
<b>Geographical (consolidated entity)</b>						
Australia	1,058,454	1,188,325	(75,518)	106,390	3,475,828	3,535,705
China	7,506	6,312	4,192	3,736	6,825	6,445
India and sub-continent	877	332	(178)	(1,009)	1,691	2,376
<b>Total</b>	<b>1,066,837</b>	<b>1,194,969</b>	<b>(71,504)</b>	<b>109,117</b>	<b>3,484,344</b>	<b>3,544,526</b>

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

In January 2023, the University sold its remaining shareholdings in IDP. The sales proceeds were higher than the value at the balance date however this is not deemed to be material.

No other 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.

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	Economic entity (Consolidated)		Parent entity (University)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>32. Reconciliation of net result after income tax to net cash flows from operating activities</b>				
Net result for the period	(71,504)	109,117	(52,542)	121,954
Depreciation, amortisation and impairment PPE	140,498	142,176	125,542	124,443
Increase/(decrease) in provisions:				
annual leave	4,203	11,240	4,566	11,202
doubtful debts	(390)	(1,010)	(465)	(936)
long service leave	(3,658)	2,603	(3,358)	3,512
deferred superannuation	(102,761)	(46,353)	(102,761)	(46,353)
payroll tax on deferred super provision	(1,967)	(942)	(1,967)	(942)
Decrease/(increase) in receivables	(6,565)	(1,198)	(8,834)	(2,123)
Decrease/(increase) in non-current receivables	103,018	46,370	103,018	46,370
Decrease/(increase) in prepayments and accrued income	(8,019)	(26,608)	(7,859)	(27,339)
(Decrease)/increase in trade and other payables	(9,468)	14,691	(9,521)	14,852
(Decrease)/increase in income in advance	34,668	1,841	36,916	8,189
Amortisation of prepaid borrowing costs	184	177	184	177
(Profit)/loss on sale of assets	5,667	2,758	5,782	910
Share of profit of joint venture not received as dividends or distribution	290	475	-	-
Fair value gains on other financial assets at fair value through profit or loss	8,628	(65,864)	8,628	(65,864)
Actuarial gain/(loss) on deferred superannuation	(257)	(17)	(257)	(17)
Net cash provided by operating activities	92,567	189,456	97,072	188,035

**33. Acquittal of Australian Government financial assistance**

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

Parent entity (University) only									
Notes	Commonwealth Grant Scheme <sup>1</sup>		Indigenous Student Success Program		Access and Participation Fund		Disability Performance Funding		
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>	219,269	231,965	1,771	1,658	2,900	3,201	261	263	
Net accrual adjustments	(9)	24	-	-	-	184	-	-	
<b>Revenue for the period</b>	219,260	231,989	1,771	1,658	2,900	3,385	261	263	
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	
Total revenue including accrued revenue	219,260	231,989	1,771	1,658	2,900	3,385	261	263	
Less expenses including accrued expenses	(219,260)	(231,989)	(1,771)	(1,658)	(2,900)	(3,385)	(261)	(263)	
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	

Parent entity (University) only									
		Tertiary Access Payment		Advanced Apprenticeships Pilot		Strategic University Reform Fund		National Priorities and Industry Linkage Fund	
	Notes	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		-	180	117	182	289	289	8,829	7,000
Net accrual adjustments		-	(155)	80	(80)	-	(288)	-	-
<b>Revenue for the period</b>	2.1 (a)	-	25	197	102	289	1	8,829	7,000
Surplus/(deficit) from the previous year		-	-	-	-	-	-	7,000	-
Total revenue including accrued revenue		-	25	197	102	289	1	15,829	7,000
Less expenses including accrued expenses		-	(25)	-	(102)	-	(1)	-	-
<b>Surplus/(deficit) for reporting period</b>		-	-	197	-	289	-	15,829	7,000

Parent entity (University) only			
Total			
	Notes	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		233,436	244,738
Net accrual adjustments		71	(315)
<b>Revenue for the period</b>	2.1 (a)	233,507	244,423
Surplus/(deficit) from the previous year		7,000	-
Total revenue including accrued revenue		240,507	244,423
Less expenses including accrued expenses		(224,192)	(237,423)
<b>Surplus/(deficit) for reporting period</b>		16,315	7,000

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

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

Parent entity (University) only									
		HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
	Notes	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash payable/(receivable) at beginning of year		3,686	(3,557)	4,728	2,577	41	12	8,455	(968)
<b>Financial assistance received in cash during the reporting period</b>		185,321	183,872	60,654	62,628	3,706	3,897	249,681	250,397
<b>Cash available for period</b>		189,007	180,315	65,382	65,205	3,747	3,909	258,136	249,429
Net accrual adjustments		(5,184)	(3,686)	(4,989)	(4,728)	(38)	(41)	(10,211)	(8,455)
<b>Revenue and income for the period</b>	2.1 (b)	183,823	176,629	60,393	60,477	3,709	3,868	247,925	240,974
Cash payable/(receivable) at end of year		5,184	3,686	4,989	4,728	38	41	10,211	8,455

### 33.3 Australian Research Council grants

Parent entity (University) only						
Notes	Discovery		Linkages		Networks and centres	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	13,911	13,094	4,425	3,597	-	-
Net accrual adjustments	(1,678)	(3,095)	(2,023)	(1,386)	1,022	488
Revenue for the period	2.1(d)	12,233	9,999	2,402	2,211	1,022
Surplus/(deficit) from the previous year		14,730	8,977	5,362	3,755	779
Total revenue including accrued revenue		26,963	18,976	7,764	5,966	1,801
Less expenses including accrued expenses		(9,338)	(4,246)	(2,119)	(604)	(952)
Surplus/(deficit) for reporting period		17,625	14,730	5,645	5,362	849

Parent entity (University) only					
Notes	Special research initiatives		Total		
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	-	-	18,336	16,691	
Net accrual adjustments	-	-	(2,679)	(3,993)	
Revenue for the period	2.1(d)	-	-	15,657	
Surplus/(deficit) from the previous year		21	-	20,892	
Total revenue including accrued revenue		21	-	36,549	
Less expenses including accrued expenses		(21)	2	(12,430)	
Surplus/(deficit) for reporting period		-	21	24,119	

### 33.4 Other capital funding

Parent entity (University) only				
Notes	Linkage Infrastructure, Equipment and Facilities		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	1,058	-	1,058	-
Net accrual adjustments	(782)	81	(782)	81
Revenue for the period	2.1(e)	276	81	276
Surplus/(deficit) from the previous year		90	262	90
Total revenue including accrued revenue		366	343	366
Less expenses including accrued expenses		(366)	(253)	(366)
Surplus/(deficit) for reporting period		-	90	90



### 33.5 Education research

Parent entity (University) only							
		Research Training Program <sup>1</sup>		Research Support Program <sup>2</sup>		Total	
	Notes	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Financial assistance received in cash during the reporting period</b> (total cash received from the Australian Government for the program)		25,974	20,196	16,601	34,009	42,575	54,205
Net accrual adjustments		-	-	-	-	-	-
<b>Revenue for the period</b>	2.1 (c)	25,974	20,196	16,601	34,009	42,575	54,205
Surplus/(deficit) from the previous year		-	-	2,893	-	2,893	-
Total revenue including accrued revenue		25,974	20,196	19,494	34,009	45,468	54,205
Less expenses including accrued expenses		(25,974)	(20,196)	(19,494)	(31,116)	(45,468)	(51,312)
<b>Surplus/(deficit) for reporting period</b>		-	-	-	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	11,638	694
Research training program stipends	11,573	2,069
<b>Total for all types of support</b>	23,211	2,763

### 33.7 OS-HELP

Parent entity (University) only		
	OS-HELP	
	2022 \$'000	2021 \$'000
<b>Cash received during the reporting period</b>	(9,858)	10
Cash spent during the reporting period	(1,549)	-
<b>Net cash received</b>	(11,407)	10
Cash surplus/(deficit) from previous period	11,805	11,795
<b>Cash surplus/(deficit) for reporting period</b>	398	11,805

### 33.8 Higher Education Superannuation Program

Parent entity (University) only		
	Superannuation program	
	2022 \$'000	2021 \$'000
<b>Cash received during the reporting period</b>	29,381	34,113
<b>Cash available</b>	29,381	34,113
<b>Cash available for current period</b>	29,381	34,113
Contributions to specified defined benefit funds	(29,381)	(34,113)
<b>Cash surplus/(deficit) for reporting period</b>	-	-

### 33.9 Student Services and Amenties Fee

	Parent entity (University) only	
	SA-HELP	
	2022 \$'000	2021 \$'000
Unspent/(overspent) revenue from previous period		
SA-HELP revenue earned	3,709	3,868
Student services fees direct from students	6,173	6,387
<b>Total revenue expendable in period</b>	<b>9,882</b>	<b>10,255</b>
Student services expenses during period	(9,882)	(10,255)
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 \$175 million debt facility with Westpac Banking Corporation (\$100 million) and the Commonwealth Bank of Australia (\$75 million). As at 31 December 2022, 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 \$175 million (2021: \$250m).

