

UTS!

THINK.CHANGE.DO

FINANCIAL STATEMENTS
2005



UNIVERSITY OF
TECHNOLOGY SYDNEY



2005 FINANCIAL STATEMENTS

UNIVERSITY OF TECHNOLOGY SYDNEY

STATEMENT BY APPOINTED OFFICERS	3
INDEPENDENT AUDIT REPORT	4
STATEMENT OF FINANCIAL PERFORMANCE	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10
CONTROLLED ENTITIES	
INSEARCH LIMITED	
> DIRECTORS' DECLARATION	56
> STATEMENT BY APPOINTED OFFICERS	57
> INDEPENDENT AUDIT REPORT	58
> STATEMENT OF FINANCIAL PERFORMANCE	60
> STATEMENT OF FINANCIAL POSITION	61
> STATEMENT OF CHANGES IN EQUITY	62
> STATEMENT OF CASH FLOWS	63
> NOTES TO AND FORMING PART OF THE ACCOUNTS	64
accessUTS PTY LIMITED	
> DIRECTORS' DECLARATION	80
> STATEMENT BY APPOINTED OFFICERS	81
> INDEPENDENT AUDIT REPORT	82
> INCOME STATEMENT	84
> BALANCE SHEET	85
> STATEMENT OF CHANGES IN EQUITY	86
> CASH FLOW STATEMENT	87
> NOTES TO THE FINANCIAL STATEMENTS	88

STATEMENT BY APPOINTED OFFICERS

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

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

1. the financial reports present a true and fair value of the financial position of the University at 31 December 2005 and the results of its operations and transactions of the University for the year then ended
2. the financial reports have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2005* and the Commonwealth Guidelines for the Preparation of Annual Financial Reports for the 2005 Reporting Period by Australian Higher Education Providers
3. the financial reports have been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial reports 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.



R D Milbourne
Vice-Chancellor



K J Rennie
Chair, Finance Committee

18 April 2006

INDEPENDENT AUDIT REPORT



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT University of Technology, Sydney

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the University of Technology, Sydney (the University):

- presents fairly the University's and the consolidated entity's financial position as at 31 December 2005 and their performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with:
 - section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2005*, and
 - the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2005 Reporting Period', issued by the Australian Government Department of Education, Science and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

Scope

The Financial Report and Council's Responsibility

The financial report comprises the balance sheets, income statements, statements of changes in equity, cash flow statements and accompanying notes to the financial statements for the University and the consolidated entity, for the year ended 31 December 2005. The consolidated entity comprises the University and the entities it controlled during the financial year.

The *Council* of the University is responsible for the preparation and true and fair presentation of the financial report in accordance with the PF&A Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the *Council* in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and disclosures in the financial report.

INDEPENDENT AUDIT REPORT

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that members of the *Council* had not fulfilled their reporting obligations.

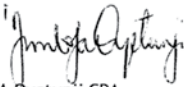
My opinion does *not* provide assurance:

- about the future viability of the University or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The PF&A Act further promotes independence by:

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



A Oyetunji CPA
Director, Financial Audit Services

SYDNEY
20 April 2006

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2.1	128,635	111,550	128,635	111,550
> HECS-HELP – Australian Government payments	2.1	48,383	44,497	48,383	44,497
> FEE-HELP	2.1	18,967	20,418	18,967	20,418
> State and local governments financial assistance	2.2	1,973	2,498	1,973	2,498
> HECS-HELP – student payments		18,578	16,710	18,578	16,710
Fees and charges	2.3	157,195	141,930	121,132	102,211
Investment income	2.4	5,320	6,732	4,055	5,163
Royalties, trademarks and licences	2.5	179	68	179	68
Consultancy and contracts	2.6	7,652	8,860	7,129	7,691
Other revenue	2.7	20,350	17,509	21,250	24,691
Share of net results of associates and joint venture partnerships accounted for using the equity method	34	1,304	765	-	-
Subtotal		408,536	371,537	370,281	335,497
Deferred Government superannuation contributions		3,160	6,164	3,160	6,164
Total revenue from continuing operations		411,696	377,701	373,441	341,661
Expenses from continuing operations					
Employee benefits and on costs	3.1	239,141	226,272	223,005	211,387
Depreciation and amortisation	3.2	38,718	33,079	36,489	31,071
Repairs and maintenance	3.3	6,975	6,956	6,777	6,755
Borrowing costs	4	5,596	4,931	5,596	4,931
Bad and doubtful debts	3.4	841	748	836	745
Other expenses	3.5	102,869	110,093	83,724	91,071
Subtotal		394,140	382,079	356,427	345,960
Deferred employee benefits for superannuation		3,320	8,186	3,320	8,186
Total expenses from continuing operations		397,460	390,265	359,747	354,146
Operating result before income tax		14,236	(12,564)	13,694	(12,485)
Income tax expense	6	32	39	-	-
Operating result from continuing operations		14,204	(12,603)	13,694	(12,485)
Net operating result attributable to members of the University of Technology, Sydney		14,204	(12,603)	13,694	(12,485)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	26,389	28,198	4,891	1,619
> Receivables	10	12,365	8,842	12,424	11,093
> Other financial assets at fair value through profit or loss	11	40,933	43,926	40,933	43,926
> Other non-financial assets	14	10,253	6,938	9,002	11,656
> Non-current assets classified as held for sale	15	29	88	-	-
Total current assets		89,969	87,992	67,250	68,294
Non-current assets					
> Receivables	10	193,942	190,782	193,942	190,782
> Investments using the equity method	16	2,626	1,310	-	-
> Available-for-sale financial assets	12	25	2	25	2
> Other financial assets at fair value through profit or loss	11	-	1,664	739	76
> Other financial assets	13	213	329	337	12
> Property, plant and equipment	17	791,169	735,966	787,345	730,695
> Intangible assets	18	23,213	23,004	20,616	20,437
Total non-current assets		1,011,188	953,057	1,003,004	942,004
Total assets		1,101,157	1,041,049	1,070,254	1,010,298
LIABILITIES					
Current liabilities					
Payables	19	47,880	16,374	46,659	15,416
> Interest-bearing liabilities	20	3,773	3,342	3,773	3,342
> Derivatives	21	1,982	1,341	1,982	1,341
> Provisions	22	45,378	38,255	44,731	37,622
> Other liabilities	23	19,578	17,238	10,723	7,144
Total current liabilities		118,591	76,550	107,868	64,865
Non-current liabilities					
Interest-bearing liabilities	20	69,777	70,208	69,777	70,208
> Provisions	22	203,977	200,232	203,108	199,507
> Other liabilities	23	1,147	916	-	-
Total non-current liabilities		274,901	271,356	272,885	269,715
Total liabilities		393,492	347,906	380,753	334,580
Net assets		707,665	693,143	689,501	675,718
EQUITY					
Parent entity interest					
> Statutory funds	24	10,865	5,871	10,865	5,871
> Reserves	25 (a)	296,346	296,028	296,464	296,375
> Retained surplus	25 (d)	400,454	391,244	382,172	373,472
Total equity		707,665	693,143	689,501	675,718

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2005

	Economic entity [Consolidated]		Parent entity [University]	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Total equity at the beginning of the financial year	693,143	685,657	675,718	668,153
Gain on revaluation of foreign currency reserve	229	39	-	-
Gain on revaluation of available for sale investments	23	-	23	-
Gain on revaluation of property, plant and equipment	66	20,050	66	20,050
Net income recognised directly in equity	318	20,089	89	20,050
Operating result for the year	14,204	(12,603)	13,694	(12,485)
Total recognised income and expense for the year	14,522	7,486	13,783	7,565
Total equity at the end of the financial year	707,665	693,143	689,501	675,718
Total recognised income and expense for the year is attributable to:				
> Members of University of Technology, Sydney	14,522	7,486	13,783	7,565
	14,522	7,486	13,783	7,565
Effect of correction of error in previous year, being an increase in retained surplus, attributable to members of University of Technology, Sydney	-	11	-	11

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash flows from operating activities					
Australian Government					
> CGS and other DEST grants	37.1	93,747	82,812	93,747	82,812
> Higher education loan programs	37.2	72,520	63,332	72,520	63,332
> Scholarships	37.7	2,625	2,097	2,625	2,097
> DEST research	37.6	15,664	14,154	15,664	14,154
> ARC grants – Discovery	37.3	4,542	2,871	4,542	2,871
> ARC grants – Linkages	37.4	4,045	4,003	4,045	4,003
> ARC grants – Networks and Centres	37.5	664	1,112	664	1,112
> Other Australian Government grants		5,374	5,346	5,374	5,346
> State Government grants		1,973	2,498	1,973	2,498
HECS-HELP – student payments		20,236	16,230	20,236	16,230
OS-HELP (net)		725	–	725	–
Receipts from student fees and other customers		199,028	186,547	171,453	148,537
Interest received		6,142	6,678	4,877	5,164
Payments to suppliers and employees (inclusive of goods and services tax)		(348,639)	(349,446)	(315,431)	(313,084)
Interest paid		(4,992)	(4,997)	(4,992)	(4,997)
Income tax paid		(16)	(39)	–	–
Net cash inflow (outflow) from operating activities	36	73,638	33,198	78,022	30,075
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	5	649	202	155	35
Proceeds from sale of investments securities		288,592	225,000	286,812	225,000
Payments for investment securities		(284,642)	(188,993)	(284,642)	(189,098)
Purchase of shares		(2,441)	–	(525)	–
Payments for property, plant and equipment		(74,009)	(67,375)	(72,938)	(63,897)
Net cash inflow (outflow) from investing activities		(71,851)	(31,166)	(71,138)	(27,960)
Cash flows from financing activities					
> Repayment of borrowings		(3,612)	(2,395)	(3,612)	(2,395)
Net cash inflow (outflow) from financing activities		(3,612)	(2,395)	(3,612)	(2,395)
Net increase/(decrease) in cash and cash equivalents		(1,825)	(363)	3,272	(280)
Cash and cash equivalents at the beginning of the year		28,198	28,591	1,619	1,899
Effect of exchange rate changes on cash and cash equivalents		16	(30)	–	–
Cash and cash equivalents at end of year	9	26,389	28,198	4,891	1,619
Non-cash financing and investing activities	27	3,597	3,284	3,597	3,284

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	11
2. REVENUE FROM ORDINARY ACTIVITIES	16
3. EXPENSES FROM ORDINARY ACTIVITIES	19
4. BORROWING COSTS	21
5. SALES OF ASSETS	21
6. INCOME TAX	21
7. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS	21
8. REMUNERATION OF AUDITORS	23
9. CASH AND CASH EQUIVALENTS	23
10. RECEIVABLES	24
11. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	24
12. AVAILABLE-FOR-SALE FINANCIAL ASSETS	25
13. OTHER FINANCIAL ASSETS	25
14. OTHER NON-FINANCIAL ASSETS	25
15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	25
16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	26
17. PROPERTY, PLANT AND EQUIPMENT	26
18. INTANGIBLE ASSETS	28
19. PAYABLES	29
20. INTEREST-BEARING LIABILITIES	30
21. DERIVATIVES	30
22. PROVISIONS	31
23. OTHER LIABILITIES	31
24. STATUTORY FUNDS	31
25. RESERVES AND RETAINED SURPLUS	32
26. COMMITMENTS FOR EXPENDITURE	33
27. NON-CASH FINANCING AND INVESTING ACTIVITIES	34
28. SUPERANNUATION PLANS	35
29. CONTINGENT ASSETS AND CONTINGENT LIABILITIES	37
30. ECONOMIC DEPENDENCY	37
31. SUBSIDIARIES	37
32. RELATED PARTIES	37
33. DISAGGREGATION INFORMATION (CONSOLIDATED)	38
34. INTERESTS IN JOINT VENTURES	38
35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE	39
36. NOTES TO THE STATEMENT OF CASH FLOWS	40
37. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE	41
38. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS	46
39. FINANCIAL INSTRUMENTS	51
40. OTHER ACTIVITIES	55

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the requirements of:

- (i) the Australian Accounting Standards including the Australian equivalents to the International Financial Reporting Standards (AIFRS)
- (ii) other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Urgent Issues Group Interpretations
- (iii) the Financial Statements Guidelines for Australian Higher Education Providers for the 2005 Reporting Period issued by the Commonwealth Department of Education, Science and Training (DEST)
- (iv) the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*.

These financial statements have been prepared on an accrual accounting and going concern basis and under the historical cost convention, modified by the revaluation at fair value of land and buildings, financial assets, derivative instruments and certain classes of plant and equipment.

Compliance with International Financial Reporting Standards (IFRS)

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

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first the University of Technology, Sydney has prepared in accordance with AIFRS. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Prior to 2005, the financial statements of the University of Technology, Sydney had been prepared in accordance with the previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differed in certain respects from AIFRS. When preparing the financial statements of the University of Technology, Sydney 2005, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS. The comparative figures in respect of 2004 were restated to reflect these adjustments.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the University of Technology, Sydney's equity and its net income are given in Note 38.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University of Technology, Sydney's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the long service leave and doubtful debt provisions.

(b) Financial effects of changes to Australian Government payment arrangements for the 2004 grant year Background

DEST made changes to payment arrangements in late 2004 so that all recurrent payments in respect of a grant year are made in that year. The past practice of making the first payment in respect of a grant year at the end of December of the previous year was discontinued. For the 2005 grant year, the first payment was made in January 2005 instead of December 2004.

Financial effects for 2004

As required under AASB 1004 Contributions, the University of Technology, Sydney reported the whole of the first 8 per cent payment in respect of 2004 grant year as revenue in 2003, but no offsetting payment in respect of 2005 was made in December 2004. This had the effect of understating the Australian Government funding for the 2004 grant year in the 2004 Statement of Financial Performance. The impact of the changed payment schedule on the 2004 operating result of the University of Technology, Sydney is shown below by restating the Australian Government financial assistance for 2004, incorporating the amount received in December 2003 as revenue for the 2004 reporting period. The amounts have also been restated to incorporate the effects of AIFRS.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	\$'000
2004 Revenue from operating activities (per Income Statement)	341,661
Add grants received in 2003 for 2004 activities:	
Australian Government financial assistance	7,827
Total restated 2004 revenue from operating activities	349,488
Restated 2004 operating result	(4,719)
Reported 2004 operating result	(12,546)
Financial effect on 2004 operating result	(7,827)

(c) Principles of consolidation

The Financial Report is 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
- > accessUTS Pty Ltd, a controlled entity of the University

The accounting policies adopted in preparing the Financial Report 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 reports have been eliminated. Separate financial reports are prepared for the same period by the University's controlled entities, which are audited by the Auditor General of New South Wales.

(d) Joint ventures

For the consolidated entity financial statements, the interest in jointly controlled entities are 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, whilst the share of retained earnings is recognised in the balance sheet. For the parent entity financial statements, the interest in jointly controlled entities are accounted for using the fair value through profit or loss method as per AASB 139 Financial Instruments: Recognition and Measurement.

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) Group companies

The results and financial position of all the Group entities (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 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.

(f) Revenue recognition

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

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

Investment income is recognised as it accrues.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

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

Donations are accounted for on a cash basis with the exception of the contribution from INSEARCH Limited in 2004 which has been accounted for on an accrual basis.

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

(g) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave 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.