##### Cash flow hedges

The university has no cash flow hedges as at 31 December 2022.

### 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 0.50% in the 2023 year.

	Carrying amount	Interest rate risk				Foreign exchange risk			
		0.50%		-0.50%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	229,624	1,148	1,148	(1,148)	(1,148)	-	-	-	-
Receivables	478,557	-	-	-	-	(136)	(136)	136	136
Managed funds	18,364	92	92	(92)	(92)	-	-	-	-
Long-term deposits	110,000	-	-	-	-	-	-	-	-
Shares in other organisations	43,160	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	5,314	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>885,019</b>	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Payables	84,536	-	-	-	-	86	86	(86)	(86)
Bonds	299,068	-	-	-	-	-	-	-	-
Lease liabilities	124,034	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>507,638</b>	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>	<b>-</b>	<b>1,240</b>	<b>1,240</b>	<b>(1,240)</b>	<b>(1,240)</b>	<b>(50)</b>	<b>(50)</b>	<b>50</b>	<b>50</b>
	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
<b>31 December 2021</b>									
<b>Financial assets</b>									
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	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>912,370</b>	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Payables	89,101	-	-	-	-	66	66	(66)	(66)
Bonds and loans	298,884	-	-	-	-	-	-	-	-
Lease liabilities	147,207	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>535,192</b>	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>	<b>-</b>	<b>253</b>	<b>253</b>	<b>(253)</b>	<b>(253)</b>	<b>(43)</b>	<b>(43)</b>	<b>43</b>	<b>43</b>

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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 two revolving debt facilities: Westpac Banking Corporation for \$100 million and the Commonwealth Bank of Australia for \$75 million for a total overall facility of \$175 million. As at 31 December 2022, total of \$0 has been drawn down from these three facilities.

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

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

	Average interest rate % (pa)	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
<b>31 December 2022</b>							
<b>Financial assets</b>							
Cash and cash equivalents	1.97	-	229,624	-	-	-	229,624
Receivables	-	-	-	-	-	478,557	478,557
Managed funds	(9.03)	-	-	18,364	-	-	18,364
Long-term deposits	-	-	-	110,000	-	-	110,000
Shares in other organisations	-	-	-	-	-	43,160	43,160
Investments accounted for using the equity method	-	-	-	-	-	5,314	5,314
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>229,624</b>	<b>128,364</b>	<b>-</b>	<b>527,031</b>	<b>885,019</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	84,536	84,536
Bonds and loans	4.01	-	-	-	299,068	-	299,068
Lease liabilities	4.45	-	18,899	57,260	47,875	-	124,034
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18,899</b>	<b>57,260</b>	<b>346,943</b>	<b>84,536</b>	<b>507,638</b>
<b>31 December 2021</b>							
<b>Financial assets</b>							
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
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>233,113</b>	<b>20,147</b>	<b>-</b>	<b>659,110</b>	<b>912,370</b>
<b>Financial liabilities</b>							
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
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>22,839</b>	<b>59,916</b>	<b>363,336</b>	<b>89,101</b>	<b>535,192</b>

**(d) Fair value measurements**

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

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

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

	2022		2021	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	229,624	229,624	233,113	233,113
Receivables	478,557	478,557	574,685	574,685
Managed funds	18,364	18,364	20,147	20,147
Long-term deposits	110,000	110,000	-	-
Shares in other organisations	43,160	43,160	79,661	79,661
<b>Total financial assets</b>	<b>879,705</b>	<b>879,705</b>	<b>907,606</b>	<b>907,606</b>
<b>Financial liabilities</b>				
Payables	84,536	84,536	89,101	89,101
Bonds	299,068	299,068	298,884	298,884
Finance leases	124,034	124,034	147,207	147,207
<b>Total financial liabilities</b>	<b>507,638</b>	<b>507,638</b>	<b>535,192</b>	<b>535,192</b>

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

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

**(e) Fair value hierarchy**

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

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

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

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

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

	Notes	31 Dec 2022 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	449,550	-	449,550	-
Other financial assets at fair value through profit or loss	11	43,265	43,265	-	-
Investments in equity instruments designated at fair value through other comprehensive income	11	17,389	-	17,389	-
Other financial assets at amortised cost	11	870	870	-	-
<b>Total financial assets</b>		<b>511,074</b>	<b>44,135</b>	<b>466,939</b>	<b>-</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	2,183,399	-	3,702	2,179,697
<b>Total non-financial assets</b>		<b>2,183,399</b>	<b>-</b>	<b>3,702</b>	<b>2,179,697</b>

	Notes	31 Dec 2021 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	552,569	-	552,569	-
Other financial assets at fair value through profit or loss	11	83,597	83,597	-	-
Investments in equity instruments designated at fair value through other comprehensive income	11	15,399	-	15,399	-
Other financial assets at amortised cost	11	812	812	-	-
<b>Total financial assets</b>		<b>652,377</b>	<b>84,409</b>	<b>567,968</b>	<b>-</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	2,119,535	-	3,834	2,115,701
<b>Total non-financial assets</b>		<b>2,119,535</b>	<b>-</b>	<b>3,834</b>	<b>2,115,701</b>

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

(ii) **Disclosed fair values**

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

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

The fair value of non-current borrowings disclosed in note 18 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the University for similar financial instruments. For the period ending 31 December 2022, the borrowing rate is 4.01 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:

- 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 2022 and 31 December 2021.

	Land, buildings and infrastructure \$'000
<b>31 December 2022</b>	
Opening balance	2,115,701
Acquisitions	26,922
Recognised in profit or loss	(69,389)
Recognised in other comprehensive income	106,463
<b>Closing balance</b>	<b>2,179,697</b>
<b>31 December 2021</b>	
Opening balance	2,205,042
Acquisitions	19,196
Disposals	(84,126)
Recognised in profit or loss	(68,016)
Recognised in other comprehensive income	43,605
<b>Closing balance</b>	<b>2,115,701</b>

**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 2022

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 (Resigned 13 April 2022)  
 Professor Chris Earley (Resigned 13 April 2022)  
 Mr Glen Babington (Commenced 13 April 2022)  
 Professor Debra Anderson (Commenced 13 April 2022)  
 Professor Glen Wightwick (Commenced 13 April 2022)  
 Professor Ian Burnett (Commenced 13 April 2022, Resigned 31 Dec 2022)

2. The Directors held three (4) ordinary meetings and zero (0) annual general meeting during the year ended 31<sup>st</sup> December 2022. Attendance at those meetings was as follows:

	Number of Meetings	Meetings Attended
Mr Iain Watt	4	4
Mr Patrick Woods	4	1
Professor Chris Earley	4	1
Mr Glen Babington	4	3
Professor Debra Anderson	4	3
Professor Glen Wightwick	4	3
Professor Ian Burnett	4	3

3. The objectives of the Company are to establish subsidiary offices in China (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 2022

4. Operations for the financial period ended 31 December 2022 resulted in a loss of \$396.00.
5. 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.
6. 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.
7. The company's principal business activities are to jointly work with University Technology Sydney to provide research activities in collaboration with local industry in China.
8. In 2022 the company oversaw the efficient and effective work of its subsidiary, UTS Beijing Ltd., which operates to further UTS interests in China.
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 \$1 million USD 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 28 April 2023



Director  
Mr Iain Watt



Director  
Mr Glen Babington, CSC

## Responsible persons declaration

### UTS Global Pty Ltd

ABN 32 154 014 481

#### RESPONSIBLE PERSONS DECLARATION For the year ended 31 December 2022

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 2022 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 28 April 2023 in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.



Director  
Mr Iain Watt



Director  
Mr Glen Babington, CSC

## Statement of comprehensive income

for the year ended 31 December 2022

	Notes	2022 \$	2021 \$
<b>Continuing operations</b>			
Revenue from continuing operations	2	1,299,214	1,217,000
Other expenses	3	1,299,610	848,932
<b>Profit /(loss) before income tax</b>		<b>(396)</b>	<b>368,068</b>
Net result for the period for continuing operations		(396)	368,068
Net result for the period is attributable to the owners		(396)	368,068
<b>Total comprehensive income is attributable to the owners</b>		<b>(396)</b>	<b>368,068</b>

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

## Statement of financial position

as at 31 December 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	896,185	911,055
Receivables	5	0	3,126
<b>Total current assets</b>		<b>896,185</b>	<b>914,181</b>
<b>Non-current assets</b>			
Other financial assets	6	1,700,000	1,700,000
<b>Total non-current assets</b>		<b>1,700,000</b>	<b>1,700,000</b>
<b>Total assets</b>		<b>2,596,185</b>	<b>2,614,181</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	7	0	17,600
<b>Total current liabilities</b>		<b>0</b>	<b>17,600</b>
<b>Total liabilities</b>		<b>0</b>	<b>17,600</b>
<b>Net assets</b>		<b>2,596,185</b>	<b>2,596,581</b>
<b>Equity</b>			
Retained earnings	8	996,184	996,580
Share capital	9	1,600,001	1,600,001
<b>Total equity</b>		<b>2,596,185</b>	<b>2,596,581</b>

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

## Statement of changes in equity

as at 31 December 2022

	Retained earnings \$	Share capital \$	Total \$
Balance at 1 January 2021	628,512	1,600,001	2,228,513
Profit for the period	368,068	-	368,068
<b>Balance at 31 December 2021</b>	<b>996,580</b>	<b>1,600,001</b>	<b>2,596,581</b>
Balance at 1 January 2022	996,580	1,600,001	2,596,581
Profit for the period	(396)	-	(396)
Transactions with owners recorded directly in equity	-	-	-
<b>Balance at 31 December 2022</b>	<b>996,184</b>	<b>1,600,001</b>	<b>2,596,185</b>

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

## Statement of cash flows

as at 31 December 2022

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Contribution from UTS		1,297,000	1,217,000
Interest received		2,214	0
Bank fees and charges		(60)	(172)
Payment to supplier and other related parties		(1,317,105)	(841,286)
GST refund		3,081	3,448
<b>Net cash provided by/(used in) operating activities</b>	12	<b>(14,870)</b>	<b>378,990</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(14,870)</b>	<b>378,990</b>
Cash and cash equivalents at the beginning of the financial year		911,055	532,065
<b>Cash and cash equivalents at the end of the financial year</b>		<b>896,185</b>	<b>911,055</b>

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

## **1. Summary of significant accounting policies**

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

The company's principal business activities are to provide marketing and profile building services to UTS. The company's principal place of business is 15 Broadway, Ultimo, NSW 2007.

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

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, 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 a historical cost basis and are presented in Australian dollars, rounded to the nearest dollar.

### **(b) Statement of compliance**

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

### **(c) Financial instruments**

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either company or its counterparties. These include Cash at Bank, Receivables and Accounts Payable. Note 11 discloses the risk and management of those risks regarding financial instruments.

#### **(i) Cash**

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

#### **(ii) Receivables**

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

#### **(iii) Payables**

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

### **(d) Investments and other financial assets**

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

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

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 2022 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	2022 \$	2021 \$
<b>2. Income from continuing operations</b>		
Contribution from UTS	1,297,000	1,217,000
Interest earned	2,214	0
<b>Total revenue from continuing operations</b>	<b>1,299,214</b>	<b>1,217,000</b>
<b>3. Expenses from continuing operations</b>		
Consulting	1,300,000	832,500
Audit fee	(450)	16,260
Bank fees and charges	60	172
<b>Total expenses from continuing operations</b>	<b>1,299,610</b>	<b>848,932</b>
<b>4. Cash and cash equivalents</b>		
Cash at bank and on hand	896,185	911,055
<b>Total cash and cash equivalents</b>	<b>896,185</b>	<b>911,055</b>
<b>5. Receivables</b>		
GST receivables	0	3,126
<b>Total receivables</b>	<b>0</b>	<b>3,126</b>
<b>6. Non-current assets</b>		
Shares in UTS Beijing Limited	100,000	100,000
Shares in UTS Shenzhen Limited	1,600,000	1,600,000
<b>Total other non-financial assets</b>	<b>1,700,000</b>	<b>1,700,000</b>
<b>7. Payables</b>		
Accrual – audit	0	17,600
<b>Total payables</b>	<b>0</b>	<b>17,600</b>

**Financial statements: UTS Global Pty Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2022**

	Notes	2022 \$	2021 \$
<b>8. Retained earnings</b>			
Balance at the beginning of the period		996,580	628,512
Surplus/(deficit) for the period		(396)	368,068
<b>Balance as at 31 December</b>		<b>996,184</b>	<b>996,580</b>
<b>9. Share capital</b>			
Ordinary shares		1,600,001	1,600,001
<b>Total share capital</b>		<b>1,600,001</b>	<b>1,600,001</b>

**10. Remuneration of directors**

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

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

Mr. Iain Watt (Chair)	Professor Debra Anderson (commenced April 2022)
Professor Chris Earley (ended April 2022)	Professor Glenn Wightwick (commenced April 2022)
Mr. Patrick Woods (ended April 2022)	Mr. Glen Babington (commenced April 2022)
Professor Ian Burnett (commenced April 2022, ended December 2022)	

**(b) Directors' remuneration**

No remuneration was paid to the directors for the 2022 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.

	2022 \$	2021 \$
Credit risk by classification of counterparty:		
Cash and cash equivalent assets		
bank	896,184	911,054
on hand	1	1
receivables	0	3,126
	<b>896,185</b>	<b>914,181</b>

**(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:

	2022 \$	2021 \$
Cash at bank and on hand	896,185	911,055
<b>(b) Reconciliation of profit to net cash provided by operating activities</b>		
Profit/(loss) for the year	(396)	368,068
Decrease/(increase) in receivables	3,126	9,822
(Decrease)/increase in payables	(17,600)	1,100
Prepayments	-	-
<b>Net cash provided by operating activities</b>	<b>(14,870)</b>	<b>378,990</b>

**13. After balance date events**

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

**14. Contingent liabilities and contingent assets**

There are no contingent liabilities and no contingent assets as at 31 December 2022.

	Notes	2022 \$	2021 \$
<b>15. Remuneration of auditors</b>			
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**

# Insearch Limited

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# Directors' report

31 December 2022

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 RD Milbourne AO	1 March 2016	
Ms JN Anderson	28 November 2017	
Dr AM Dwyer	25 November 2019	
Mr GA Freeland	28 March 2017	
Mr A Murphy	3 September 2007	
Mr I Watt	17 July 2018	
Mr M Leigh	1 October 2019	11 March 2023
Professor C Rhodes	19 August 2022	
Mr Glen Babington CSC	11 March 2023	

## Company Secretary

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

Mr NL Patrick (appointed 21 October 2010)

## Principal activities

The activities of Insearch Limited during the financial year ended 31 December 2022 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 \$19.3m (2021: deficit of \$13.7m) before the payment of a donation to the University of Technology Sydney of \$nil (2021: \$167k).

## Letter of support

The University of Technology Sydney has agreed for a period of 12 months from the date of approval and signing of the Insearch Limited 31 December 2022 Financial Statements to meet any and all business operation liabilities including financial support that may be necessary to enable Insearch Limited and each of its controlled entities (each an Insearch Entity) to meet its financial commitments as and when they fall due and payable in the event that the Insearch Entity is unable to do so.

## Significant changes in the state of affairs

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

## Event since the end of the financial year

Except as noted above, no other matter or circumstance has arisen since 31 December 2022 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 \$14,591 (2021: \$12,451) per sections 300 (1)(g), 300(8) and 300(9) of the Corporations Act 2001.

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

## Directors' report (continued)

### 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 Chair of Campbell Page Pty Ltd and Group.

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 is the Chair of the ActivateUTS Board.

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.

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

Mr Murphy's current focus is on creating greater alignment between UTS College and the University of Technology Sydney, developing the leadership capability of UTS College in the pathway sector, and enhancing quality and innovation in teaching and learning and the student experience at UTS College, including its transnational programs.

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

## 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.

### Mr Mark Leigh

*Non-Executive Director*

Mr Leigh is a transformational Chief Financial Officer (CFO) with extensive experience in leading Australian and US multinational 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 until March 2023 was 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.