(ii) Long service leave

The liability for long service leave is calculated on a present value basis. This is done using the total nominal value, including on costs and allowing for known pay increases, of all leave accrued but not taken, including pre-conditional leave. This figure is then adjusted according to the staff profile and a factor designed to compensate for inflation and wage increases. The University records long service leave as a current liability when all conditions for settlement are met.

(iii) Superannuation

During the 2005 financial year, the parent entity contributed to the following superannuation funds on behalf of its employees:

- > Unisuper, which contains both a defined benefit plan and an accumulation plan
- > The State Superannuation Scheme (SSS), which is a defined benefit plan
- > The State Authorities Superannuation Scheme (SASS), which is a defined benefit plan
- > The State Authorities Non-Contributory Superannuation Scheme (SANCS), which is a defined benefit plan.

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

Unfunded liabilities

Unfunded liabilities have been identified for the three state superannuation plans. An arrangement exists between the Australian Government and the New South Wales State Government to meet the unfunded liability for the University of Technology, Sydney's beneficiaries of SSS and SASS on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987* and the *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the balance sheet under provisions with a corresponding asset recognised under receivables. The parent entity is responsible for any unfunded liability resulting from SANCS (refer Note 28).

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.

A liability or asset in respect of the defined benefit superannuation plan for Unisuper has not been recognised in the balance sheet based on the multi-employer exemption in AASB 119 Employee Benefits. The plan has been classified as a contribution plan in the parent entity's accounts.

(h) 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 2005 reporting period. These amounts are usually settled on 30-day terms.

(i) 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 non-current liabilities unless settlement is required within twelve months of the balance sheet date.

(j) Borrowing costs

Borrowing costs including those incurred for the construction of any qualifying asset are expensed as per the benchmark treatment in AASB 123 Borrowing Costs.

(k) Inventories

The University holds no material inventory.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at banks and deposits at call. The University holds cash at bank in trust for AusAid. Deposits held under the *Educational Services for Overseas Students Act 1991* consist of a trust money market account.

(m) Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Non-current receivables are recognised at fair value.

Collectibility 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.

(n) Leases

The University leases a range of assets and accounts for these as either operating or finance leases in accordance with the requirements of AASB 117 Leases.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments.

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

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

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

Details of leased assets are provided in Note 26.

(o) 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.

(p) Investments and other financial assets

The Group has elected to restate comparative information in relation to financial instruments as if the requirements of AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement had always applied; thus it has not taken the exemption available under AASB 1 First-time Adoption of Australian Equivalents to International Reporting Standards to apply AASB 132 and AASB 139 only from 1 January 2005.

The Group classifies its investments in the following categories:

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

The Group holds investments in managed funds which it designates as financial assets at fair value through profit or loss. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

(ii) Available-for-sale financial assets

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

(iii) Other financial assets

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

For further information concerning the adjustments to financial assets on transition date reference should be made to Note 38.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(q) Derivative financial instruments

The Group has not taken the exemption available under AASB 1 First-time Adoption of Australian Equivalents to International Reporting Standards to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. Changes in the fair value of any derivative instrument are recognised immediately in the income statement.

The following derivatives are held by the parent entity:

- (i) The University has entered into an agreement to cap its interest rate exposure from a loan of \$29,500,000 from the ANZ Banking Group Limited.
- (ii) The University has entered into an interest rate swap agreement covering \$40,000,000 of a loan facility of \$60,000,000 from the ANZ Banking Group Limited. As at the 31st December 2005 no portion of the loan facility had been drawn down.

(r) Property, plant and equipment

Following initial recognition at cost, land, buildings and works of art are carried at fair value. Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of revaluation less any subsequent accumulated depreciation on buildings.

The Library collection is recorded at depreciated replacement cost.

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

Revaluations

Independent valuations are performed with sufficient regularity 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 balance sheet.

Depreciation

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

Asset class	Depreciation rate (%)	Depreciation method
Buildings	2.00	Straight line
Building infrastructure	4.00	Straight line
Motor vehicles	20.00	Straight line
Computers	33.33	Straight line
Office, teaching and research equipment	20.00	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.

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.

Disposals

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

(s) Intangible assets

(i) Research and development

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Software

Software, where the software 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 14.29 per cent per annum.

(iii) Perpetual licences for online serials

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

(t) Provisions

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

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

(u) 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 balance sheet.

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.

(v) Comparative figures

Where necessary, the classifications of 2004 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2004 operating result (or the financial position) of the University.

Other minor changes have been made to the comparative figures in order to improve the quality of information in the report. These changes are not considered material.

2. REVENUE FROM ORDINARY ACTIVITIES

	Note	Economic entity [Consolidated]		Parent entity [University]	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs					
(a) Commonwealth Grants Scheme and other grants					
	37.1				
Commonwealth Grants Scheme ¹		90,553	79,554	90,553	79,554
Indigenous Support Fund		1,105	-	1,105	-
Equity programs ²		366	107	366	107
Workplace Reform Program		1,417	2,411	1,417	2,411
Collaboration and Structural Reform		74	-	74	-
Total Commonwealth Grants Scheme and other grants		93,515	82,072	93,515	82,072
(b) Higher education loan programs					
	37.2				
HECS-HELP		48,383	44,497	48,383	44,497
FEE-HELP ³		18,967	20,418	18,967	20,418
Total higher education loan programs		67,350	64,915	67,350	64,915

¹ For 2004 the Commonwealth Grants Scheme (CGS) would be an amount equivalent to the CGS base operating grant amount and will exclude the Superannuation Program and the Workplace Productivity Program.

² Includes amounts for Higher Education Equity Support Program and Students with Disabilities Program.

³ For 2004, FEE-HELP would include the Postgraduate Education Loan Scheme (PELS) and Bridging for Overseas-Trained Professional Loan Scheme (BOTPLS).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)					
(c) Scholarships					
	37.7				
Australian Postgraduate Awards		1,372	1,434	1,372	1,434
International Postgraduate Research Scholarships		161	243	161	243
Commonwealth Education Cost Scholarships		382	132	382	132
Commonwealth Accommodation Scholarships		678	288	678	288
Indigenous Staff Scholarships		21	-	21	-
Total scholarships		2,614	2,097	2,614	2,097
(d) DEST – Research					
	37.6				
Institutional Grants Scheme		3,969	3,556	3,969	3,556
Research Training Scheme		9,797	9,292	9,797	9,292
Research Infrastructure Block Grants		1,898	1,306	1,898	1,306
Small grants		-	-	-	-
Total DEST – Research Grants		15,664	14,154	15,664	14,154
(e) Australian Research Council					
	37.3				
<i>(i) Discovery</i>					
Project		4,469	2,878	4,469	2,878
Fellowships		238	(7)	238	(7)
Total Discovery		4,707	2,871	4,707	2,871
<i>(ii) Linkages</i>					
	37.4				
Projects		3,828	2,380	3,828	2,380
International		36	51	36	51
Infrastructure		1,118	1,547	1,118	1,547
Special research initiatives		51	-	51	-
Total Linkages		5,033	3,978	5,033	3,978
<i>(iii) Networks and Centres</i>					
	37.5				
Research Networks		778	1,032	778	1,032
Centres		950	-	950	-
Total Networks and Centres		1,728	1,032	1,728	1,032
(f) Other Australian Government financial assistance					
Department of Education, Science and Training		1,796	1,697	1,796	1,697
National Health and Medical Research Council		1,768	1,692	1,768	1,692
Department International Services		279	673	279	673
Fisheries Research and Development Corporation		215	-	215	-
CSIRO		191	189	191	189
CeNTIE		-	162	-	162
Meat and Livestock Australia		124	190	124	190
University of South Australia		115	-	115	-
Department of Family and Community Services		-	80	-	80
Diabetes Australia Research Trust		-	79	-	79
Department of Health and Aged Care		82	99	82	99
Rural Industries Research and Development Corporation		70	53	70	53
The High Court of Australia		-	35	-	35
Australian Greenhouse Office		51	36	51	36
Other		683	361	683	361
Total other Australian Government financial assistance		5,374	5,346	5,374	5,346
Total Australian Government financial assistance		195,985	176,465	195,985	176,465

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)				
Reconciliation				
Australian Government grants (a+c+d+e+f)	128,635	111,550	128,635	111,550
HECS-HELP – Australian Government payments	48,383	44,497	48,383	44,497
Other Australian Government loan programs (FEE-HELP)	18,967	20,418	18,967	20,418
Total Australian Government financial assistance	195,985	176,465	195,985	176,465
2.2 State and Local Government financial assistance				
New South Wales State Government	1,798	2,343	1,798	2,343
Other State Governments	175	155	175	155
Total State and Local Government financial assistance	1,973	2,498	1,973	2,498
2.3 Fees and charges				
Course fees and charges				
Fee-paying overseas students	126,874	114,990	92,091	76,738
Continuing education	5,558	4,509	5,561	4,515
Fee-paying domestic postgraduate students	12,428	11,298	12,428	11,298
Fee-paying domestic undergraduate students	–	–	–	–
Fee-paying domestic non-award students	–	210	–	210
Other domestic course fees and charges	1,513	1,090	1,513	1,091
Total course fees and charges	146,373	132,097	111,593	93,852
Other fees and charges				
Library charges	362	330	1,355	602
Student accommodation	2,525	2,471	1,668	1,569
Student Union fees	6,214	5,596	6,214	5,596
Medical fees	302	582	302	592
Other fees and charges	1,419	854	–	–
Total other fees and charges	10,822	9,833	9,539	8,359
Total fees and charges	157,195	141,930	121,132	102,211
2.4 Investment income				
Distribution from managed funds and interest	5,320	6,732	4,055	5,163
Total investment income	5,320	6,732	4,055	5,163
2.5 Royalties, trademarks and licences				
Total royalties, trademarks and licences	179	68	179	68
2.6 Consultancy and contracts				
Contract research	5,705	5,565	5,965	5,565
Consultancy	1,947	3,295	1,164	2,126
Total consultancy and contract research	7,652	8,860	7,129	7,691

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
2.7 Other revenue				
Donations and bequests	671	837	671	837
Scholarships and prizes	2,976	2,013	2,995	2,025
Non-government grants	11	164	11	164
Net gain/(loss) on disposal of property, plant and equipment (refer Note (a) below) (see Note 5)	45	(612)	(46)	(609)
Fair value gains on other financial assets at fair value through profit or loss	-	-	783	95
Net gain on sale of available-for-sale financial assets	-	-	-	-
Foreign exchange gain/(loss) (net) (b)	8	6	8	6
Contribution from INSEARCH Limited	-	-	2	6,000
Contributions to fixed assets	575	640	575	640
Contributions for salary from third parties	1,719	486	1,852	486
Hire and rental	8,745	7,264	8,797	7,343
Sale of goods	1,597	1,420	1,662	1,462
Services	1,349	1,551	1,590	2,211
Sponsorship	359	2,010	382	2,033
Other	2,295	1,730	1,968	1,998
Total other revenue	20,350	17,509	21,250	24,691
(a) Net gain on disposal of property, plant and equipment				
The consolidated net gain on disposal of property, plant and equipment in 2005 includes a gain of \$nil on sale of buildings.				
(b) Net foreign exchange gain/(loss)				
Net foreign exchange gains included in other income for the year ⁸	6	8	6	
Exchange losses on foreign currency borrowings included in borrowing costs	-	-	-	-
Net foreign exchange gains/(losses) recognised in operating result before income tax for the year (as either other revenue or expense)	8	6	8	6
3. EXPENSES FROM ORDINARY ACTIVITIES				
3.1 Employee benefits and on costs				
Academic				
Salaries	92,744	85,380	84,762	78,752
Contributions to superannuation and pension schemes:				
> Emerging cost	2,507	2,280	2,507	2,280
> Funded	11,008	10,242	10,407	9,666
Payroll tax	6,351	6,173	5,881	5,790
Workers' compensation	1,085	819	1,005	763
Long service leave	3,449	3,772	3,358	3,662
Annual leave	6,741	5,386	6,702	5,342
Total academic	123,885	114,052	114,622	106,255
Non-academic				
Salaries	87,745	85,853	82,058	79,837
Contributions to superannuation and pension schemes:				
> Emerging cost	2,314	2,105	2,314	2,105
> Funded	9,948	9,529	9,539	9,017
Payroll tax	5,999	5,947	5,683	5,596
Workers' compensation	1,114	782	1,056	733
Long service leave	2,795	2,455	2,732	2,359
Annual leave	5,038	5,521	5,001	5,485
Other	303	28	-	-
Total non-academic	115,256	112,220	108,383	105,132
Total academic and non-academic employee benefits and on costs	239,141	226,272	223,005	211,387
Deferred employee benefits for superannuation	3,320	8,186	3,320	8,186
Total employee benefits and on costs	242,461	234,458	226,325	219,573

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
3.2 Depreciation and amortisation				
Depreciation property, plant and equipment				
Buildings	18,406	16,035	18,406	16,035
Equipment	9,950	9,086	8,479	7,695
Library	3,378	3,308	3,378	3,308
Motor vehicles	242	248	129	116
Total depreciation property, plant and equipment	31,976	28,677	30,392	27,154
Amortisation property, plant and equipment				
Leasehold improvements	14	7	14	7
Plant and equipment under finance leases	2,720	1,615	2,720	1,615
Total amortisation property, plant and equipment	2,734	1,622	2,734	1,622
Total depreciation and amortisation property, plant and equipment	34,710	30,299	33,126	28,776
Amortisation intangibles				
Software	3,939	2,780	3,363	2,295
Development	69	-	-	-
Patents and trademarks	-	-	-	-
Total amortisation intangibles	4,008	2,780	3,363	2,295
Total depreciation and amortisation	38,718	33,079	36,489	31,071
3.3 Repairs and maintenance				
Buildings	4,553	4,740	4,553	4,740
Leasehold improvements	-	-	-	-
Plant and equipment	2,422	2,216	2,224	2,015
Total repairs and maintenance	6,975	6,956	6,777	6,755
3.4 Bad and doubtful debts				
Bad debts	431	14	426	14
Increase/(decrease) in provision for doubtful debts	410	734	410	731
Total bad and doubtful debts	841	748	836	745
3.5 Other expenses				
Scholarships and prizes	10,467	9,377	9,931	8,691
Non-capitalised equipment	4,032	5,794	4,032	5,794
Advertising, marketing and promotional expenses	3,150	3,405	1,817	2,316
Insurance	1,338	1,665	1,229	1,600
Diminution of investments	2,179	38	200	38
Telecommunications	2,447	2,928	2,281	2,722
Travel and related staff development and training	10,882	13,914	9,795	12,598
Entertainment	2,103	2,080	2,074	2,008
Minimum lease payments on operating lease rental expenses	1,759	3,150	1,759	3,132
Building rent and rates	6,180	5,203	2,043	2,030
Cleaning	4,314	4,255	4,068	3,995
Consultancy	6,107	6,920	4,843	5,067
Fees and subscriptions	18,383	19,161	15,755	15,783
Heating and lighting	3,842	3,589	3,696	3,452
Postage	592	740	517	681
Printing	1,748	2,067	1,341	1,660
Stationery	1,607	2,017	1,604	2,014
Security contract staff	2,784	2,454	2,372	2,042
Tuition fees expense	2,096	3,124	2,096	3,124
Maintenance software	2,354	2,490	2,207	2,354
Contributions research	1,775	1,371	1,775	1,371
Laboratory supplies	1,646	1,535	1,646	1,535
Other expenses	11,084	12,816	6,643	7,064
Total other expenses	102,869	110,093	83,724	91,071

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
4. BORROWING COSTS					
Gross borrowing costs		5,596	4,931	5,596	4,931
Less: amount capitalised		-	-	-	-
Total borrowing cost expensed		5,596	4,931	5,596	4,931
5. SALES OF ASSETS					
Proceeds from sale					
Property, plant and equipment		649	202	155	35
Carrying amount of assets sold					
Property, plant and equipment		604	814	201	644
Net gain/(loss) on sale of assets	2.7	45	(612)	(46)	(609)
6. INCOME TAX					
Total income tax		32	39	-	-

The income tax expense represents tax liabilities for overseas entities in China.

7. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

(a) Names of responsible persons and executive officers

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

University	Mr Colin E Grady
Professor Vicki Sara	Mr Patrick Healy
Professor Anthony Baker	Ms Margo Humphreys
Emeritus Professor Steve Bakoss	Ms Dianne Leckie
Professor Larissa Behrendt	Dr Valerie Levy
Mr Peter Brady	Professor Ross Milbourne
Mr Chris Cahill	Mr Ken Rennie, AM
Ms Megan Cornelius, AM	The Hon. Ian F Sheppard, AO, QC (<i>ceased October 2005</i>)
Ms Eva Cox, AO	Mr Warwick Watkins
Ms Rebekah Doran	Dr Katherine Woodthorpe
INSEARCH Limited	Mr R Krisda-Olan
Mr R E Allsep	Professor Robert Lynch
Dr Doreen Clark, AM	Mr R Reilly
Mr A Coyle	Mr Ken Rennie, AM
Professor David Goodman	Ms W Sienglum
Mr J Gruetzner (<i>commenced September 2005</i>)	Dr Katherine Woodthorpe
Mr Richard Hill	Mr W H Wright
accessUTS Proprietary Limited	Mr Blair McRae (<i>commenced May 2005</i>)
Professor Peter Booth (<i>ceased May 2005</i>)	Dr Jane Morrison (<i>commenced September 2005</i>)
Professor Archie Johnston (<i>ceased May 2005</i>)	Professor John Rice (<i>commenced May 2005</i>)
Mr Kevin McCarthy (<i>commenced May 2005</i>)	Professor Sue Rowley

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

7. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS (continued)

(b) Names of executive officers

University

Professor Peter Booth

Dr Alex Byrne *(commenced October 2005)*

Ms Anne Dwyer

Dr Jeffrey Fitzgerald

Professor David Goodman

Professor Richard Johnstone *(ceased October 2005)*

Mr Kevin McCarthy

Professor Ross Milbourne

Professor Susan Rowley

INSEARCH Limited

Mr John Hall

Ms Jennifer Hannan

Mr Murray Laurence

Mr Stephen Lewin

Mr Alex Murphy

Mrs Sheetal Purandare

Ms Deborah Samuels

Mr David White

accessUTS Proprietary Limited

Ms Jann Hill *(ceased July 2005)*

Mr J Francis *(commenced July 2005)*

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

(c) Remuneration of board members and executives

Income paid or payable, or otherwise made available, to Board Members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities

122,000 120,000 0 0

Note: The University's responsible persons do not receive any remuneration in respect of their work as members of Council.

	Economic entity (Consolidated)		Parent entity (University)	
	2005	2004	2005	2004
Remuneration of board members				
\$0 to \$9,999	3	2	-	-
\$20,000 to \$29,999	4	4	-	-
\$30,000 to \$39,999	1	1	-	-
	8	7	-	-

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties

3,799,667 3,213,415 2,274,084 2,102,774

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity (Consolidated)		Parent entity (University)	
	2005	2004	2005	2004
Remuneration of executive officers				
\$40,000 to \$49,999	1	-	1	-
\$70,000 to \$79,999	-	1	-	-
\$80,000 to \$89,999	1	-	-	-
\$90,000 to \$99,999	-	1	-	-
\$100,000 to \$109,999	1	2	-	-
\$110,000 to \$119,999	1	1	-	1
\$120,000 to \$129,999	1	-	-	-
\$130,000 to \$139,999	1	2	-	-
\$150,000 to \$159,999	1	-	-	-
\$170,000 to \$179,999	1	1	-	-
\$200,000 to \$209,999	1	-	1	-
\$210,000 to \$219,999	-	1	-	1
\$220,000 to \$229,999	1	1	1	1
\$230,000 to \$239,999	2	-	2	-
\$240,000 to \$249,999	1	2	1	2
\$250,000 to \$259,999	1	1	1	1
\$270,000 to \$279,999	-	-	-	-
\$280,000 to \$289,999	-	-	-	-
\$290,000 to \$299,999	1	1	1	1
\$300,000 to \$309,999	-	1	-	-
\$310,000 to \$319,999	1	-	-	-
\$410,000 to \$419,999	1	-	-	-
\$470,000 to \$479,999	-	1	-	1
\$510,000 to \$519,999	1	-	1	-
	18	16	9	8

8. REMUNERATION OF AUDITORS

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Fees paid to Audit Office of New South Wales: Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	351	320	184	175
Total remuneration for audit services	351	320	184	175

9. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	9,388	9,635	4,891	1,619
Deposits at call	17,001	14,000	-	-
Deposits held under ESOS Act 1991 requirements	-	4,563	-	-
Total cash and cash equivalents	26,389	28,198	4,891	1,619

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the Statement of Cash Flows as follows:

Balances as above	26,389	28,198	4,891	1,619
Less: Bank overdrafts	-	-	-	-
Balance as per Statement of Cash Flows	26,389	28,198	4,891	1,619

(b) Cash at bank and on hand

Cash at bank are interest bearing with interest rates ranging between 0.72% and 5%. Cash on hand are non-interest bearing.

(c) Deposits at call

The deposits are bearing floating interest rates between 5.34% and 5.62% (2004: 5.40% and 5.59%). These deposits have an average maturity of 59 days.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

10. RECEIVABLES

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Current				
Trade debtors – other	11,999	8,204	9,331	7,557
Provision for doubtful debts	(1,232)	(832)	(1,230)	(829)
	10,767	7,372	8,101	6,728
Trade debtors – student	3,348	3,098	3,348	3,098
Provision for doubtful debts	(1,840)	(1,831)	(1,840)	(1,831)
	1,508	1,267	1,508	1,267
	12,275	8,639	9,609	7,995
Amounts receivable from wholly owned subsidiaries				
> INSEARCH Limited	–	–	2,337	2,470
> accessUTS Proprietary Limited	–	–	388	425
Amounts receivable from related entities				
> Sydney Educational Broadcasting Limited	90	203	90	203
Total current receivables	12,365	8,842	12,424	11,093
Non-current				
Deferred government contribution for superannuation	193,942	190,782	193,942	190,782
Total non-current receivables	193,942	190,782	193,942	190,782
Total receivables	206,307	199,624	206,366	201,875

Bad and doubtful trade receivables

The Group has recognised a loss of \$841,000 (2004: \$748,000) in respect of bad and doubtful trade and student receivables during the year ended 31 December 2005. The loss has been included in 'Bad and doubtful debts' in the income statement.

11. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Current				
Managed funds – Macquarie Investment Management Limited	40,899	43,894	40,899	43,894
Managed funds – New South Wales Treasury Corporation	34	32	34	32
Total current other financial assets	40,933	43,926	40,933	43,926
Non-current				
Investments in managed funds	–	1,664	–	–
Investments in unlisted shares	–	–	739	76
Total non-current other financial assets	–	1,664	739	76
Total other financial assets at fair value through profit or loss	40,933	45,590	41,672	44,002
At beginning of year	45,590	80,854	44,002	79,409
Adjustment on adoption of AASB 132 and AASB 139	–	426	–	426
Exchange differences	–	–	–	–
Revaluation	(823)	(6)	(160)	70
Additions	284,642	189,316	284,642	189,097
Disposals (sale and redemption)	(288,476)	(225,000)	(286,812)	(225,000)
At end of year	40,933	45,590	41,672	44,002
Australian listed equity securities	–	–	–	–
Unlisted shares	–	–	739	76
	–	–	739	76

(a) Transition to AASB 132 and AASB 139

The Group has not taken the exemption available under AASB 1 in relation to AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement both for the Group and the parent entity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
12. AVAILABLE-FOR-SALE FINANCIAL ASSETS				
At beginning of year	2	2	2	2
Adjustment on adoption of AASB 132 and AASB 139	-	-	-	-
Additions	-	-	-	-
Disposals (sale and redemption)	-	-	-	-
Revaluation surplus transfer to equity	23	-	23	-
At end of year	25	2	25	2
Listed securities				
> Insurance Australia Group Ltd	2	2	2	2
> Sunshine Heart Limited	23	-	23	-
	25	2	25	2

(a) Transition to AASB 132 and AASB 139

The Group has not taken the exemption available under AASB 1 in relation to AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement both for the Group and the parent entity.

(b) Investments in related parties

Refer to Note 31 and Note 34 for information on the carrying amount of investments in subsidiaries, joint ventures and associates.

(c) Non-current assets pledged as security

Refer to Note 20 for information on non-current assets pledged as security by the parent entity or its controlled entities.

13. OTHER FINANCIAL ASSETS

Current

Shares in associates	-	-	-	-
Total current other financial assets	-	-	-	-

Non-current

Shares in subsidiaries	-	-	325	-
Shares in other entities	12	12	12	12
Interest in joint venture partnership	-	-	-	-
Other unlisted securities – security deposits	201	317	-	-
Total non-current other financial assets	213	329	337	12
Total other financial assets	213	329	337	12

These financial assets are carried at cost.

Transition to AASB 132 and AASB 139

The Group has not taken the exemption available under AASB 1 in relation to AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement both for the Group and the parent entity.

14. OTHER NON-FINANCIAL ASSETS

Current

Accrued income	2,383	1,996	2,208	7,311
Prepayments	7,870	4,942	6,794	4,345
Total current other non-financial assets	10,253	6,938	9,002	11,656

15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Current

Motor vehicles	29	88	-	-
Total non-current assets classified as held for sale	29	88	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)					
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000				
16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD									
Interest in joint venture entity	34	2,626	1,310	-	-				
Total investments accounted for using the equity method		2,626	1,310	-	-				
17. PROPERTY, PLANT AND EQUIPMENT									
	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Leasehold improve- ments	Leased plant and equipment	Library	Other assets and plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated									
At 1 January 2004									
> Cost	6,768	-	-	67,555	-	3,686	-	-	78,009
> Valuation	-	150,193	464,835	-	-	-	85,712	14,483	715,223
Accumulated depreciation	-	-	-	(40,370)	-	(554)	(67,319)	-	(108,243)
Net book amount	6,768	150,193	464,835	27,185	-	3,132	18,393	14,483	684,989
Year ended									
31 December 2004									
Opening net book amount	6,768	150,193	464,835	27,185	-	3,132	18,393	14,483	684,989
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	70,977	(48,062)	-	-	-	-	(2,865)	20,050
Additions	23,741	16,463	6,268	7,973	42	3,284	4,228	11	62,010
Assets included in a disposal group classified as held for sale and other disposals	-	-	(286)	(284)	-	-	(214)	-	(784)
Depreciation charge	-	-	(16,035)	(9,334)	(7)	(1,615)	(3,308)	-	(30,299)
Closing net book amount	30,509	237,633	406,720	25,540	35	4,801	19,099	11,629	735,966
At 31 December 2004									
> Cost	30,509	-	-	68,409	42	6,970	-	-	105,930
> Valuation	-	237,633	726,891	-	-	-	89,127	11,629	1,065,280
Accumulated depreciation	-	-	(320,171)	(42,868)	(7)	(2,169)	(70,029)	-	(435,244)
Net book amount	30,509	237,633	406,720	25,541	35	4,801	19,098	11,629	735,966
Year ended									
31 December 2005									
Opening net book amount	30,509	237,633	406,720	25,541	35	4,801	19,098	11,629	735,966
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	116	(50)	66
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Additions	65,698	-	8,762	8,315	1	3,597	4,067	11	90,451
Assets classified as held for sale and other disposals	-	-	-	(547)	-	(10)	(47)	-	(604)
Depreciation charge	-	-	(18,406)	(10,192)	(14)	(2,720)	(3,378)	-	(34,710)
Closing net book amount	96,207	237,633	397,076	23,117	22	5,668	19,856	11,590	791,169
At 31 December 2005									
> Cost	96,207	-	-	72,877	42	10,545	-	-	179,671
> Valuation	-	237,633	735,652	-	-	-	92,859	11,590	1,077,734
Accumulated depreciation	-	-	(338,576)	(49,760)	(20)	(4,877)	(73,003)	-	(466,236)
Net book amount	96,207	237,633	397,076	23,117	22	5,668	19,856	11,590	791,169

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Leasehold improve- ments	Leased plant and equipment	Library	Other assets and plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity									
At 1 January 2004									
> Cost	6,633	-	-	58,969	-	3,686	-	-	69,288
> Valuation	-	150,193	464,835	-	-	-	85,712	14,483	715,223
Accumulated depreciation	-	-	-	(36,085)	-	(554)	(67,319)	-	(103,958)
Net book amount	6,633	150,193	464,835	22,884	-	3,132	18,393	14,483	680,553
Year ended									
31 December 2004									
Opening net book amount	6,633	150,193	464,835	22,884	-	3,132	18,393	14,483	680,553
Revaluation surplus	-	70,977	(48,062)	-	-	-	-	(2,865)	20,050
Additions	23,039	16,463	6,268	6,147	42	3,284	4,228	11	59,482
Disposals	-	-	(286)	(114)	-	-	(214)	-	(614)
Depreciation charge	-	-	(16,035)	(7,811)	(7)	(1,615)	(3,308)	-	(28,776)
Closing net book amount	29,672	237,633	406,720	21,106	35	4,801	19,099	11,629	730,695
At 31 December 2004									
> Cost	29,672	-	-	59,872	42	6,970	-	-	96,556
> Valuation	-	237,633	726,891	-	-	-	89,127	11,629	1,065,280
Accumulated depreciation	-	-	(320,171)	(38,765)	(7)	(2,169)	(70,029)	-	(431,141)
Net book amount	29,672	237,633	406,720	21,107	35	4,801	19,098	11,629	730,695
Year ended									
31 December 2005									
Opening net book amount	29,672	237,633	406,720	21,107	35	4,801	19,098	11,629	730,695
Revaluation surplus	-	-	-	-	-	-	116	(50)	66
Additions	66,441	-	8,762	7,032	1	3,597	4,067	11	89,911
Disposals	-	-	-	(144)	-	(10)	(47)	-	(201)
Depreciation charge	-	-	(18,406)	(8,608)	(14)	(2,720)	(3,378)	-	(33,126)
Closing net book amount	96,113	237,633	397,076	19,387	22	5,668	19,856	11,590	787,345
At 31 December 2005									
> Cost	96,113	-	-	64,213	42	10,545	-	-	170,913
> Valuation	-	237,633	735,652	-	-	-	92,859	11,590	1,077,734
Accumulated depreciation	-	-	(338,576)	(44,826)	(20)	(4,877)	(73,003)	-	(461,302)
Net book amount	96,113	237,633	397,076	19,387	22	5,668	19,856	11,590	787,345

(a) Valuations of land and buildings

The valuation basis of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2005 revaluations were made by the directors as at 31 December 2005 and the 2004 revaluations were based on independent assessments by the University of Technology, Sydney as at 1st October 2004. The revaluation surplus was credited to the asset revaluation reserve in equity (refer Note 25).