Mr Leigh was until recently the Chief Financial Officer for UTS. With a large organisation reporting directly to him, Mark was responsible for supporting the UTS strategy of excellence in teaching and learning, research and engagement. He was 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), *Organising Corporeal 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*.

### Mr Glen Babington, CSC

*Non-Executive Director*

Mr Babington has significant executive experience from the defence, mining, utilities, education and consulting sectors, having lived and worked in Indonesia and the USA. He is seasoned leader in organisational transformations and has had leading roles in significant mergers in education and utility companies. Mr Babington served in the Australian Army during which time he was awarded the Conspicuous Service Cross for his achievements as an infantry battalion commander. Mr Babington holds an MBA, BA Hons (Economics) and Company Directors Course Diploma (Order of Merit).

Mr Babington is currently the Chief Operating Officer of the University of Technology, Sydney where he is responsible for finance, procurement, technology, data, human resources, marketing, communications, property, logistics and the University Portfolio Management Office.

### 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, global corporate governance, project assurance, strategic planning, internal audit, campus planning, risk management and corporate compliance.

Mr Patrick has completed tertiary studies in three disciplines: Business (Accounting), Corporate Governance and Tertiary Education Management. He is currently enrolled in a Doctorate of Education program.

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.

## Directors' report (continued)

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

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

Mr Patrick is a Fellow of the following organisations: Chartered Accountants Australia and New Zealand; The Governance Institute of Australia; The Australian Institute of Company Directors; and the UK Chartered Governance Institute.

### 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 2022, and the numbers of meetings attended by each Director were:

Director	Insearch Board meetings (6)		Audit and Risk Committee meetings (4) <sup>1</sup>		Remuneration and Nominations Committee meetings (3)		Academic Board meetings (4)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ross Milbourne AO	6	6	4	4	-	-	4 <sup>2</sup>	3
Nell Anderson	6	6	-	-	3	3	-	1
Anne Dwyer	6	5	4	4	3	3	-	1
Guy Freeland	6	6	4	4	-	-	-	1
Alex Murphy	6	6	-	-	-	-	-	1
Iain Watt	6	5	-	-	-	-	-	-
Mark Leigh	6	6	4	4	-	-	-	-
Carl Rhodes	6	5	-	-	3	2	-	-

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 xx of this report.

For and on behalf of the directors signed at Sydney this 23 March 2023.



Emeritus Vice-Chancellor RD Milbourne AO

Director



Mr A Murphy

Director

Sydney

23 March 2023

## 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 2022 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  
23 March 2023

# 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 Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Company and the consolidated entity, 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 2022 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).

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 22 March 2023, 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 2022 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 Regulation Treasurer's Directions, and the *Corporations Act 2001*. The Directors' responsibilities 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:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

## Independent auditor's report (continued)

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

27 March 2023  
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 2022, 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

22 March 2023  
SYDNEY

## Statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Notes	Consolidated entity		Parent entity	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue from contracts with customers	4	49,951	59,835	49,092	59,508
Other income	5	547	1,712	18	1,826
<b>Total revenue and income from continuing operations</b>		<b>50,498</b>	<b>61,547</b>	<b>49,110</b>	<b>61,334</b>
Employee benefits expenses	6(a)	(32,767)	(34,344)	(31,714)	(33,416)
Depreciation and amortisation expense	6(b)	(14,547)	(17,357)	(13,878)	(16,427)
Net (impairment losses)/reversal of impairment losses on financial assets		(105)	(5)	(105)	4
Other expenses	6(c)	(21,082)	(21,153)	(22,285)	(22,739)
Finance costs		(1,031)	(1,764)	(958)	(1,617)
Share of net loss of associate and joint venture accounted for using the equity method	11	(290)	(474)	-	-
Donation to University of Technology Sydney		-	(167)	-	(167)
<b>Total expenses from continuing operations</b>		<b>(69,822)</b>	<b>(75,264)</b>	<b>(68,940)</b>	<b>(74,362)</b>
<b>Deficit for the year attributable to members</b>		<b>(19,324)</b>	<b>(13,717)</b>	<b>(19,830)</b>	<b>(13,028)</b>
<b>Other comprehensive income/(loss)</b>					
Item that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	19(a)	(284)	84	-	-
<b>Other comprehensive (loss)/income for the year</b>		<b>(284)</b>	<b>84</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year attributable to members</b>		<b>(19,608)</b>	<b>(13,633)</b>	<b>(19,830)</b>	<b>(13,028)</b>

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

# Statement of financial position

as at 31 December 2022

	Notes	Consolidated entity		Parent entity	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	8,704	25,927	6,524	24,022
Trade receivables	8	404	309	362	297
Financial assets at amortised cost	9	2,134	2,554	2,001	2,495
Other assets	10	3,491	3,314	3,399	3,233
<b>Total current assets</b>		<b>14,733</b>	<b>32,104</b>	<b>12,286</b>	<b>30,047</b>
<b>Non-current assets</b>					
Property, plant and equipment	12	20,206	44,978	19,315	42,943
Intangible assets	13	3,930	4,989	3,930	4,989
Other assets	10	196	257	2,493	2,194
<b>Total non-current assets</b>		<b>24,332</b>	<b>50,224</b>	<b>25,738</b>	<b>50,126</b>
<b>Total assets</b>		<b>39,065</b>	<b>82,328</b>	<b>38,024</b>	<b>80,173</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	14	2,897	1,541	2,812	1,395
Lease liabilities	15	7,131	13,115	6,705	12,409
Contract liabilities	4(b)	8,610	10,768	8,411	10,665
Employee benefit obligations	16	5,210	5,550	5,210	5,550
Other current liabilities	17	5,301	4,828	4,956	4,114
<b>Total current liabilities</b>		<b>29,149</b>	<b>35,802</b>	<b>28,094</b>	<b>34,133</b>
<b>Non-current liabilities</b>					
Lease liabilities	15	8,194	24,867	8,039	23,990
Provisions	18	4,675	4,591	4,675	4,591
Employee benefit obligations	16	1,007	1,420	1,007	1,420
<b>Total non-current liabilities</b>		<b>13,876</b>	<b>30,878</b>	<b>13,721</b>	<b>30,001</b>
<b>Total liabilities</b>		<b>43,025</b>	<b>66,680</b>	<b>41,815</b>	<b>64,134</b>
<b>Net (liabilities)/assets</b>		<b>(3,960)</b>	<b>15,648</b>	<b>(3,791)</b>	<b>16,039</b>
<b>Equity</b>					
Reserves	19(a)	(1,160)	(876)	-	-
(Accumulated deficit)/retained surplus	19(b)	(2,800)	16,524	(3,791)	16,039
<b>(Capital deficiency)/total equity</b>		<b>(3,960)</b>	<b>15,648</b>	<b>(3,791)</b>	<b>16,039</b>

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

## Statement of changes in equity

for the year ended 31 December 2022

	Notes	Reserves	(Accumulated deficit)/ Retained surplus	Total equity
		\$'000	\$'000	\$'000
<b>Consolidated</b>				
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
<b>Total comprehensive income/(loss) for the year</b>		<b>84</b>	<b>(13,717)</b>	<b>(13,633)</b>
<b>Balance at 31 December 2021</b>		<b>(876)</b>	<b>16,524</b>	<b>15,648</b>
<b>Balance at 1 January 2022</b>				
Deficit for the year	19(b)	-	(19,324)	(19,324)
Exchange differences on translation of foreign operations	19(a)	(284)	-	(284)
<b>Total comprehensive loss for the year</b>		<b>(284)</b>	<b>(19,324)</b>	<b>(19,608)</b>
<b>Balance at 31 December 2022</b>		<b>(1,160)</b>	<b>(2,800)</b>	<b>(3,960)</b>
<b>Parent entity</b>				
Balance at 1 January 2021		-	29,067	29,067
Deficit for the year	19(b)	-	(13,028)	(13,028)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(13,028)</b>	<b>(13,028)</b>
<b>Balance at 31 December 2021</b>		<b>-</b>	<b>16,039</b>	<b>16,039</b>
<b>Balance at 1 January 2022</b>		<b>-</b>	<b>16,039</b>	<b>16,039</b>
Deficit for the year		-	(19,830)	(19,830)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(19,830)</b>	<b>(19,830)</b>
<b>Balance at 31 December 2022</b>		<b>-</b>	<b>(3,791)</b>	<b>(3,791)</b>

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

# Statement of cash flows

for the year ended 31 December 2022

	Notes	Consolidated entity		Parent entity	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of GST)		50,261	55,491	49,405	53,573
Grant income		-	1,386	-	1,386
Donation paid to the University of Technology Sydney		-	(167)	-	(167)
Payment to suppliers and employees (inclusive of GST)		(56,282)	(55,119)	(54,833)	(53,489)
		(6,021)	1,591	(5,428)	1,303
Net interest received		179	54	156	44
Input tax credit refund from Australian Taxation Office		1,907	1,158	1,907	1,158
<b>Net cash (outflow)/inflow from operating activities</b>	27	<b>(3,935)</b>	<b>2,803</b>	<b>(3,365)</b>	<b>2,505</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(643)	(292)	(530)	(259)
Payments for intangibles		(359)	(1,834)	(359)	(1,834)
Capital contribution to subsidiary		-	-	(747)	(699)
Proceeds from sale of property, plant and equipment		166	1	166	1
<b>Net cash (outflow) from investing activities</b>		<b>(836)</b>	<b>(2,125)</b>	<b>(1,470)</b>	<b>(2,791)</b>
<b>Cash flows from financing activities</b>					
Interest elements of lease payments		(947)	(1,683)	(874)	(1,536)
Principal elements of lease payments		(11,312)	(11,182)	(11,789)	(10,595)
<b>Net cash (outflow) from financing activities</b>		<b>(12,259)</b>	<b>(12,865)</b>	<b>(12,663)</b>	<b>(12,131)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(17,030)</b>	<b>(12,187)</b>	<b>(17,498)</b>	<b>(12,417)</b>
Cash and cash equivalents at the beginning of the financial year		25,927	37,935	24,022	36,439
Effects of exchange rate changes on cash and cash equivalents		(193)	179	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>8,704</b>	<b>25,927</b>	<b>6,524</b>	<b>24,022</b>
Non-cash investing and financing activities	27(a)				

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

## 1. The company

Insearch Limited is a public company, limited by guarantee of its Members, having no share capital. The company is incorporated and domiciled in Australia. Its registered place of business is Level 13, UTS Building 10 (CB10) 235 Jones Street, Broadway, NSW 2007. 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 was created to be a holding company to Insearch Lanka (Private) Limited.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Insearch Limited ('company' or 'parent entity') as at 31 December 2022 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.

## 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 2022 were authorised for issue in accordance with a resolution of the Directors on 23 March 2023.

#### (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) Comparative information

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures. These reclassifications have not affected the net asset position nor the net profit of the comparative year.

#### (iv) 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 2022:

- 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]

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.

#### (v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. The Group's assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the company's financial statements in the period of initial application.

#### (vi) Going concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activity and realisation of assets despite the deficit for the year and the net current asset and retained earnings deficiency at year end. As at the reporting date, the Group had a working capital deficiency of \$14,416,655 (2021 surplus: \$3,698,167) and accumulated deficit of \$2,798,894 (2021 surplus: \$16,524,081). The Group also generated a deficit of \$19,322,972 (2021: \$13,716,795) for the year ended 31 December 2022.

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 COVID-19 pandemic, include cost saving initiatives, streamlining our cost base and reducing staff numbers.

Specifically a Letter of Support from the University of Technology Sydney was obtained to provide full financial support if necessary to Insearch Ltd. As part of this Letter of Support, the university is providing rent free premises from late 2022 on an ongoing basis, cash funding if required and has agreed to defer collection of outstanding invoices.



**(vii) 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 profit or loss and other 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').

**(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 profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other 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 profit or loss and other 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.

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**(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 financial year in which the course is delivered in accordance with related performance obligations. Education fees are disclosed net of refunds.

Insearch records a liability for deferred student revenue, comprising of prepaid student fees and unused course credits. These course credits allow students to return to their studies and use up available amounts at a future time. At some point it is deemed that these amounts will no longer be claimed, and the amounts can be recognised as revenue. This happens on a periodic basis based on the judgement of management, typically over 6 years since the last payment date.

**(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 recorded when the goods and services are received and 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 non-financial 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% (2021: 0.01% and 2.50%). Deposits at Call are bearing a floating interest rate at 2.85% and 2.95% (2021: 0.01% and 0.15%). Fixed Term Deposits is a bearing interest rate of 18% (2021: 0.11% and 0.19%).

**(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 profit or loss and other 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 profit or loss and other 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 other comprehensive income 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 profit or loss and other 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 profit or loss and other 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 3.41% (2021: 0.535%).

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 4.05% (2021: 1.67%).

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
<b>Consolidated</b>	
<b>Financial assets</b>	
<b>2022</b>	
Cash and cash equivalents	8,704
Trade receivables – current <sup>1</sup>	404
Other non-current assets	196
	<b>9,304</b>
<b>2021</b>	
Cash and cash equivalents	25,927
Trade receivables – current <sup>1</sup>	309
Other non-current assets	257
	<b>26,493</b>

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	Liabilities at amortised cost \$'000
<b>Consolidated</b>	
<b>Financial liabilities</b>	
<b>2022</b>	
Trade and other payables	2,897
Contract liabilities	8,610
Other current liabilities <sup>1</sup>	5,015
	<b>16,522</b>
<b>2021</b>	
Trade and other payables	1,541
Contract liabilities	10,768
Other current liabilities <sup>1</sup>	4,323
	<b>16,632</b>
<b>Parent entity</b>	
<b>Financial assets</b>	
<b>2022</b>	
Cash and cash equivalents	6,524
Trade receivables – current <sup>1</sup>	362
Other non-current assets	2,493
	<b>9,379</b>
<b>2021</b>	
Cash and cash equivalents	24,022
Trade receivables – current <sup>1</sup>	297
Other non-current assets	2,194
	<b>26,513</b>
<b>Parent entity</b>	
<b>Financial liabilities</b>	
<b>2022</b>	
Trade and other payables	2,812
Contract liabilities	8,411
Other current liabilities <sup>1</sup>	4,956
	<b>16,179</b>
<b>2021</b>	
Trade and other payables	1,395
Contract liabilities	10,665
Other financial liabilities <sup>1</sup>	4,114
	<b>16,174</b>

1. Excluding statutory receivables/payables

**(a) Market risk**

The primary areas of market risk that Insearch Limited is exposed to are foreign exchange risk and interest rate risk.

**(i) Foreign exchange risk**

Insearch Limited's tuition fees for services provided in Australia are specified in Australian dollars. Therefore there is little or no exchange rate exposure in relation to fees.

Insearch Limited has operations in China, Vietnam, India and Sri Lanka which are affected by movements in exchange rates. The impact of these movements can affect both the operating surplus expressed in Australian dollars and the carrying values of the operations in the statement of financial position of the Group.

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

The movement in exchange rates in 2022 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Consolidated</b>				
RMB/AUD exchange rate – increase 10%	-	-	124	152
RMB/AUD exchange rate – decrease 10%	-	-	(124)	(152)
USD/AUD exchange rate – increase 10%	-	-	-	(1)
USD/AUD exchange rate – decrease 10%	-	-	-	1
VND/AUD exchange rate - increase 10%	-	-	2	-
VND/AUD exchange rate - decrease 10%	-	-	(2)	-
INR/AUD exchange rate – increase 10%	-	-	13	15
INR/AUD exchange rate – decrease 10%	-	-	(13)	(15)
LKR/AUD exchange rate – increase 10%	-	-	58	51
LKR/AUD exchange rate – decrease 10%	-	-	(58)	(51)

**(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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Consolidated</b>				
Interest rates – increase by 1%	87	259	-	-
Interest rates – decrease by 1%	(87)	(259)	-	-

**(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.



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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 2022 or 1 January 2022 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 2022 and 31 December 2021 was determined as follows for both trade receivables.

	Current (less than 90 days past due) \$'000	90–180 days past due \$'000	More than 180 days past due \$'000	Total \$'000
<b>Consolidated entity</b>				
<b>31 December 2022</b>				
Expected loss rate	4%	100.00%	100%	
Gross carrying amount – trade receivables	421	18	61	500
<b>Loss allowance</b>	<b>17</b>	<b>18</b>	<b>61</b>	<b>96</b>
<b>31 December 2021</b>				
Expected loss rate	8.65%	100.00%	3.60%	
Gross carrying amount – trade receivables	104	4	222	330
<b>Loss allowance</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>21</b>
<b>Parent entity</b>				
<b>31 December 2022</b>				
Expected loss rate	4.49%	100.00%	100.00%	
Gross carrying amount – trade receivables	379	18	61	458
<b>Loss allowance</b>	<b>17</b>	<b>18</b>	<b>61</b>	<b>96</b>
<b>31 December 2021</b>				
Expected loss rate	9.78%	100.00%	3.60%	
Gross carrying amount – trade receivables	92	4	222	318
<b>Loss allowance</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>21</b>

**(c) Liquidity risk**

Liquidity risk is the risk that the group will be unable to meet its payment obligations when they fall due.