(b) Non-current assets pledged as security

Refer to Note 20 for information on non-current assets pledged as security by the parent entity and its controlled entities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

18. INTANGIBLE ASSETS

	Develop- ment costs	Patents and trade- marks	Software	Licences perpetual	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
At 1 January 2004						
Cost	-	198	19,221	-	-	19,419
Accumulated amortisation and impairment	-	(25)	(1,605)	-	-	(1,630)
Net book amount	-	173	17,616	-	-	17,789
Year ended 31 December 2004						
Opening net book amount	-	173	17,616	-	-	17,789
Additions	-	-	8,025	-	-	8,025
Disposals	-	-	(30)	-	-	(30)
Amortisation charge	-	-	(2,780)	-	-	(2,780)
Closing net book amount	-	173	22,831	-	-	23,004
At 31 December 2004						
Cost	-	173	27,462	-	-	27,635
Accumulated amortisation and impairment	-	-	(4,631)	-	-	(4,631)
Net book amount	-	173	22,831	-	-	23,004
Year ended 31 December 2005						
Opening net book amount	-	173	22,831	-	-	23,004
Additions	-	48	2,978	1,191	-	4,217
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	(69)	(3,939)	-	-	(4,008)
Closing net book amount	-	152	21,870	1,191	-	23,213
At 31 December 2005						
Cost	-	254	30,392	1,191	-	31,837
Accumulated amortisation and impairment	-	(102)	(8,522)	-	-	(8,624)
Net book amount	-	152	21,870	1,191	-	23,213
Closing net book amount	-	152	21,870	1,191	-	23,213

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

18. INTANGIBLE ASSETS (continued)

	Develop- ment costs	Patents and trade- marks	Software	Licences perpetual	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity						
At 1 January 2004						
Cost	-	-	17,099	-	-	17,099
Accumulated amortisation and impairment	-	-	(1,605)	-	-	(1,605)
Net book amount	-	-	15,494	-	-	15,494
Year ended 31 December 2004						
Opening net book amount	-	-	15,494	-	-	15,494
Additions	-	-	7,268	-	-	7,268
Disposals	-	-	(30)	-	-	(30)
Amortisation charge	-	-	(2,295)	-	-	(2,295)
Closing net book amount	-	-	20,437	-	-	20,437
At 31 December 2004						
Cost	-	-	24,337	-	-	24,337
Accumulated amortisation and impairment	-	-	(3,900)	-	-	(3,900)
Net book amount	-	-	20,437	-	-	20,437
Year ended 31 December 2005						
Opening net book amount	-	-	20,437	-	-	20,437
Additions	-	-	2,351	1,191	-	3,542
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	-	(3,363)	-	-	(3,363)
Closing net book amount	-	-	19,425	1,191	-	20,616
At 31 December 2005						
Cost	-	-	26,640	1,191	-	27,831
Accumulated amortisation and impairment	-	-	(7,215)	-	-	(7,215)
Net book amount	-	-	19,425	1,191	-	20,616
Closing net book amount	-	-	19,425	1,191	-	20,616

19. PAYABLES

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Current				
OS-HELP Liability to Australian Government	725	-	725	-
Deputy Commissioner of Taxation - PAYG	1,796	1,877	1,796	1,877
Office of State Revenue - payroll tax	1,530	1,377	1,438	1,268
Trade creditors	17,239	1,910	17,150	1,294
Other payroll accruals	4,513	3,021	4,513	3,008
Other	22,077	8,189	21,037	7,969
Total payables	47,880	16,374	46,659	15,416

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
20. INTEREST-BEARING LIABILITIES					
Current					
Secured					
Lease liabilities	26	2,764	2,334	2,764	2,334
Total current secured interest-bearing liabilities		2,764	2,334	2,764	2,334
Unsecured					
Bank loans		1,009	1,008	1,009	1,008
Total current unsecured interest-bearing liabilities		1,009	1,008	1,009	1,008
Total current interest-bearing liabilities		3,773	3,342	3,773	3,342
Non-current					
Secured					
Lease liabilities	26	3,061	2,566	3,061	2,566
Total non-current secured interest-bearing liabilities		3,061	2,566	3,061	2,566
Unsecured					
Bank loans		66,716	67,642	66,716	67,642
Total non-current unsecured interest-bearing liabilities		66,716	67,642	66,716	67,642
Total non-current interest-bearing liabilities		69,777	70,208	69,777	70,208
Total interest-bearing liabilities		73,550	73,550	73,550	73,550
Assets pledged as security					
Non-current					
Finance lease					
Plant and equipment	17	10,545	6,970	10,545	6,970
Total non-current assets pledged as security		10,545	6,970	10,545	6,970
Financing arrangements					
Unrestricted access was available at balance date to the following lines of credit:					
Bank loan facilities					
Total facilities		127,725	128,650	127,725	128,650
Used at balance date		67,725	68,650	67,725	68,650
Unused at balance date		60,000	60,000	60,000	60,000
21. DERIVATIVES					
Current					
Interest rate cap	39 (b)	1,377	1,341	1,377	1,341
Interest rate swap	39 (b)	605	-	605	-
		1,982	1,341	1,982	1,341

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
22. PROVISIONS					
Current					
Employee entitlements					
> Annual leave	1 (g)	16,542	12,426	15,895	11,793
> Long service leave	1 (g)	28,836	25,829	28,836	25,829
Total current provisions		45,378	38,255	44,731	37,622
Non-current					
Employee entitlements					
> Long service leave	1 (g)	6,540	6,114	5,671	5,389
> Deferred benefits for superannuation		197,437	194,118	197,437	194,118
Total non-current provisions		203,977	200,232	203,108	199,507
Total provisions		249,355	238,487	247,839	237,129
23. OTHER LIABILITIES					
Current					
Unearned commonwealth grants – HECS		1,783	1,392	1,783	1,392
Prepaid student fees		12,887	12,813	8,355	5,752
Other		4,908	3,033	585	–
Total current other liabilities		19,578	17,238	10,723	7,144
Non-current					
Other		1,147	916	–	–
Total non-current other liabilities		1,147	916	–	–
Total other liabilities		20,725	18,154	10,723	7,144
24. STATUTORY FUNDS					
Statutory funds at the beginning of the year		5,871	3,945	5,871	3,945
Net operating result relating to statutory funds		4,994	1,926	4,994	1,926
Statutory funds at the end of the year		10,865	5,871	10,865	5,871

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
25. RESERVES AND RETAINED SURPLUS					
(a) Reserves comprise					
Asset revaluation reserve					
> Freehold land		167,384	167,384	167,384	167,384
> Buildings		102,040	102,040	102,040	102,040
> Building infrastructure		19,145	19,145	19,145	19,145
> Art works		1,219	1,269	1,219	1,269
> Library		116	-	116	-
> Other assets		6,537	6,537	6,537	6,537
Available-for-sale		23	-	23	-
Foreign currency translation reserve		(118)	(347)	-	-
Total reserves		296,346	296,028	296,464	296,375
(b) Movements in reserves					
Asset revaluation reserve					
Balance 1 January 2005		296,375	276,325	296,375	276,325
Increase/(decrease) revaluation	17	66	20,050	66	20,050
Balance 31 December 2005		296,441	296,375	296,441	296,375
Available-for-sale investment reserve					
Balance 1 January 2005		-	-	-	-
Increase/(decrease) revaluation	12	23	-	23	-
Balance at 31 December 2005		23	-	23	-
Foreign currency translation reserve					
Balance 1 January 2005		(347)	(386)	-	-
Net exchange differences on translation of foreign controlled entity		229	39	-	-
Balance at 31 December 2005		(118)	(347)	-	-
Total reserves		296,346	296,028	296,464	296,375
(c) Nature and purpose of reserves					
For details of nature and purpose of asset revaluation reserve refer Note 1 (r).					
For details of nature and purpose of available-for-sale investment reserve refer Note 1 (p)(ii).					
For details of nature and purpose of foreign currency translation reserve refer Note 1 (e)(iii).					
(d) Retained surplus					
Movements in retained surplus were as follows:					
Retained surplus at 1 January		391,244	405,773	373,472	387,883
Net operating result for the year		14,204	(12,603)	13,694	(12,485)
Transferred to statutory funds		(4,994)	(1,926)	(4,994)	(1,926)
Retained surplus at the end of the year		400,454	391,244	382,172	373,472

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
26. COMMITMENTS FOR EXPENDITURE				
(a) Capital expenditure commitments				
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Building works				
Not later than one year	14,774	65,840	14,695	65,840
Later than one year and not later than five years	-	11,170	-	11,170
Plant and equipment				
Not later than one year	2,351	3,354	2,351	3,354
Intangible assets				
Not later than one year	-	-	-	-
Total capital commitments	17,125	80,364	17,046	80,364
(b) Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	8,902	11,168	6,001	6,311
Later than one year but not later than five years	6,039	12,128	4,996	5,888
Later than five years	1,349	1,298	1,349	1,298
Total lease commitments	16,290	24,594	12,346	13,497
Representing:				
Cancellable operating leases	-	-	-	-
Non-cancellable operating leases	9,932	19,332	5,988	8,235
Future finance charges on finance leases	6,358	5,262	6,358	5,262
	16,290	24,594	12,346	13,497
Operating lease				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
<i>Premises</i>				
Within one year	4,026	6,067	1,154	1,211
Later than one year and not later than five years	1,682	8,148	689	1,908
Later than five years	1,349	1,298	1,349	1,298
	7,057	15,513	3,192	4,417
<i>Motor vehicles</i>				
Within one year	1,557	1,410	1,557	1,410
Later than one year and not later than five years	945	1,138	945	1,138
	2,502	2,548	2,502	2,548
<i>Equipment</i>				
Within one year	256	1,120	227	1,119
Later than one year and not later than five years	117	151	67	151
	373	1,271	294	1,270
Total operating leases	9,932	19,332	5,988	8,235

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

26. COMMITMENTS FOR EXPENDITURE (continued)

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Finance leases					
The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$5,668,000 (2004: \$4,801,000) under finance leases expiring within two to five years.					
Commitments for minimum lease payments in relation to finance leases are payable as follows:					
<i>Equipment</i>					
Within one year		3,063	2,571	3,063	2,571
Later than one year and not later than five years		3,295	2,691	3,295	2,691
Total minimum finance lease payments		6,358	5,262	6,358	5,262
Future finance charges		(533)	(362)	(533)	(362)
Recognised as a liability		5,825	4,900	5,825	4,900
Representing lease liabilities					
> Current liability	20	2,764	2,334	2,764	2,334
> Non-current liability	20	3,061	2,566	3,061	2,566
		5,825	4,900	5,825	4,900

(c) Other expenditure commitments

Commitments for trade creditors and salaries in existence at the reporting date but not recognised as liabilities, payable:

Trade creditors

Not later than one year		533	1,754	533	1,754
-------------------------	--	-----	-------	-----	-------

Remuneration commitments

Not later than one year		496	634	-	-
Later than 1 year and not later than 5 years		196	936	-	-
		692	1,570	-	-

Total other expenditure commitments		1,225	3,324	533	1,754
--	--	--------------	--------------	------------	--------------

Commitments for expenditure are recorded on a GST-inclusive basis except for finance leases which are recorded on a GST-exclusive basis. The potential GST credit on the above commitments is \$2,508,000 (2004: \$9,104,000) for the economic entity and \$2,142,000 (2004: \$8,214,000) for the parent entity.

27. NON-CASH FINANCING AND INVESTING ACTIVITIES

Acquisition of plant and equipment by means of finance leases		3,597	3,284	3,597	3,284
---	--	-------	-------	-------	-------

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

28. SUPERANNUATION PLANS

During the 2005 accounting period, the University contributed to the following superannuation schemes:

- > Unisuper
- > The State Superannuation Scheme (SSS)
- > The State Authorities Superannuation Scheme (SASS)
- > 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 2005 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119.

The STC actuary has assessed the University's net accrued liability in respect of completed service by contributors of the above State superannuation schemes based on the following assumptions:

	2005 %	2004 %
Discount rate at 31 December	5.3	5.4
Expected return on plan assets at 31 December	7.3	7.3
Expected salary increases	4.0	4.0
Expected rate of CPI increase	2.5	2.5

The following tables summarise the components of net benefit expense recognised in the consolidated income statement and the funded status and amounts recognised in the consolidated balance sheet for the respective plans.

Total expense recognised in the income statement:

	SASS		SANCS		SSS	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Current service cost	1,716	1,692	663	661	2,271	2,529
Interest on obligation	1,182	1,146	555	573	15,814	15,379
Expected return on plan assets	(1,543)	(1,212)	(672)	(813)	(7,498)	(6,467)
Net actuarial losses (gains) recognised in year	341	(1,707)	733	415	(5,836)	815
Change in surplus in excess of recovery available from scheme	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Losses (gains) on curtailments and settlements	-	-	-	-	-	-
Total included in "employee benefits expense"	1,697	(82)	1,280	836	4,751	12,255
Actual return on plan assets	3,361	2,612	1,364	1,358	15,959	13,633

Reconciliation of the assets and liabilities recognised in the balance sheet:

	SASS		SANCS		SSS	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Present value of defined benefit obligations	27,574	23,118	12,275	10,984	312,874	298,206
Fair value of plan assets	(26,725)	(22,384)	(8,780)	(7,649)	(119,782)	(108,159)
	849	734	3,495	3,335	193,092	190,048
Surplus in excess of recovery available from schemes	-	-	-	-	-	-
Unrecognised past service costs	-	-	-	-	-	-
Net (asset)/liability to be disclosed in balance sheet	849	734	3,495	3,335	193,092	190,048

Movement in net liability/asset recognised in balance sheet

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

28. SUPERANNUATION PLANS (continued)

	SASS		SANCS		SSS	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Net (asset) liability at start of year	734	3,484	3,335	1,315	190,048	181,133
Net expense recognised in the income statement	1,697	(82)	1,280	836	4,751	12,255
Contributions	(1,581)	(2,668)	(1,120)	1,185	(1,706)	(3,340)
Net (asset) liability to be disclosed in balance sheet (refer Note 22)	849	734	3,495	3,335	193,092	190,048

Details of the defined pension plan as extracted from the plans' most recent report calculated in accordance with AAS 25 – Financial Reporting by Superannuation Plans:

	SASS		SANCS		SSS	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Accrued Benefits	24,968	20,877	11,303	10,100	250,034	240,627
Net market value of fund assets	(26,725)	(22,384)	(8,780)	(7,649)	(119,782)	(108,159)
Net (surplus)/deficit	(1,757)	(1,507)	2,523	2,452	130,253	132,468

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 Plan (DBP) is a defined benefit plan.
- Sufficient information is not available to account for the defined benefits provided by the DBP as a defined benefit plan. As set out under paragraph 32 (b) of AASB 119, the DBP exposes the participating employers to actuarial risks associated with the current and former employees, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to participating employers.
- As at 30 June 2005 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the DBP.
As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$230 million in excess of vested benefits. 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 CPI indexed pensions being provided by the DBP.
As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$1,543 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI 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 Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 16 May 2003 on the actuarial investigation of the DBP as at 31 December 2002. The financial assumptions used were:

	Vested benefits (% p.a.)	Accrued benefits (% p.a.)
Gross of tax investment return	7.0	9.1
Net of tax investment return	6.5	8.6
Consumer Price Index	2.5	2.5
Inflationary salary increases	3.5	3.5

(Additional promotional salary increases are assumed to apply based on past experience.)