Insearch Limited maintains adequate cash balances to ensure that it has sufficient funds to meet operating expenditure and capital expenditure.

Liquidity is managed by the group through the preparation and review of monthly statement of cash flows and cash forecasts. Cash at bank is reconciled on a monthly basis and bank balances are independently confirmed as part of the annual audit process.



(i) **Maturities of lease liabilities**

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

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

Contractual maturities of lease liabilities	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000	Total contractual cash flows \$'000	Less: Imputed interest \$'000	Carrying amount liabilities \$'000
<b>Consolidated entity – At 31 December 2022</b>						
Lease liabilities	7,243	8,888	-	16,131	(806)	15,325
<b>Consolidated entity – At 31 December 2021</b>						
Lease liabilities	13,357	25,162	2,515	41,034	(3,051)	37,982

Contractual maturities of lease liabilities	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000	Total contractual cash flows \$'000	Less: Imputed interest \$'000	Carrying amount liabilities \$'000
<b>Parent entity – At 31 December 2022</b>						
Lease liabilities	6,810	8,691	-	15,501	(757)	14,744
<b>Parent entity – At 31 December 2021</b>						
Lease liabilities	12,623	24,200	2,515	39,338	(2,939)	36,399

(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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>4. Revenue from contracts with customers</b>				
<b>Revenue from contracts with customers</b>				
Fees	49,951	59,835	49,092	59,508

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

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

	Australia \$'000	Subcontinent \$'000	Total \$'000
<b>Consolidated 2022</b>			
Timing of revenue recognition: external customers			
At a point in time – Other fees	3,509	-	3,509
Over time – Education course fees	45,583	859	46,442
	49,092	859	49,951
<b>Consolidated 2021</b>			
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

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	Australia \$'000			
<b>Parent entity 2022</b>				
Timing of revenue recognition: external customers				
At a point in time – Other fees				3,509
Over time – Education course fees				45,583
				<b>49,092</b>
<b>Parent entity 2021</b>				
Timing of revenue recognition: external customers				
At a point in time – Other fees				634
Over time – Education course fees				58,874
				<b>59,508</b>
	Consolidated entity		Parent entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>(b) Liabilities related to contracts with customers</b>				
Total prepaid course fees	8,610	10,768	8,411	10,665
<b>5. Other income</b>				
JobKeeper grant income	-	1,386	-	1,386
Net gains on disposal of non-current assets	115	-	115	-
Interest	179	50	156	40
Distributions from interest in associate	-	-	(505)	124
Other	253	276	252	276
<b>Total other income</b>	<b>547</b>	<b>1,712</b>	<b>18</b>	<b>1,826</b>
<b>6. Expenses</b>				
<b>Expenses from continuing operations</b>				
<b>(a) Employee benefits expenses</b>				
Salaries and wages	28,310	29,957	27,320	29,070
Superannuation	2,744	2,674	2,724	2,654
Payroll tax	1,596	1,310	1,596	1,310
Other	117	403	74	382
<b>Total employee benefits expenses</b>	<b>32,767</b>	<b>34,344</b>	<b>31,714</b>	<b>33,416</b>
<b>(b) Depreciation and amortisation expense</b>				
<b>Depreciation</b>				
Office equipment	257	467	240	439
Motor vehicles	32	46	32	46
Furniture and fittings	2,520	2,648	2,437	2,518
Computer equipment	521	833	478	770
Right-of-use assets	9,841	11,572	9,315	10,863
<b>Total depreciation</b>	<b>13,171</b>	<b>15,566</b>	<b>12,502</b>	<b>14,636</b>
<b>Amortisation</b>				
Curriculum	27	127	27	127
Software	1,349	1,664	1,349	1,664
<b>Total amortisation</b>	<b>1,376</b>	<b>1,791</b>	<b>1,376</b>	<b>1,791</b>
<b>Total depreciation and amortisation expense</b>	<b>14,547</b>	<b>17,357</b>	<b>13,878</b>	<b>16,427</b>

	Consolidated entity		Parent entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>(c) Other expenses</b>				
Occupancy	1,679	1,455	1,459	1,335
Security	322	173	305	152
Communications	286	247	166	97
Homestay and welcome	136	7	136	7
Educational expenses	1,571	1,328	1,555	1,320
Scholarships	266	332	266	332
Promotion and channel partner commissions	9,670	9,952	11,608	11,923
Travel	556	182	402	40
Staff appointments	295	81	294	81
IT costs	3,095	2,765	3,089	2,758
Staff wellbeing	459	444	24	26
Sponsorships	11	3	7	3
Audit and accounting fees	342	331	264	240
Legal fees	200	247	193	245
Consultancy	436	626	403	594
Subscription and membership	231	272	228	268
Printing and stationery	49	53	29	36
Loss or gain on foreign exchange	61	37	61	37
Net losses on disposal of non-current assets	-	1,849	-	1,849
Impairment losses of investments	-	-	441	793
Other	1,417	769	1,355	603
<b>Total other expenses</b>	<b>21,082</b>	<b>21,153</b>	<b>22,285</b>	<b>22,739</b>
<b>7. Cash and cash equivalents</b>				
Cash at bank and in hand	3,667	6,402	1,868	4,497
Deposits at call	4,656	2,525	4,656	2,525
Term deposits	381	17,000	-	17,000
<b>Total cash and cash equivalents</b>	<b>8,704</b>	<b>25,927</b>	<b>6,524</b>	<b>24,022</b>
<b>8. Trade receivables</b>				
Trade receivables	500	330	458	318
Loss allowance (see note 3(b))	(96)	(21)	(96)	(21)
	<b>404</b>	<b>309</b>	<b>362</b>	<b>297</b>

**(a) Loss allowance**

The current trade receivables of the Group with a nominal value of \$95,760 (2021: \$21,226) 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	21	94	21	94
Increase/(decrease) in loss allowance recognised in profit or loss during the year	105	5	105	(4)
Receivables written off during the year as uncollectable	(30)	(78)	(30)	(69)
<b>At 31 December</b>	<b>96</b>	<b>21</b>	<b>96</b>	<b>21</b>

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

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	2022			2021		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>9. Financial assets at amortised cost</b>						
<b>Consolidated</b>						
Other receivables	2,134	-	2,134	2,554	-	2,554
	<b>2,134</b>	<b>-</b>	<b>2,134</b>	<b>2,554</b>	<b>-</b>	<b>2,554</b>
<b>Parent</b>						
Other receivables	2,001	-	2,001	2,495	-	2,495
	<b>2,001</b>	<b>-</b>	<b>2,001</b>	<b>2,495</b>	<b>-</b>	<b>2,495</b>
<b>10. Other assets</b>						
<b>Consolidated</b>						
Prepayments	3,491	-	3,491	3,314	-	3,314
Security deposits	-	196	196	-	257	257
Interest in associate and joint venture	-	-	-	-	-	-
Insearch (Shanghai) Limited	-	-	-	-	-	-
Insearch India LLP	-	-	-	-	-	-
Insearch Global/Insearch Lanka	-	-	-	-	-	-
	<b>3,491</b>	<b>196</b>	<b>3,687</b>	<b>3,314</b>	<b>257</b>	<b>3,571</b>
<b>Parent</b>						
Prepayments	3,399	-	3,399	3,233	-	3,233
Security deposits	-	26	26	-	33	33
Interest in associate and joint venture	-	81	81	-	81	81
Insearch (Shanghai) Limited	-	1,349	1,349	-	1,306	1,306
Insearch India LLP	-	259	259	-	207	207
Insearch Global/Insearch Lanka	-	778	778	-	567	567
	<b>3,399</b>	<b>2,493</b>	<b>5,892</b>	<b>3,233</b>	<b>2,194</b>	<b>5,427</b>

	Consolidated entity		Parent entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>11. Investments accounted for using the equity method</b>				
<b>Share of losses</b>				
Associate	(290)	(474)	-	-
<b>Share of assets and liabilities</b>				
<b>Carrying amount of investment in associated entity</b>				
			2022 \$'000	2021 \$'000
			(286)	(505)
<b>Share of assets and liabilities</b>				
Current assets			190	409
Non-current assets			1,410	1,167
<b>Total assets</b>			<b>1,600</b>	<b>1,576</b>
Current liabilities			1,850	2,046
Non-current liabilities			36	35
<b>Total liabilities</b>			<b>1,886</b>	<b>2,081</b>
<b>Net (liabilities)</b>			<b>(286)</b>	<b>(505)</b>
<b>Share of revenue and expenses</b>				
Revenues			1,788	1,331
Expenses			(2,078)	(1,805)
<b>Net losses</b>			<b>(290)</b>	<b>(474)</b>

**(a) Associate – Australian Centre for Education and Training (ACET)**

This is a business formed by Insearch Limited and IDP Education Australia (Vietnam) Limited to deliver academic English classes in Vietnam. Insearch Limited has a 50% ownership interest in ACET and is entitled to a 40% share of its annual profits or losses.