- Assets have been included at their net market value, that is, allowing for realisation costs.
- Clause 34 of the Unisuper Trust Deed outlines the process Unisuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the Unisuper assets are considered by the Trustee to be insufficient to provide benefits payable under the Deed. At least four years' notice that such a request may be made is required. If such a request was agreed to by employers then members must also contribute additional contributions equal to one-half of the rate at which their employer is prepared to contribute. If employers do not agree to increase contributions the Trustee must reduce benefits on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but considered this was unlikely at that time.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

29. 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

- (i) Consequent upon the HIH Insurance Group being placed in provisional liquidation on 16 March, 2001, the University may have an exposure to the non-settlement of potential public liability claims. The extent of any potential exposure cannot be estimated.
- (ii) The University is currently involved in minor litigation. The associated potential liability cannot be estimated at this stage.
- (iii) The University may have a liability for severance payments to temporary staff up to a maximum of \$405,000.
- (iv) The University may have a liability to provide financial support to accessUTS Pty Ltd during 2006.
- (v) The University may have a liability to provide financial support to Sydney Educational Broadcasting Limited (2SER-FM) during 2006.

The University is not aware of any other contingent liabilities.

30. ECONOMIC DEPENDENCY

The University has no economic dependency on any other economic entity not clearly discernable in the Statement of Financial Performance or Statement of Financial Position.

31. SUBSIDIARIES

Name of entity	Principal activities	Country of incorporation	Ownership interest		Equity	
			2005 %	2004 %	2005 \$'000	2004 \$'000
Parent entity						
University of Technology, Sydney	Education services	Australia			689,571	675,718
Controlled entities						
INSEARCH Limited (company limited by guarantee)	Education services	Australia	100	100	17,416	16,825
INSEARCH (Shanghai) Limited	Education services	China	100	100	661	820
INSEARCH Education International Pty Limited	Education services	Australia	100	100	(205)	-
Yayasan INSEARCH Medan	Education services	Indonesia	88	88	489	-
Australia Centre Thailand	Education services	Thailand	81	81	110	-
AccessUTS Proprietary Limited	Consulting	Australia	100	100	(377)	(220)

32. 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 31.

(c) Responsible persons and executive officers

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.

- (1) Donations amounting to \$2,000 (2004: \$6,000,000) were paid or payable to the ultimate controlling entity.
- (2) Sale of services and fees \$ 2,757,049 (2004: \$3,347,175) to the wholly owned University of Technology, Sydney group.
- (3) Purchase of services and fees \$811,600 (2004: \$0) by the wholly owned University of Technology, Sydney group.
- (4) Purchase of shares in a subsidiary \$450,000 (2004: \$0) by the wholly owned University of Technology, Sydney group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

32. RELATED PARTIES (continued)

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
(e) Outstanding balances				
Current receivables				
Subsidiaries	-	-	2,690	2,860
Current receivables (loans)				
Subsidiaries	-	-	35	35

A provision of \$215,000 has been raised for doubtful debts in the parent entity accounts for outstanding balances due from related parties.

33. DISAGGREGATION INFORMATION (CONSOLIDATED)

	Revenue		Results		Assets	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Geographical (consolidated entity)						
Australia	404,835	371,954	12,588	(15,819)	1,098,296	1,039,323
China	1,639	2,159	(122)	869	1,265	1,069
United Kingdom	971	210	(517)	(162)	936	657
South East Asia	4,251	3,378	2,255	2,509	660	-
Total	411,696	377,701	14,204	(12,603)	1,101,157	1,041,049

34. INTERESTS IN JOINT VENTURES**(a) Joint venture partnership**

The parent entity has an interest in the following joint venture entity, which is resident in Australia.

1. Sport Knowledge Australia Pty Ltd

This is a joint venture between the University of Sydney, the University of Technology, Sydney and Sydney Olympic Park Authority, to develop, market and sell education and training programs and knowledge services in the fields of sports science and management. The University of Technology, Sydney has a 33 $\frac{1}{3}$ per cent share of issued share capital.

The interest in the partnerships are accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity (refer to Note 13). Information relating to the joint venture partnership is set out below.

2. The International English Language Testing System (IELTS) joint venture was dissolved on 30th September 2005. The joint venture was equity accounted up to the dissolution date.

This was a joint venture between INSEARCH Limited and the University of Technology, Sydney to operate the 'IELTS Sydney Test Centre' and 'Prepare for IELTS' divisions. The investment was a 50 per cent share of retained earnings. The joint venture was dissolved on 30 September 2005.

INSEARCH Limited, a wholly owned subsidiary, has the following joint ventures:

(a) International English Testing System (IELTS) Joint Venture dissolved on 30 September 2005.

(b) Beijing INSEARCH Language School (BILS)

(c) Australia Centre for Education and Training Ho Chi Minh City (ACET - HCMC)

(d) Australia Centre for Education and Training Hanoi (ACET - HN)

(e) Sydney Institute of Language and Commerce (SILC)

Beijing BLCU-INSEARCH Language School (BILS) is a joint venture between INSEARCH Limited and Beijing Language and Culture University, to provide English language and business courses. INSEARCH Limited has provided for a diminution of investment in the joint venture, BLCU-INSEARCH Language School (BILS), of \$1.979 million. The joint venture has encountered difficulties during its set up phase with staff involved in the project in Beijing. INSEARCH is seeking to resolve these difficulties with the assistance of its joint venture partner. However, they had not been resolved at 31 December 2005 and as a result no classes have been offered in 2005.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

34. INTERESTS IN JOINT VENTURES (continued)

	Economic entity (Consolidated)		Parent entity (University)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
(b) Carrying amount of investment in partnership	2,626	1,310	-	-
Share of partnerships' assets and liabilities				
Current assets	6,747	3,302	-	-
Non-current assets	919	546	-	-
Total assets	7,666	3,848	-	-
Current liabilities	4,188	1,955	-	-
Non-current liabilities	852	583	-	-
Total liabilities	5,040	2,538	-	-
Net assets	2,626	1,310	-	-
Share of partnerships' revenues, expenses and results				
Revenues	6,378	7,120	-	-
Expenses	5,074	6,355	-	-
Net operating result before income tax	1,304	765	-	-
Share of partnerships' commitments				
Lease commitments	-	-	-	-
Other commitments (other than for the supply of inventories)	-	-	-	-
Total expenditure commitments	-	-	-	-
Capital commitments	-	-	-	-
	-	-	-	-

(c) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Economic entity [Consolidated]		Parent entity [University]	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
36. NOTES TO THE STATEMENT OF CASH FLOWS				
Reconciliation of cash flow from operations with operating result after related income tax				
Net operating result	14,204	(12,603)	13,694	(12,485)
Depreciation and amortisation	38,718	33,079	36,489	31,071
Increase/(decrease) in provisions:	-	-	-	-
> Annual leave	4,116	714	4,102	748
> Diminution of shares	2,144	38	200	38
> Doubtful debts	410	734	410	731
> Long service leave	3,433	2,893	3,289	2,761
> Deferred superannuation	3,319	8,186	3,319	8,186
Decrease/(increase) in receivables	(3,932)	3,791	(1,741)	3,225
Decrease/(increase) in non-current receivables	(3,160)	(6,164)	(3,160)	(6,164)
Decrease/(increase) in prepayments and accrued income	(3,332)	1,394	2,637	1,478
Decrease/(increase) in inventories	-	-	-	-
(Decrease)/increase in accounts payable	14,622	4,121	14,359	5,556
(Decrease)/increase in current tax liabilities	-	-	-	-
(Decrease)/increase in income in advance	2,571	(2,897)	3,579	(5,610)
(Decrease)/increase in derivatives – liabilities	641	(61)	641	(61)
(Profit)/loss on sale of assets	(45)	620	44	606
Write back of motor vehicles	-	-	-	-
Share of profit of joint venture not received as dividends or distribution	(894)	(765)	-	-
Fair value gains on other financial assets at fair value through profit or loss	-	-	(663)	(11)
Increase in investment income due to adoption of fair value for investments per AASB 139	823	129	823	6
Capitalisation of previous year's expenditure	-	-	-	-
Change in unrealised foreign exchange gain decrease/(increase)-	-	-	-	-
Adjustment to accumulated funds at beginning of year	-	(11)	-	-
Net cash provided by operating activities	73,638	33,198	78,022	30,075

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

37. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE 37.1 DEST – CGS and other DEST grants

	Note	Commonwealth ¹ Grants Scheme		Indigenous Support Fund		Parent entity (University) only						Total		
						Equity ² programs		Workplace Reform Program		Collaboration and Structural Reform Program				
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000		2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		90,785	80,213	1,105	-	366	188	1,417	2,411	74	-	93,747	82,812	
Net accrual adjustments		(232)	(659)	-	-	-	(81)	-	-	-	-	(232)	(740)	
Revenue for the period		90,553	79,554	1,105	-	366	107	1,417	2,411	74	-	93,515	82,072	
Surplus/(deficit) from the previous year	2.1 (a)	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenue including accrued revenue		90,553	79,554	1,105	-	366	107	1,417	2,411	74	-	93,515	82,072	
Less expenses including accrued expenses		(90,553)	(79,554)	(1,105)	-	(366)	(107)	(1,417)	(2,411)	(74)	-	(93,515)	(82,072)	
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-	-	-	

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

²Includes Higher Education Equity Program and Students with Disabilities Program.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

37. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)**37.2 Higher Education Loan Programs**

	Note	Parent entity (University) only				Total	
		HECS-HELP (Australian Government payments only)		FEE-HELP*		2005	2004
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		48,775	41,603	23,745	21,729	72,520	63,332
Net accrual adjustments		(392)	2,894	(4,778)	(1,311)	(5,170)	1,583
Revenue for the period	2.1 (b)	48,383	44,497	18,967	20,418	67,350	64,915
Surplus/(deficit) from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		48,383	44,497	18,967	20,418	67,350	64,915
Less expenses including accrued expenses		(48,383)	(44,497)	(18,967)	(20,418)	(67,350)	(64,915)
Surplus/(deficit) for reporting period		-	-	-	-	-	-

* For 2004, FEE-HELP figures will equal PELS and BOTPLS amounts.

37.3 Australian Research Council grants**(a) Discovery**

	Note	Parent entity (University) only				Total	
		Discovery – projects		Discovery – fellowships		2005	2004
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		4,304	2,878	238	(7)	4,542	2,871
Net accrual adjustments		165	-	-	-	165	-
Revenue for the period	2.1 (e)(i)	4,469	2,878	238	(7)	4,707	2,871
Surplus/(deficit) from the previous year		1,947	1,237	2	35	1,949	1,272
Total revenue including accrued revenue		6,416	4,115	240	29	6,656	4,144
Less expenses including accrued expenses		(3,602)	(2,168)	(2)	(27)	(3,604)	(2,195)
Surplus/(deficit) for reporting period		2,814	1,947	238	2	3,052	1,949

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

37.4 Australian Research Council grants (b) Linkages

	Note	Parent entity (University) only									
		Linkage - projects		Linkage - international		Linkage - infrastructure		Linkage - special research initiatives		Total	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		3,663	2,380	36	76	295	1,547	51	-	4,045	4,003
Net accrual adjustments		165	-	-	(25)	823	-	-	-	988	(25)
Revenue for the period		3,828	2,380	36	51	1,118	1,547	51	-	5,033	3,978
Surplus/(deficit) from the previous year	2.1 (e)(iii)	1,977	1,408	51	74	52	-	29	80	2,109	1,562
Total revenue including accrued revenue		5,805	3,788	87	125	1,170	1,547	80	80	7,142	5,540
Less expenses including accrued expenses		(2,010)	(1,811)	(28)	(74)	(1,055)	(1,495)	(24)	(51)	(3,117)	(3,431)
Surplus/(deficit) for reporting period		3,795	1,977	59	51	115	52	56	29	4,025	2,109

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

37.5 Australian Research Council grants**(c) Networks and Centres**

	Note	Parent entity (University) only					
		Research networks		Centres		Total	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		664	1,112	-	-	664	1,112
Net accrual adjustments		114	(80)	950	-	1,064	(80)
Revenue for the period	2.1 (e)(iii)	778	1,032	950	-	1,728	1,032
Surplus/(deficit) from the previous year		561	676	-	-	561	676
Total revenue including accrued revenue		1,339	1,708	950	-	2,289	1,708
Less expenses including accrued expenses		(394)	(1,147)	(393)	-	(787)	(1,147)
Surplus/(deficit) for reporting period		945	561	557	-	1,502	561

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

37.6 DEST research

	Note	Parent entity (University) only								Total	
		Institutional grants scheme		Research training scheme		Small grants		Research infrastructure block grants			
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		3,969	3,556	9,797	9,292	-	-	1,898	1,306	15,664	14,154
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-
Revenue for the period		3,969	3,556	9,797	9,292	-	-	1,898	1,306	15,664	14,154
Surplus/(deficit) from the previous year	2.1 (d)	-	-	-	-	8	14	959	203	967	217
Total revenue including accrued revenue		3,969	3,556	9,797	9,292	8	14	2,857	1,509	16,631	14,371
Less expenses including accrued expenses		(3,969)	(3,556)	(9,797)	(9,292)	4	(6)	(1,080)	(550)	(14,842)	(13,404)
Surplus/(deficit) for reporting period		-	-	-	-	12	8	1,777	959	1,789	967

37.7 Scholarships

	Note	Parent entity (University) only								Total	
		Australian postgraduate awards		Commonwealth education cost scholarships		Commonwealth accommodation costs scholarships		Indigenous staff scholarships			
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,372	1,434	382	132	678	288	32	-	2,625	2,097
Net accrual adjustments		-	-	-	-	-	-	(11)	-	(11)	-
Revenue for the period		1,372	1,434	382	132	678	288	21	-	2,614	2,097
Surplus/(deficit) from the previous year	2.1 (c)	216	104	-	-	6	-	-	-	285	218
Total revenue including accrued revenue		1,588	1,538	382	132	684	288	21	-	2,899	2,315
Less expenses including accrued expenses		(1,281)	(1,322)	(377)	(132)	(499)	(282)	(21)	-	(2,402)	(2,030)
Surplus/(deficit) for reporting period		307	216	5	-	185	6	-	-	497	285

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

38. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS

	Economic entity (consolidated)			Parent entity		
	Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AIFRS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(1) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS (AIFRS)						
(a) At the date of transition to AIFRS: 1 January 2004						
Assets						
<i>Current assets</i>						
> Cash and cash equivalents	28,591	-	28,591	1,899	-	1,899
> Receivables	13,367	435	13,802	15,049	-	15,049
> Other financial assets at fair value through profit or loss	79,409	426	79,835	79,409	426	79,835
> Other financial assets	373	-	373	-	-	-
> Other non-financial assets	8,343	(558)	7,785	13,263	(558)	12,705
Non-current assets classified as held for sale	-	-	-	-	-	-
Total current assets	130,083	303	130,386	109,620	(132)	109,488
Non-current assets						
> Receivables	137,413	47,204	184,617	137,413	47,204	184,617
> Investments accounted for using the equity method	487	674	1,161	-	-	-
> Available-for-sale financial assets	2	-	2	2	-	2
> Other financial assets at fair value through profit or loss	1,445	-	1,445	-	65	65
> Other financial assets	50	-	50	50	-	50
> Property, plant and equipment	702,605	(17,616)	684,989	696,047	(15,494)	680,553
> Intangible assets	544	17,245	17,789	-	15,494	15,494
Total non-current assets	842,546	47,507	890,053	833,512	47,269	880,781
Total assets	972,629	47,810	1,020,439	943,132	47,137	990,269
Liabilities						
<i>Current liabilities</i>						
> Payables	12,253	-	12,253	9,859	-	9,859
> Interest-bearing liabilities	1,838	-	1,838	1,838	-	1,838
> Derivatives	-	1,402	1,402	-	1,402	1,402
> Provisions	11,712	-	11,712	11,045	-	11,045
> Other liabilities	21,024	-	21,024	12,754	-	12,754
Total current liabilities	46,827	1,402	48,229	35,496	1,402	36,898
<i>Non-current liabilities</i>						
> Interest-bearing liabilities	70,829	-	70,829	70,829	-	70,829
> Provisions	167,044	47,938	214,982	166,451	47,938	214,389
> Other liabilities	27	715	742	-	-	-
Total non-current liabilities	237,900	48,653	286,553	237,280	47,938	285,218
Total liabilities	284,727	50,055	334,782	272,776	49,340	322,116
Net assets	687,902	(2,245)	685,657	670,356	(2,203)	668,153
Equity						
<i>Parent entity interest</i>						
> Statutory funds	3,945	-	3,945	3,945	-	3,945
> Reserves	275,854	85	275,939	276,240	85	276,325
> Retained surplus	408,103	(2,330)	405,773	390,171	(2,288)	387,883
Total equity	687,902	(2,245)	685,657	670,356	(2,203)	668,153

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

38 EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

	Note	Economic entity (consolidated)			Parent entity		
		Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AIFRS
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(b) At the end of the last reporting period under previous AGAAP: 31 December 2004							
Assets							
<i>Current assets</i>							
> Cash and cash equivalents	9	27,875	323	28,198	1,619	-	1,619
> Receivables	10	8,791	51	8,842	11,093	-	11,093
> Other financial assets at fair value through profit or loss	11	43,506	420	43,926	43,506	420	43,926
> Other non-financial assets	14	7,446	(508)	6,938	12,096	(440)	11,656
> Non-current assets classified as held for sale	15	0	88	88	-	-	-
Total current assets		87,618	374	87,992	68,314	(20)	68,294
<i>Non-current assets</i>							
> Receivables	10	130,961	59,821	190,782	130,961	59,821	190,782
> Investments accounted for using the equity method	16	377	933	1,310	-	-	-
> Available-for-sale financial assets	12	2	-	2	2	-	2
> Other financial assets at fair value through profit or loss	11	1,500	164	1,664	-	76	76
> Other financial assets	13	364	(35)	329	12	-	12
> Property, plant and equipment	17	759,116	(23,150)	735,966	751,396	(20,701)	730,695
> Intangible assets	18	432	22,572	23,004	-	20,437	20,437
Total non-current assets		892,752	60,305	953,057	882,371	59,633	942,004
Total assets		980,370	60,679	1,041,049	950,685	59,613	1,010,298
Liabilities							
<i>Current liabilities</i>							
> Payables	19	16,269	105	16,374	15,416	-	15,416
> Interest-bearing liabilities	20	3,342	-	3,342	3,342	-	3,342
> Derivatives	21	-	1,341	1,341	-	1,341	1,341
> Provisions	22	38,252	3	38,255	37,622	-	37,622
> Other liabilities	23	16,945	293	17,238	7,144	-	7,144
Total current liabilities		74,808	1,742	76,550	63,524	1,341	64,865
<i>Non-current liabilities</i>							
> Interest-bearing liabilities	20	70,208	-	70,208	70,208	-	70,208
> Provisions	22	139,527	60,705	200,232	138,802	60,705	199,507
> Other liabilities	23	123	793	916	-	-	-
Total non-current liabilities		209,858	61,498	271,356	209,010	60,705	269,715
Total liabilities		284,666	63,240	347,906	272,534	62,046	334,580
Net assets		695,704	(2,561)	693,143	678,151	(2,433)	675,718
Equity							
<i>Parent entity interest</i>							
> Statutory funds	24	5,871	-	5,871	5,871	-	5,871
> Reserves	25 (a)	295,909	119	296,028	296,290	85	296,375
> Retained surplus	25 (d)	393,924	(2,680)	391,244	375,990	(2,518)	373,472
Total equity		695,704	(2,561)	693,143	678,151	(2,433)	675,718

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

38 EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

	Note	Economic entity (consolidated)			Parent entity		
		Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AIFRS
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(2) Reconciliation of profit for the year ended 31 December 2004							
Revenue from continuing operations							
Australian Government financial assistance							
> Australian Government grants	2.1	111,550	-	111,550	111,550	-	111,550
> HECS-HELP -							
Australian Government payments	2.1	44,497	-	44,497	44,497	-	44,497
> FEE-HELP	2.1	20,418	-	20,418	20,418	-	20,418
State and local Governments financial assistance							
HECS-HELP - student payments	2.2	2,498	-	2,498	2,498	-	2,498
Fees and charges	2.3	142,094	(164)	141,930	102,211	-	102,211
Investment income	2.4	6,565	167	6,732	5,051	112	5,163
Royalties, trademarks and licenses	2.5	68	-	68	68	-	68
Consultancy and contract research	2.6	8,904	(44)	8,860	7,691	-	7,691
Other revenue	2.7	19,945	(2,436)	17,509	24,680	11	24,691
Shares of net results of associates and joint venture partnership accounted for using the equity method	34	69	696	765	-	-	-
Subtotal		373,318	(1,781)	371,537	335,374	123	335,497
Deferred government superannuation contributions		(6,453)	12,617	6,164	(6,453)	12,617	6,164
Total revenue from continuing operations		366,865	10,836	377,701	328,921	12,740	341,661
Expenses from continuing operations							
Employee benefits and on costs	3.1	226,271	1	226,272	211,387	-	211,387
Depreciation and amortisation	3.2	33,059	20	33,079	31,071	-	31,071
Repairs and maintenance	3.3	6,956	-	6,956	6,755	-	6,755
Borrowing cost	4	4,728	203	4,931	4,728	203	4,931
Bad and doubtful debts	3.4	748	-	748	745	-	745
Other expenses	3.5	111,898	(1,805)	110,093	91,071	-	91,071
Subtotal		383,660	(1,581)	382,079	345,757	203	345,960
Deferred employee benefits for superannuation		(4,581)	12,767	8,186	(4,581)	12,767	8,186
Total expenses from continuing operations		379,079	11,186	390,265	341,176	12,970	354,146
Operating result before income tax		(12,214)	(350)	(12,564)	(12,255)	(230)	(12,485)
Income tax expense	6	39	-	39			
Operating result from continuing operations		(12,253)	(350)	(12,603)	(12,255)	(230)	(12,485)
Net operating result attributable to members of University of Technology, Sydney		(12,253)	(350)	(12,603)	(12,255)	(230)	(12,485)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

38 EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

	Note	Economic entity (consolidated)			Parent entity		
		Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AIFRS
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(3) Reconciliation of Cash Flow Statement for the year ended 31 December 2004							
The adoption of AIFRS has not resulted in any material adjustments to the Cash Flow Statement.							
(4) Notes to the reconciliations							
(a) Other financial assets at fair value through profit or loss							
<i>Current</i>							
Managed funds –							
Macquarie Investment Management Limited		43,474	420	43,894	43,474	420	43,894
Managed funds –							
New South Wales Treasury Corporation		32	–	32	32	–	32
Total current other financial assets		43,506	420	43,926	43,506	420	43,926
<i>Non-current</i>							
Investments in managed funds		1,500	164	1,664	–	–	–
Unlisted shares		–	–	–	–	76	76
Total non-current other financial assets		1,500	164	1,664	–	76	76
(b) Other non-financial assets							
Accrued income		2,490	(494)	1,996	7,751	(440)	7,311
Prepayments		4,956	(14)	4,942	4,345	–	4,345
Total current other non-financial assets		7,446	(508)	6,938	12,096	(440)	11,656
(c) Non-current receivables							
Deferred government contribution for superannuation		130,961	59,821	190,782	130,961	59,821	190,782
Total non-current receivables		130,961	59,821	190,782	130,961	59,821	190,782
(d) Property, plant and equipment		759,116	(23,150)	735,966	751,396	(20,701)	730,695
(e) Intangibles		432	22,572	23,004	–	20,437	20,437
(f) Provisions							
Long service leave		6,114	–	6,114	5,389	–	5,389
Deferred benefits for superannuation		133,413	60,705	194,118	133,413	60,705	194,118
Total non-current provisions		139,527	60,705	200,232	138,802	60,705	199,507
(g) Reserves							
Asset revaluation reserve		296,290	85	296,375	296,290	85	296,375
Foreign currency translation reserve		(381)	34	(347)	–	–	–
Total reserves		295,909	119	296,028	296,290	85	296,375
(h) Retained earnings							
Retained surplus		393,924	(2,680)	391,244	375,990	(2,518)	373,472
Total retained surplus		393,924	(2,680)	391,244	375,990	(2,518)	373,472

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

38 EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

	Note	Economic entity (consolidated)			Parent entity		
		Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AIFRS
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(5) Adjustments on transition to AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement: 1 January 2005							
Assets							
<i>Current assets</i>							
> Cash and cash equivalents	9	27,875	323	28,198	1,619	-	1,619
> Receivables	10	8,791	51	8,842	11,093	-	11,093
> Other financial assets at fair value through profit or loss	11	43,506	420	43,926	43,506	420	43,926
> Other non-financial assets	14	7,446	(508)	6,938	12,096	(440)	11,656
> Non-current assets classified as held for sale	15	0	88	88	-	-	-
Total current assets		87,618	374	87,992	68,314	(20)	68,294
<i>Non-current assets</i>							
> Receivables	10	130,961	59,821	190,782	130,961	59,821	190,782
> Investments accounted for using the equity method	16	377	933	1,310	-	-	-
> Available-for-sale financial assets	12	2	-	2	2	-	2
> Other financial assets at fair value through profit or loss	11	1,500	164	1,664	-	76	76
> Other financial assets	13	364	(35)	329	12	-	12
> Property, plant and equipment	17	759,116	(23,150)	735,966	751,396	(20,701)	730,695
> Intangible assets	18	432	22,572	23,004	-	20,437	20,437
Total non-current assets		892,752	60,305	953,057	882,371	59,633	942,004
Total assets		980,370	60,679	1,041,049	950,685	59,613	1,010,298
Liabilities							
<i>Current liabilities</i>							
> Payables	19	16,269	105	16,374	15,416	-	15,416
> Interest-bearing liabilities	20	3,342	-	3,342	3,342	-	3,342
> Derivatives	21	-	1,341	1,341	-	1,341	1,341
> Provisions	22	38,252	3	38,255	37,622	-	37,622
> Other liabilities	23	16,945	293	17,238	7,144	-	7,144
Total current liabilities		74,808	1,742	76,550	63,524	1,341	64,865
<i>Non-current liabilities</i>							
> Interest-bearing liabilities	20	70,208	-	70,208	70,208	-	70,208
> Provisions	22	139,527	60,705	200,232	138,802	60,705	199,507
> Other liabilities	23	123	793	916	-	-	-
Total non-current liabilities		209,858	61,498	271,356	209,010	60,705	269,715
Total liabilities		284,666	63,240	347,906	272,534	62,046	334,580
Equity							
<i>Parent entity interest</i>							
> Statutory funds	24	5,871	-	5,871	5,871	-	5,871
> Reserves	25 (a)	295,909	119	296,028	296,290	85	296,375
> Retained surplus	25 (d)	393,924	(2,680)	391,244	375,990	(2,518)	373,472
Total equity		695,704	(2,561)	693,143	678,151	(2,433)	675,718

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

39. FINANCIAL INSTRUMENTS

(a) Financial risk management

The Group's activities expose it to a variety of financial risks, as follows:

The Group's principal financial instruments comprise bank loans, finance leases, cash and managed funds. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group also enters into derivative transactions, principally interest rate caps and interest rate swaps. The purpose is to manage the interest rate risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Group's exposure to market risk for changes in interest rate relates primarily to the Group's long term debt obligations. Long term debt obligations are managed by either fixed interest rate loans, interest rate swaps and interest rate caps. At 31 December 2005, after taking into account interest rate swaps and interest rate caps, 100 per cent of the Group's borrowings are at a fixed or capped rate of interest.

Credit risk

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial assets, fair value through profit or loss financial assets and other financial assets at cost, the Group's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through use of bank loans and finance leases. The parent entity does not anticipate increasing bank loan facilities in the foreseeable future.

(b) Derivative financial instruments

(i) Transition to AASB 132 and AASB 139

The Group has not taken the exemption available under AASB 1 as described in Note 1 (q).

(ii) Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates for certain long-term loans.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting year. Changes in the fair value of any derivative instrument are recognised immediately in the income statement. The following derivatives are held by the parent entity.