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets <sup>1</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

**12. Property, plant and equipment**

**Consolidated**

**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)
<b>Net book amount</b>	<b>1,011</b>	<b>61</b>	<b>13,198</b>	<b>1,777</b>	<b>249</b>	<b>45,047</b>	<b>61,343</b>

**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)
<b>Closing net book amount</b>	<b>554</b>	<b>15</b>	<b>10,410</b>	<b>1,055</b>	<b>400</b>	<b>32,544</b>	<b>44,978</b>

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	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets <sup>1</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 December 2021</b>							
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)
<b>Net book amount</b>	<b>554</b>	<b>15</b>	<b>10,410</b>	<b>1,055</b>	<b>400</b>	<b>32,544</b>	<b>44,978</b>
<b>At 1 January 2022</b>							
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)
<b>Net book amount</b>	<b>554</b>	<b>15</b>	<b>10,410</b>	<b>1,055</b>	<b>400</b>	<b>32,544</b>	<b>44,978</b>
<b>Year ended 31 December 2022</b>							
Opening net book amount	554	15	10,410	1,055	400	32,544	44,978
Exchange differences	(15)	-	(165)	(30)	-	(375)	(585)
Additions	20	-	70	23	530	-	643
Disposals	(40)	-	(33)	(260)	(249)	(1,171)	(1,753)
Lease variation	-	-	-	-	-	(9,906)	(9,906)
Transfers	25	93	-	439	(557)	-	-
Depreciation charge	(257)	(32)	(2,520)	(521)	-	(9,841)	(13,171)
<b>Closing net book amount</b>	<b>287</b>	<b>76</b>	<b>7,762</b>	<b>706</b>	<b>124</b>	<b>11,251</b>	<b>20,206</b>
<b>At 31 December 2022</b>							
Cost	2,053	310	22,052	4,173	124	29,685	58,397
Accumulated depreciation	(1,766)	(234)	(14,290)	(3,467)	-	(18,434)	(38,191)
<b>Net book amount</b>	<b>287</b>	<b>76</b>	<b>7,762</b>	<b>706</b>	<b>124</b>	<b>11,251</b>	<b>20,206</b>
<b>Parent entity</b>							
<b>At 1 January 2021</b>							
Cost	2,626	304	34,098	5,798	249	64,975	108,050
Accumulated depreciation	(1,687)	(243)	(21,470)	(4,185)	-	(21,866)	(49,451)
<b>Net book amount</b>	<b>939</b>	<b>61</b>	<b>12,628</b>	<b>1,613</b>	<b>249</b>	<b>43,109</b>	<b>58,599</b>
<b>Year ended 31 December 2021</b>							
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)
<b>Closing net book amount</b>	<b>506</b>	<b>15</b>	<b>9,982</b>	<b>943</b>	<b>400</b>	<b>31,097</b>	<b>42,943</b>
<b>At 31 December 2021</b>							
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)
<b>Net book amount</b>	<b>506</b>	<b>15</b>	<b>9,982</b>	<b>943</b>	<b>400</b>	<b>31,097</b>	<b>42,943</b>

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets <sup>1</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2022</b>							
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)
<b>Net book amount</b>	<b>506</b>	<b>15</b>	<b>9,982</b>	<b>943</b>	<b>400</b>	<b>31,097</b>	<b>42,943</b>
<b>Year ended 31 December 2022</b>							
Opening net book amount	506	15	9,982	943	400	31,097	42,943
Additions	-	-	-	-	530	-	530
Disposals	(39)	-	(32)	(259)	(249)	(1,171)	(1,750)
Lease variations	-	-	-	-	-	(9,906)	(9,906)
Transfers	25	93	-	439	(557)	-	-
Depreciation charge	(240)	(32)	(2,437)	(478)	-	(9,315)	(12,502)
<b>Closing net book amount</b>	<b>252</b>	<b>76</b>	<b>7,513</b>	<b>645</b>	<b>124</b>	<b>10,705</b>	<b>19,315</b>
<b>At 31 December 2022</b>							
Cost	1,948	310	21,566	3,928	124	27,809	55,685
Accumulated depreciation	(1,696)	(234)	(14,053)	(3,283)	-	(17,104)	(36,370)
<b>Net book amount</b>	<b>252</b>	<b>76</b>	<b>7,513</b>	<b>645</b>	<b>124</b>	<b>10,705</b>	<b>19,315</b>

1. Right-of-use assets relates to teaching and office premises.

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

### 13. Intangible assets

#### Consolidated and parent entity

##### At 1 January 2021

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

##### 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)
<b>Closing net book amount</b>	<b>-</b>	<b>3,514</b>	<b>1,475</b>	<b>4,989</b>

##### At 31 December 2021

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

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	Curriculum \$'000	Computer software \$'000	Capital work in progress \$'000	Total \$'000
<b>Year ended 31 December 2022</b>				
Opening net book amount	-	3,514	1,475	4,989
Additions	-	-	359	359
Disposals	-	-	(42)	(42)
Transfers	413	158	(571)	-
Amortisation charge	(27)	(1,349)	-	(1,376)
<b>Closing net book amount</b>	<b>386</b>	<b>2,323</b>	<b>1,221</b>	<b>3,930</b>
<b>At 31 December 2022</b>				
Cost	3,765	11,186	1,221	16,172
Accumulated amortisation and impairment	(3,379)	(8,863)	-	(12,242)
<b>Net book amount</b>	<b>386</b>	<b>2,323</b>	<b>1,221</b>	<b>3,930</b>

	2022			2021		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>14. Trade and other payables</b>						
<b>Consolidated</b>						
Trade and other payables	2,828	-	2,828	1,460	-	1,460
Other creditors	69	-	69	81	-	81
	<b>2,897</b>	<b>-</b>	<b>2,897</b>	<b>1,541</b>	<b>-</b>	<b>1,541</b>
<b>Parent</b>						
Trade and other payables	2,812	-	2,812	1,395	-	1,395
Other creditors	-	-	-	-	-	-
	<b>2,812</b>	<b>-</b>	<b>2,812</b>	<b>1,395</b>	<b>-</b>	<b>1,395</b>

**15. Lease liabilities**

<b>Consolidated</b>						
Lease liabilities	7,131	8,194	15,325	13,115	24,867	37,982
<b>Parent</b>						
Lease liabilities	6,705	8,039	14,744	12,409	23,990	36,399

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest expense (included in finance cost)	947	1,682	874	1,535
Expense relating to short-term leases (included in occupancy cost)	222	306	99	251

The total cash outflow for leases in 2022, excluding short-term leases, was \$13,166,825 (2021: \$12,864,003) for the Group and \$12,622,990 (2021: \$12,129,535) for the parent entity.



	2022			2021		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>16. Employee benefit obligations</b>						
<b>Consolidated</b>						
Leave obligations – annual leave	2,885	-	2,885	2,796	-	2,796
Leave obligations – long service leave	2,325	1,007	3,332	2,754	1,420	4,174
<b>Total employee benefit obligations</b>	<b>5,210</b>	<b>1,007</b>	<b>6,217</b>	<b>5,550</b>	<b>1,420</b>	<b>6,970</b>
<b>Parent</b>						
Leave obligations – annual leave	2,885	-	2,885	2,796	-	2,796
Leave obligations – long service leave	2,325	1,007	3,332	2,754	1,420	4,174
<b>Total employee benefit obligations</b>	<b>5,210</b>	<b>1,007</b>	<b>6,217</b>	<b>5,550</b>	<b>1,420</b>	<b>6,970</b>

(a) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 2(s).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$5,210,212 (2021: \$5,550,313) 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current annual leave obligations expected to be settled after 12 months	1,200	1,117	1,200	1,117
Current long service leave obligations expected to be settled after 12 months	762	888	762	888

**17. Other liabilities**

**Current liabilities**

Accrued expenses	4,013	2,473	3,958	2,264
Liabilities in interest in associated undertaking	286	505	-	-
Others	1,002	1,850	998	1,850
<b>Total other current liabilities</b>	<b>5,301</b>	<b>4,828</b>	<b>4,956</b>	<b>4,114</b>

	2022			2021		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>18. Provisions</b>						
<b>Consolidated</b>						
Make good provision	-	4,675	4,675	-	4,591	4,591
	-	4,675	4,675	-	4,591	4,591
<b>Parent</b>						
Make good provision	-	4,675	4,675	-	4,591	4,591
	-	4,675	4,675	-	4,591	4,591

(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.