- (i) The University has entered into a swap agreement in order to cap its interest rate exposure from a loan of \$29,500,000 from the ANZ Banking Group Limited. The fair value of this derivative as at 31 December 2005 is a liability of \$1,376,592.
- (ii) The University has entered into a interest rate swap agreement in order to limit its interest rate exposure in relation to a loan facility of \$60,000,000 from the ANZ Banking Group Limited. The interest rate swap covers \$40,000,000 of the loan facility of \$60,000,000. As at the 31st December 2005 no portion of the loan facility has been drawn down. The fair value of this derivative as at 31 December 2005 is a liability of \$605,279.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(c) Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

2005	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	Over 5 years \$'000	Non-interest-bearing \$'000	Total \$'000
Financial assets									
Cash and cash equivalents	26,389	-	-	-	-	-	-	-	26,389
Receivables	-	-	-	-	-	-	-	206,307	206,307
Managed funds	-	34	-	-	-	-	-	-	34
Managed funds – Income Plus Fund	-	30,087	-	-	-	-	-	-	30,087
Managed funds – Treasury Fund	-	10,812	-	-	-	-	-	-	10,812
Shares in other organisations	-	-	-	-	-	-	-	238	238
Investments using the equity method	-	-	-	-	-	-	-	2,626	2,626
	26,389	40,933	-	-	-	-	-	209,171	276,493
Weighted average interest rate	4.95%	5.53%	-	-	-	-	-	-	-
Financial liabilities									
Payables	-	-	-	-	-	-	-	47,880	47,880
Government loan	-	-	-	-	-	-	40,000	-	40,000
ANZ Bank loan	-	-	-	-	-	-	27,725	-	27,725
Derivatives	-	-	-	-	-	-	1,982	-	1,982
Finance leases	-	-	-	5,825	-	-	-	-	5,825
	-	-	-	5,825	-	-	69,707	47,880	123,412
Weighted average interest rate	-	-	-	6.64%	-	-	6.10%	-	-
Net financial assets (liabilities)	26,389	40,933	-	[5,825]	-	-	[69,707]	161,291	153,081

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

39. FINANCIAL INSTRUMENTS (continued) (c) Interest rate risk exposures (continued)

2004	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	Over 5 years \$'000	Non-interest-bearing \$'000	Total \$'000
Financial assets									
Cash and cash equivalents	28,198	-	-	-	-	-	-	-	28,198
Receivables	-	-	-	-	-	-	-	199,624	199,624
Managed funds	-	43,926	1,664	-	-	-	-	-	45,590
Managed funds – Income Plus Fund	-	-	-	-	-	-	-	-	-
Managed funds – Treasury Fund	-	-	-	-	-	-	-	-	-
Shares in other organisations	-	-	-	-	-	-	-	331	331
Investments using the equity method	-	-	-	-	-	-	-	1,310	1,310
	28,198	43,926	1,664	-	-	-	-	201,265	275,053
Weighted average interest rate	4.53%	5.65%	5.65%	-	-	-	-	-	-
Financial liabilities									
Payables	-	-	-	-	-	-	-	16,374	16,374
Government loan	-	-	-	-	-	-	40,000	-	40,000
ANZ Bank loan	-	-	-	-	-	-	28,650	-	28,650
Derivatives	-	-	-	-	-	-	1,341	-	1,341
Finance leases	-	-	-	4,900	-	-	-	-	4,900
	-	-	-	4,900	-	-	69,991	16,374	91,265
Weighted average interest rate	-	-	-	6.26%	-	-	6.49%	-	-
Net financial assets (liabilities)	28,198	43,926	1,664	[4,900]	-	-	[69,991]	184,891	183,788

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

39. FINANCIAL INSTRUMENTS (continued)

	2005		2004	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
(d) Fair value of financial assets and liabilities				
The carrying amounts and fair values of financial assets and financial liabilities at balance date are:				
Financial assets				
<i>Non-traded financial assets</i>				
Cash and cash equivalents	26,389	26,389	28,198	28,198
Receivables	206,307	206,307	199,624	199,624
Managed funds	34	34	45,590	45,590
Managed funds – Income Plus Fund	30,087	30,087	0	0
Managed funds – Treasury Fund	10,812	10,812	0	0
Shares in other organisations	238	238	331	331
Investments using the equity method	2,626	2,626	1,310	1,310
	276,493	276,493	275,053	275,053
Financial liabilities				
<i>Non-traded financial liabilities</i>				
Payables	47,880	47,880	16,374	16,374
Derivatives	1,982	1,982	1,341	1,341
Government loan	40,000	42,727	40,000	40,000
ANZ Bank loan	27,725	27,725	28,650	28,650
Finance leases	5,825	5,825	4,900	4,900
	123,412	126,139	91,265	91,265

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

40. OTHER ACTIVITIES

Sydney Educational Broadcasting Limited (2SER-FM)

The company is an enterprise jointly funded by Macquarie University and the University of Technology, Sydney to broadcast programs for continuing and adult education and for courses conducted by both universities. The funding is via a set donation paid on a yearly basis.

The result of operations for the year ended 31 December 2005 was a deficit of \$116,735 (2004: \$102,750 deficit)

Australian Technology Park Innovations Proprietary Limited (ATP Innovations)

The ATP Innovations is an organisation involving the University of Technology, Sydney, Australian National University, University of Sydney and the University of New South Wales. The organisation facilitates the incubation of research activity.

DIRECTORS' DECLARATION

Pursuant to Section 295 (4) of the *Corporations Act 2001*, we, the directors whose signatures and names appear below, do hereby state that in the opinion of the directors:

- a) the financial statements and notes for the financial period ending 31 December 2005 have been prepared in accordance with Accounting Standards, the corporations regulations and other mandatory professional reporting requirements
- b) the financial statements and notes for the financial period ending 31 December 2005 present a true and fair view of the financial position and performance of the company
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
- d) the financial statements and notes are in accordance with the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.

Dated this 21st day of April 2006

For and on behalf of the board.



RICHARD J HILL
Director



WILLIAM H WRIGHT
Director

STATEMENT BY APPOINTED OFFICERS

STATEMENT IN ACCORDANCE WITH THE *PUBLIC FINANCE AND AUDIT ACT 1983* AND THE *PUBLIC FINANCE AND AUDIT REGULATION 2005*

For the year ended 31 December 2005

Pursuant to the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*, and in accordance with a resolution of the board of directors, we declare that in our opinion:

1. the accompanying financial statements present a true and fair view of the financial position of the company as at 31 December 2005 and transactions for the period then ended; and
2. the statements have been prepared in accordance with Section 41B of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*. The policies adopted by the company follow Accounting Standards and other mandatory professional requirements including Urgent Issues Group Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

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



RICHARD J HILL
Director
21 April 2006



WILLIAM H WRIGHT
Director
21 April 2006

INDEPENDENT AUDIT REPORT



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

INSEARCH LIMITED

To Members of the New South Wales Parliament and Members of Insearch Limited

Qualified Audit Opinion

In my opinion, except for the effects of such adjustments, if any, that might have been required had the limitation on my audit procedures referred to below not existed, the financial report of Insearch Limited (the Company) is in accordance with:

- the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2005 and their performance for the year ended on that date, and
 - complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- other mandatory financial reporting requirements in Australia, and
- section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2005*.

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

Qualification

Insearch's share of the assets of the joint venture with Beijing Language and Culture University 'Beijing BLCU - Insearch Language School (BILS)' comprise receivables of \$1.7 million and investment of \$0.4 million. I have not been able to verify the existence of the balances through any third party confirmation and accordingly I am unable to form an opinion on them.

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the balance sheets, income statements, statements of changes in equity, cash flow statements, accompanying notes to the financial statements and directors' declaration for the Company and consolidated entity, for the year ended 31 December 2005. The consolidated entity comprises the Company and the entities it controlled during the financial year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the PF&A Act and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

INDEPENDENT AUDIT REPORT

Audit Approach

I conducted an independent audit in order to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and the members of the Company that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the company's directors had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Company or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The PF&A Act further promotes independence by:

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

My Declaration of Independence dated 19 April 2006 would have been made on the same terms if it had been made at the date of this report.



R J Sendt
Auditor-General

SYDNEY
28 April 2006

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue from ordinary activities	4	39,282	41,944	37,749	40,570
Share of net profits from joint venture accounted for using the equity method	13 (d)	521	670	521	670
Total revenue		39,803	42,614	38,270	41,240
Employee benefits expense	5 (a)	(15,963)	(14,577)	(15,312)	(14,378)
Depreciation and amortisation expenses	5 (b)	(2,226)	(2,004)	(2,180)	(1,922)
Other expenses from ordinary activities	5 (c)	(21,000)	(26,068)	(20,392)	(25,099)
Total expenses		(39,189)	(42,649)	(37,884)	(41,399)
Profit/(loss) from ordinary activities before income tax expense		614	(35)	386	(159)
Income tax expense	6	(16)	(39)	(1)	-
Profit/(loss) for the year		598	(74)	385	(159)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2005

	Note	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Current assets					
Cash and cash equivalents	7	20,964	26,332	20,532	25,437
Receivables	8	2,483	502	2,248	555
Inventories	9	57	-	54	-
Other non-financial assets	10	1,072	552	978	551
Other financial assets	11	174	583	174	583
		24,750	27,969	23,986	27,126
Non-current assets classified as held for sale	12	30	88	30	88
Total current assets		24,780	28,057	24,016	27,214
Non-current assets					
Investments accounted for using the equity method	13	1,886	1,234	1,886	1,234
Plant and equipment	14	3,813	5,257	3,734	5,203
Intangible assets	15	2,597	2,567	2,596	2,567
Financial assets at fair value through profit and loss	16	-	1,664	-	1,664
Financial assets at amortised cost	17	201	318	1,121	1,260
Total non-current assets		8,497	11,040	9,337	11,928
Total assets		33,277	39,097	33,353	39,142
Current liabilities					
Payables	18	2,959	3,504	3,368	3,428
Provisions	19	1,312	7,287	1,312	7,287
Other	20	8,731	9,020	8,610	9,020
Total current liabilities		13,002	19,811	13,290	19,735
Non-current liabilities					
Provisions	21	1,803	1,641	1,803	1,641
Total non-current liabilities		1,803	1,641	1,803	1,641
Total liabilities		14,805	21,452	15,093	21,376
Net assets		18,472	17,645	18,260	17,766
Equity					
Retained profits	22 (a)	18,590	17,992	18,167	17,782
Reserves	22 (b)	(118)	(347)	93	(16)
Total equity		18,472	17,645	18,260	17,766

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Total equity at the beginning of the financial year		17,645	17,712	17,766	17,941
Exchange differences on translation of foreign operations	22 (b)	229	7	109	(16)
Net income/(expense) recognised directly in equity		229	7	109	(16)
Profit/(loss) for the year		598	(74)	385	(159)
Total recognised income and expense for the year		827	(67)	494	(175)
Transactions with equity holders in their capacity as equity holders		-	-	-	-
Total equity at the end of the financial year		18,472	17,645	18,260	17,766

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2005

	Note	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of Goods and Services Tax)		36,039	40,292	34,773	38,971
Donation paid to the University of Technology, Sydney		(6,000)	(5,500)	(6,000)	(5,500)
Payment to suppliers and employees (inclusive of Goods and Services Tax)		(37,085)	(36,702)	(35,425)	(35,598)
Income tax paid		(16)	(39)	(1)	-
		(7,062)	(1,949)	(6,653)	(2,127)
Interest received		1,281	1,388	1,280	1,386
Joint venture partnership distributions received		290	68	290	68
Input tax credit refund from Australian Taxation Office		1,404	1,344	1,404	1,344
Net cash (outflow)/inflow from operating activities	29	(4,087)	851	(3,679)	671
Cash flows from investing activities					
Acquisition of plant and equipment and intangible assets		(1,070)	(778)	(1,000)	(731)
Purchase of investments		(2,366)	(44)	(2,366)	(44)
Proceeds from sale of managed funds		1,750	-	1,750	-
Proceeds from sale of joint venture		121	-	121	-
Proceeds from sale of plant and equipment		268	167	248	167
Net cash (outflow)/inflow from investing activities		(1,297)	(655)	(1,247)	(608)
Net increase/(decrease) in cash and cash equivalents		(5,384)	196	(4,926)	63
Cash and cash equivalents at the beginning of the year		26,332	26,162	25,437	25,374
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the year		16	(26)	21	-
Cash and cash equivalents at end of year	7	20,964	26,332	20,532	25,437

The accompanying notes form part of the financial statements.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. THE COMPANY	65
2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	65
3. SEGMENT INFORMATION	69
4. REVENUE	69
5. EXPENSES FROM ORDINARY ACTIVITIES	70
6. INCOME TAX EXPENSE	70
7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS	70
8. CURRENT ASSETS – RECEIVABLES	71
9. CURRENT ASSETS – INVENTORIES	71
10. CURRENT ASSETS – OTHER NON FINANCIAL ASSETS	71
11. CURRENT ASSETS – OTHER FINANCIAL ASSETS	71
12. CURRENT ASSETS – NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	71
13. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	71
14. NON-CURRENT ASSETS – PLANT AND EQUIPMENT	72
15. NON-CURRENT ASSETS – INTANGIBLE ASSETS	73
16. NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE	74
17. NON-CURRENT ASSETS – FINANCIAL ASSETS AT AMORTISED COST	74
18. CURRENT LIABILITIES – PAYABLES	74
19. CURRENT LIABILITIES – PROVISIONS	74
20. CURRENT LIABILITIES – OTHER	74
21. NON-CURRENT LIABILITIES – PROVISIONS	74
22. RETAINED PROFITS AND RESERVES	74
23. REMUNERATION OF DIRECTORS	75
24. REMUNERATION OF AUDITORS	75
25. COMMITMENTS	75
26. EMPLOYEE BENEFIT AND RELATED ON-COST LIABILITIES	76
27. RELATED PARTIES	76
28. RECONCILIATION OF CASH AND CASH EQUIVALENTS	77
29. RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES	77
30. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS	78

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. THE COMPANY

INSEARCH Limited is a public company, limited by guarantee, having no share capital. The company is incorporated and domiciled in Australia, its registered place of business is Level 2, 187 Thomas Street, Haymarket, NSW, 2000. The company provides education services in English language, business and information technology and other disciplines to Australian and overseas students in Australia and at its offshore locations.

The company has wholly owned entities, INSEARCH Education International Pty Ltd and INSEARCH (Shanghai) Limited. INSEARCH Education International owns the majority shareholding in the Australian Centre Medan in Indonesia and the Australia Centre Chiang Mai in Thailand. Both entities provide education and related services. INSEARCH Limited purchased the controlling interest in these entities in 1998. INSEARCH (Shanghai) Limited promotes INSEARCH to potential students in the People's Republic of China (PRC). INSEARCH (Shanghai) Limited was formed in 2001.

INSEARCH Limited also has a branch in the United Kingdom, INSEARCH Essex, at which it provides pathway courses for students wishing to progress to the University of Essex. The branch was formed in 2004.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the parent entity and the consolidated entity comprising INSEARCH Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Australian equivalents to the International Financial Reporting Standards in the case of the parent entity's financial statements, but generally accepted accounting principles have been used to prepare the subsidiaries financial statements, as well as other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) Consensus Views, the *Public Finance and Audit Act 1983* and *Public Finance and Regulation 2005*, and the *Corporations Act 2001*. Where there are inconsistencies between the above requirements the legislative provisions have prevailed.

Compliance with the Australian Equivalents to the International Financial Reporting Standards (AIFRS)

The parent entity's financial statements and notes comply with the Australian equivalents to the International Financial Reporting Standards. This is the first time these standards have been applied to the preparation of the parent entity's financial statements.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for certain investments and plant and equipment, which are recorded at valuation.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by INSEARCH Limited (parent entity) as at 31 December 2005 and the results of all the controlled entities for the year then ended. INSEARCH Limited and its controlled entities INSEARCH (Shanghai) Limited, INSEARCH Education International Pty Ltd, Australia Centre Chiang Mai and Australia Centre Medan are referred to in this financial report as the consolidated entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Inter-company transactions, balances and unrealised gains and losses between group entities are eliminated in full.

(ii) Joint ventures

The interest in a joint venture partnership which meets the 'control' test under AASB131 is accounted for in the consolidated financial statements using the equity method. Under the equity method the share of profit and loss of the partnership is recognised in the income statement and the share of movements in reserves is recognised in the balance sheet. Details relating to the partnership are set out in note 13.

(c) Segment reporting

INSEARCH Limited reports by geographical segment as it is engaged in providing products and services in different economic environments and is subject to risks and returns which vary according to those economic environments.

The economic environments in which INSEARCH Limited operates are:

- > Australia
- > United Kingdom
- > People's Republic of China (PRC)
- > South East Asia
- > Other

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

(iii) Group companies

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

- > assets and liabilities for each balance sheet presented are translated at the closing rate of the balance sheet;
- > income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity.

(e) Revenue recognition

(i) Fees

Education fees are recognised as revenue upon student enrolment and are then disbursed to revenue based on course delivery. Education revenue is disclosed net of refunds.