**Financial statements: Insearch Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2022**

**(b) Movements in provisions**

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

	Make good \$'000
<b>Consolidated 2022</b>	
<b>Current and non-current</b>	
Carrying amount at start of year	4,591
Charged to the profit or loss	84
Carrying amount at end of year	4,675
<b>Parent entity 2022</b>	
Carrying amount at start of year	4,591
Charged to the profit or loss	84
Carrying amount at end of year	4,675

	Consolidated entity		Parent entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>19. Reserves and retained surplus</b>				
<b>(a) Reserves</b>				
Foreign currency translation reserve	(1,160)	(876)	-	-
<b>Movements</b>				
<b>Foreign currency translation reserve</b>				
Balance 1 January	(876)	(960)	-	-
Currency translation differences arising during the year	(284)	84	-	-
<b>Balance 31 December</b>	<b>(1,160)</b>	<b>(876)</b>	<b>-</b>	<b>-</b>
<b>(b) Accumulated deficit/Retained surplus</b>				
Movements in accumulated deficit/retained surplus were as follows:				
Balance 1 January	16,524	30,241	16,039	29,067
Deficit for the year	(19,324)	(13,717)	(19,830)	(13,028)
<b>Balance 31 December</b>	<b>(2,800)</b>	<b>16,524</b>	<b>(3,791)</b>	<b>16,039</b>

## 20. Key management personnel disclosures

### (a) Directors

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

#### (i) Non-executive chair

Emeritus Vice-Chancellor RD Milbourne AO

#### (ii) Executive director

Mr A Murphy

#### (iii) Non-executive directors

Mr I Watt

Dr A Dwyer

Emeritus Vice-Chancellor RD Milbourne AO

Mr M Leigh

Mr G Freeland

Ms N Anderson

Professor C Rhodes

### (b) Other key management personnel

Mr A Murphy

Ms CA Churches

Mr T Laurence

Mr N Patrick

Mr P Harris

Ms S Chatterjee

### (c) Key management personnel compensation

Insearch Limited has three Directors that are staff of UTS. These Directors do not receive any remuneration in respect of their work on the Insearch Board.

	Consolidated		Parent entity	
	2022	2021	2022	2021
<b>Remuneration of directors</b>				
\$0 to \$49,999	3	4	3	4
\$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+	-	-	-	-
	8	9	8	9
	Consolidated entity		Parent entity	
	2022 \$	2021 \$	2022 \$	2021 \$
Short-term employee benefits	705,306	685,522	705,306	685,522
Post-employment benefits	56,919	54,230	56,919	54,230
	762,225	739,752	762,225	739,752

## 21. Related party transactions

### (a) Parent entities

The parent entity in the wholly owned group is Insearch Limited. The controlling entity of Insearch Limited is the University of Technology Sydney.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 22.

### (c) Transactions with related parties

The following transactions occurred with related parties:

- Donation to the University of Technology Sydney \$nil (2021: \$167,000), this includes \$nil (2021: \$167,000) in respect of UTS staff acting as Directors on the Insearch Board.
- Sales of services and fees to the University of Technology Sydney \$34,988 (2021: \$54,266).
- Services rendered by the University of Technology Sydney to Insearch Limited \$3,516,232 (2021: \$2,521,807).
- Consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,630,004 (2021: \$1,728,462).
- Consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,630,004 (2021: \$1,728,462).
- Consulting service income between Insearch India LLP and Insearch Limited \$657,433 (2021: \$535,722).
- Consulting service expense between Insearch Limited and Insearch India LLP \$657,433 (2021: \$535,722).
- Consulting Service Income between Insearch Education International Pty Ltd and Insearch Limited \$1,000 (2021: \$4,000).
- Consulting service expense between Insearch Limited and Insearch Education International Pty Ltd \$1,000 (2021: \$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	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Current receivables (sales of goods and services)</b>				
Insearch (Shanghai) Limited	-	-	4,915	4,915
Insearch Lanka (Private) Limited	-	-	-	214,131
Insearch India LLP	-	-	877	-
<b>Current payables (sales of goods and services)</b>				
Insearch India LLP	-	-	69,185	11,752
University of Technology Sydney <sup>1</sup>	2,962,076	-	2,962,076	-

1. Amounts included in note 17 other liabilities as accrued expenses

## 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	
			2022 %	2021 %
Insearch (Shanghai) Limited	China	Ordinary	100	100
Insearch Global Pty Ltd	Australia	Ordinary	100	100
Insearch Education International Pty Limited	Australia	Ordinary	100	100
Insearch India LLP <sup>1</sup>	India	Ordinary	90	90
Insearch Lanka (Private) Limited	Sri Lanka	Ordinary	100	100

1. 10 per cent of Insearch India LLP is owned by Insearch Education International Pty Limited.

### 23. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Insearch Limited, its related practices and non-related audit firms:

	Consolidated entity		Parent entity	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>The Audit Office of New South Wales</b>				
(i) <b>Audit and other assurance services</b>				
Audit and review of financial statements	153,900	122,500	102,900	90,000
<b>Total auditors' remuneration</b>	<b>153,900</b>	<b>122,500</b>	<b>102,900</b>	<b>90,000</b>

### 24. Contingent liabilities

The Group has given bank guarantees in respect of rental leases amounting to \$689,908 (2021: \$1,912,008).

### 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 , no other matter or circumstance has arisen since 31 December 2022 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

	Consolidated entity		Parent entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>27. Cash flow information</b>				
<b>Reconciliation of deficit for the year to net cash inflow from operating activities</b>				
Deficit for the year	(19,324)	(13,717)	(19,830)	(13,028)
Depreciation and amortisation	14,547	17,357	13,878	16,427
Impairment losses on investments	-	-	441	793
Interest expense classified as financing cash flows	947	1,683	874	1,536
Net losses on sale of non-current assets	177	1,849	177	1,849
Share of loss of associates	290	474	-	-
Bad debt provisions	105	5	105	(4)
Doubtful debts written off	(30)	-	(30)	-
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables	(170)	(147)	1,835	(365)
Decrease/(increase) in other operating assets	1,189	718	(166)	699
Decrease/(increase) in other non-current assets	61	(11)	-	-
Increase in trade and other payables	408	1,964	1,432	2,032
Increase in provisions	84	81	84	81
Decrease in contract liabilities	(2,158)	(7,077)	(2,254)	(7,161)
Decrease in employee benefit obligations	(753)	(871)	(753)	(871)
Increase in other liabilities	692	495	842	517
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3,935)</b>	<b>2,803</b>	<b>(3,365)</b>	<b>2,505</b>

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

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

- acquisition of right-of-use assets amounting to \$nil (2021: \$530,000) for the Group and \$nil (2021: \$264,000) for the parent entity - note 12.

**End of audited financial statements**

## Acknowledgements

### Compliance

The report was written to comply with relevant legislation including the Annual Reports (Statutory Bodies) Act 1984 (NSW) and the Annual Reports (Statutory Bodies) Regulation 2015 (NSW).

In its structure and writing we have striven for best practice reporting, taking into account annual reporting guidelines and recommendations from the NSW Treasury and the Audit Office of New South Wales.

### Availability

The university's annual reports are available in PDF from the UTS website:

[www.uts.edu.au](http://www.uts.edu.au)

### Acknowledgements

The UTS Annual Report 2022 was produced by the Governance Support Unit.

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## UTS Traditional Owners and Land

UTS acknowledges the Gadigal people of the Eora Nation, the Boorooberongal people of the Dharug Nation, the Bidiagal people and the Gamaygal people upon whose ancestral lands our university stands.

We would also like to pay respect to the Elders both past and present, acknowledging them as the traditional custodians of knowledge for these lands.



The UTS Annual Report 2022 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.