(ii) Other fees and charges

Fees are recognised as revenue when services are provided. For programs running longer than one month, revenue is recognised between the program start date and finish date.

(iii) Other revenue

Other revenue including interest received, share of net profit from joint ventures and sale of non-current assets are recognised on an accrual basis. The net gain or loss on disposal of non-current assets is disclosed in other revenue

(f) Income Tax

No income tax has been provided in the attached accounts in 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 for the offshore entities.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or expense.

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

The net amount of the recoverable from or payable to the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financial activities, which are recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

(h) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Assets are initially recorded at their cost at the date of acquisition. Cost is measured as the fair value of the consideration provided at the date of exchange and incidental costs directly attributable to the acquisition.

(i) Impairment of assets

In accordance with AIFRS, all material assets in the consolidated entity were tested for impairment by the Capital Review Committee to ensure the assets were carried at no more than their recoverable amount.

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 include cash on hand, cash at bank and deposits at call with financial institutions. The deposits have a floating interest rate of approximately 5.46% (2004: 5.35%).

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(k) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. They are due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off in the year they are identified.

(l) Inventories

The inventory for INSEARCH Limited reflects IELTS textbooks, which are held for sale. It includes stock on hand in Sydney and stock on consignment in the United Kingdom. Cost comprises direct costs, such as printing, freight, direct labour, and fixed overhead costs. The first in/first out (FIFO) method of valuation is used.

(m) Non-current assets held for sale

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

The consolidated entity classified motor vehicles as non-current assets held for sale at the date of the decision of the entity to dispose of the motor vehicles.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets held for sale are presented separately in the balance sheet.

(n) Investments and other financial assets

Under the Australian Generally Accepted Accounting Principles (AGAAP) investments were accounted for at cost, with associated revenue being recognised in the income statement when received. With the introduction of the AIFRS, investments, with the exception of financial assets at amortised cost, are measured at fair value. Changes in the fair value are either taken to the income statement or to an equity reserve.

The consolidated entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at amortised cost, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the investments were required.

(o) Property plant and equipment

(i) Acquisition

All plant and equipment is initially stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably. Repairs and maintenance of the assets are charged to the income statement during the financial period in which they were incurred.

Subsequently all plant and equipment is stated at its recoverable amount, as the carrying amounts of the assets are reviewed annually by the Capital Review Committee to determine whether they are in excess of their recoverable amount at balance date. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Depreciation

Depreciation is calculated on a straight line basis to write off the net cost of each item of plant and equipment over its expected useful life in the consolidated entity. The Capital Review Committee reviews the remaining useful lives of assets on a regular basis. The expected useful lives are as follows:

Furniture and fittings	Period of the lease
Office equipment	3–5 years
Motor vehicles	5 years
Computer equipment	3–5 years

(iii) Disposal

Gains and losses on disposal of assets are determined by comparing the proceeds received with the carrying amount. The net gain or loss on disposal is included in the income statement.

(iv) Leasehold improvements

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(p) Intangible assets

(i) Software

To comply with AASB138 Intangible Assets, items of software are now reported as intangible assets. Software was previously recorded as plant and equipment per AGAAP.

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 balance date.

Amortisation is calculated on a straight line basis to write off the net cost of each asset over its expected useful life.

(ii) Curriculum and course development and validation expenses

Curriculum and course development represents the costs associated with developing the curriculum and teaching materials for a course to be delivered. These have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Course validation represents the costs associated with the development of the framework for the education courses and the necessary validation of those courses by the University of Essex. This cost has been amortised on a straight-line basis over 10 years.

(iii) Preparation for IELTS publication

This asset represents the intellectual property of designing and developing the IELTS course books. This includes costs associated with the layout, design, review, editorial proofreading, etc. These have a finite life cycle and are carried at cost less accumulated amortisation and impairment losses.

(iv) Website development

The costs associated in developing, building and enhancing the websites, to the extent they represent future economic benefits, are controlled and can be reliably measured. They have been capitalised and amortised over the period of the expected benefits.

(q) Leases

Leases of property in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All leases of the consolidated entity are operating leases.

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Incentives received on entering long term leases are recognised as liabilities and lease payments are allocated between rental expenditure and reduction in the liability in accordance with the AIFRS.

Lease commitments are reported inclusive of GST with the input tax recoverable from the Australian Taxation Office.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Provisions

The provisions of the consolidated entity represent lease incentives on operating leases and make good for the premises leased. These represent a present legal or constructive obligation as a result of past events, in which an outflow of resources will be required to settle the obligation. The amount has been reliably estimated.

(t) Employee benefits

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Annual leave

The recorded current liability for provision of annual leave represents the total value including on costs of leave accrued by employees but not taken.

The recorded non-current liability for provision for annual leave is measured at the present value of expected future payments to be made, including on costs of leave accrued by employees up to the reporting date. The expected future payments of non-current annual leave provision is discounted using yearly averaged market yields at reporting date of fixed coupon government bonds of 5.25% (2004: 5%).

(iii) Long service leave

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 reporting date. Consideration is given to on costs and known future salary increases. Expected future payments are then discounted using yearly averaged market yields of 5.25% at reporting date. The current portion of

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

the long service leave provision represents the entitlements of employees who have completed ten years of service.

(iv) Superannuation

INSEARCH limited contributes to several superannuation funds on behalf of employees admitted as members to these funds. All funds are defined contribution funds. INSEARCH Limited is obliged to contribute at fixed rates or amounts in accordance with industrial awards, agreements and relevant legislation. The funds to which the company contributes to are:

(a) AMP Mobile Superannuation Plan

Employees are entitled to join this plan after employment for a qualifying period. The plan provides benefits on retirement, disability or death. Employees contribute to the plan at various percentages of their wages and salaries, and the company contributes to the plan.

(b) Other Funds

Employees covered under the Government Superannuation Guarantee Scheme are entitled to have the company contribute at 9% of ordinary earnings. Employees covered by this scheme are entitled to benefits on retirement, disability or death, and members can make voluntary contributions.

(u) Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

3. SEGMENT INFORMATION

INSEARCH Limited operates in the field of education.

The consolidated entity is organised on a global basis into the following business segments in Australia, United Kingdom, People's Republic of China (PRC), South East Asia and other areas.

	Segment revenue		Segment assets		Acquisition of property, plant and equipment, intangibles and others	
	2005	2004	2005	2004	Non-current segment assets	
	\$'000	\$'000	\$'000	\$'000	2005	2004
Australia	36,600	40,513	30,266	37,361	3,347	2,922
PRC	544	1,519	1,265	1,086	-	-
United Kingdom	971	210	936	650	7	224
South East Asia	1,540	-	660	-	77	-
Other	148	372	150	-	-	-
	39,803	42,614	33,277	39,097	3,431	3,146

4. REVENUE

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Revenue from operating activities				
Fees	37,113	39,579	35,977	38,229
Other fees and charges	164	429	161	429
Other	51	-	29	-
	37,328	40,008	36,167	38,658
Revenue from outside the operating activities				
Interest	1,247	1,542	1,246	1,540
Net gain/(loss) on sale of non-current assets	91	(13)	75	(13)
Other	616	407	261	385
	1,954	1,936	1,582	1,912
Revenue from ordinary activities	39,282	41,944	37,749	40,570

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
5. EXPENSES FROM ORDINARY ACTIVITIES				
(a) Employee benefits expense				
Salaries and wages	13,504	12,198	12,894	12,050
Superannuation	1,006	1,068	1,006	1,068
Payroll tax	780	719	780	719
Other	673	592	632	541
Total employee benefits expense	15,963	14,577	15,312	14,378
(b) Depreciation and amortisation expense				
Depreciation and amortisation				
> Office equipment	102	125	94	118
> Furniture and fittings	970	828	959	806
> Motor vehicles	113	132	96	94
> Computer equipment	395	434	387	419
> Leasehold improvements	1	-	-	-
Total depreciation and amortisation	1,581	1,519	1,536	1,437
Amortisation				
> Software	577	481	577	481
> Patents, trademarks and course curriculum	68	4	67	4
Total amortisation	645	485	644	485
Total depreciation and amortisation expense	2,226	2,004	2,180	1,922
(c) Other expenses from ordinary activities				
> Donation to the University of Technology, Sydney	-	6,000	-	6,000
> Occupancy	4,451	3,491	4,319	3,421
> Security	412	412	412	412
> Communications	579	473	538	449
> Agents commissions	2,765	3,319	2,765	3,319
> Homestay and pick-up	775	881	775	881
> Educational expenses	1,418	2,358	1,071	1,449
> Registration and accreditation	363	90	363	90
> Scholarships	255	465	255	465
> Library fees	764	899	764	899
> Promotion	1,074	799	1,066	780
> Overseas travel	863	1,054	824	1,054
> Audit and accounting fees	268	259	265	259
> Legal fees	356	249	352	249
> Consultancy	1,260	1,924	1,260	1,924
> Printing and stationery	405	372	396	366
> Bad and doubtful debts	-	2	-	2
> (Gain)/loss on foreign exchange	(40)	94	(41)	101
> Impairment losses of investments	1,979	-	1,979	-
> Other	3,053	2,927	3,029	2,979
Total other expenses from ordinary activities	21,000	26,068	20,392	25,099
6. INCOME TAX EXPENSE				
Current tax	16	39	1	-
Total income tax expense	16	39	1	-
7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	3,963	7,832	3,531	6,937
Deposits at call	17,001	18,500	17,001	18,500
Total cash and cash equivalents	20,964	26,332	20,532	25,437

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
8. CURRENT ASSETS – RECEIVABLES				
Trade receivables	666	215	540	102
Other receivables	1,817	287	1,708	453
Total receivables	2,483	502	2,248	555
9. CURRENT ASSETS – INVENTORIES				
Finished goods, at cost	57	–	54	–
Total inventories	57	–	54	–
10. CURRENT ASSETS – OTHER NON-FINANCIAL ASSETS				
Prepayments	1,069	552	976	551
Other	3	–	2	–
Total other non-financial assets	1,072	552	978	551
11. CURRENT ASSETS – OTHER FINANCIAL ASSETS				
Accrued income	54	429	54	429
Accrued interest	120	154	120	154
Total other financial assets	174	583	174	583
12. CURRENT ASSETS – NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE				
Mv held for sale	30	88	30	88
Total non-current assets classified as held for sale	30	88	30	88
13. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
(a) Joint ventures with:				
The University of Technology, Sydney (IELTS)	–	76	–	76
Shanghai University (SILC)	1,205	994	1,205	994
IDP Education Australia (Vietnam)	294	164	294	164
Beijing BLCU-INSEARCH Language School (BILS)	387	–	387	–
Total investments accounted for using the equity method	1,886	1,234	1,886	1,234

The company has joint ventures in Australia, the People's Republic of China (PRC) and Vietnam, for which investments are accounted for using the equity method.

(1) International English Language Testing System (IELTS) Joint Venture

This is a joint venture between INSEARCH Limited and the University of Technology, Sydney to operate the IELTS Sydney Testing Centre and "Prepare for IELTS" divisions. This joint venture was dissolved at the end of September 2005.

(2) Australian Centres for Education and Training (ACETs)

This is a joint venture between INSEARCH Limited and IDP Education Australia (Vietnam) Limited to deliver general English classes in Vietnam. This investment is a 40% share of retained earnings and does not have substantial assets.

(3) Sydney Institute of Language and Commerce (SILC)

This is a joint venture between INSEARCH Limited and Shanghai University, to provide English language and business courses. INSEARCH is entitled to repatriation of direct expenses and management fees.

(4) Beijing BLCU-INSEARCH Language School (BILS)

This is a joint venture between INSEARCH Limited and the Beijing Language and Culture University, to provide English language and business courses. The joint venture has encountered difficulties during its set up phase with staff involved in the project in Beijing. INSEARCH is seeking to resolve these difficulties with the assistance of its joint venture partner. However they had not been resolved at 31 December 2005 and as a result no classes have been offered in 2005.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	SILC \$'000	BILS \$'000	ACETs \$'000	IELTS \$'000	Total \$'000
Joint ventures					
(b) Parent entity and consolidated					
Carrying amount at start of year	994	-	164	76	1,234
New capital invested	-	2,366	-	-	2,366
Disposal of joint ventures	-	-	-	(121)	(121)
Share of increment/decrement on revaluation of investment	90	(1,979)	65	-	(1,824)
Distribution received/receivable	(239)	-	(51)	-	(290)
Share of profit	360	-	116	45	521
Carrying amount at end of year	1,205	387	294	-	1,886
(c) Share of assets and liabilities of joint ventures					
Current assets	3,312	1,919	422	-	5,653
Non-current assets	524	246	35	-	805
Current liabilities	(2,083)	(1,778)	(163)	-	(4,024)
Non-current liabilities	(548)	-	-	-	(548)
Share of net assets	1,205	387	294	-	1,886
(d) Share of joint ventures' revenues, expenses and results					
Revenues	2,249	-	546	804	3,599
Expenses	(1,889)	-	(430)	(759)	(3,078)
Share of profit from joint ventures	360	-	116	45	521

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

14. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

Office equipment at cost	770	689	699	674
Less accumulated depreciation	(628)	(510)	(569)	(500)
Carrying value	142	179	130	174
Furniture and fittings at cost	5,316	4,835	5,249	4,785
Less accumulated depreciation	(2,755)	(1,790)	(2,699)	(1,757)
Carrying value	2,561	3,045	2,550	3,028
Motor vehicles at cost	542	602	478	526
Less accumulated depreciation	(133)	(135)	(113)	(78)
Carrying value	409	467	365	448
Computer equipment at cost	2,007	1,808	1,962	1,777
Less accumulated depreciation	(1,401)	(1,091)	(1,366)	(1,073)
Carrying value	606	717	596	704
Leashold improvements	8	-	-	-
Less accumulated amortisation	(6)	-	-	-
Carrying value	2	-	-	-
Capital work in process	93	849	93	849
Total plant and equipment at cost	8,736	8,783	8,481	8,611
Less accumulated depreciation	(4,923)	(3,526)	(4,747)	(3,408)
Carrying value of plant and equipment	3,813	5,257	3,734	5,203

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

Non-current assets – plant and equipment

Reconciliations

Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current and previous financial year are set out below.

	Office equipment	Furniture and fittings	Motor vehicles	Computer equip- ment	Leashold improve- ments	Capital work in process	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated							
Year 2005							
Carrying amount at start of year	179	3,045	467	717	–	849	5,257
Additions	61	503	269	310	3	(756)	390
Disposals	–	(14)	(214)	(24)	–	–	(252)
Foreign currency exchange differences	5	(4)	–	(2)	–	–	(1)
Depreciation and amortisation	(103)	(969)	(113)	(395)	(1)	–	(1,581)
Carrying amount at end of year	142	2,561	409	606	2	93	3,813
Parent entity							
Year 2005							
Carrying amount at start of year	174	3,028	448	704	–	849	5,203
Additions	51	502	219	305	–	(756)	321
Disposals	(1)	(14)	(206)	(27)	–	–	(248)
Foreign currency exchange differences	–	(6)	–	–	–	–	(6)
Depreciation	(94)	(960)	(96)	(386)	–	–	(1,536)
Carrying amount at end of year	130	2,550	365	596	0	93	3,734

15. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Patents, trademarks and course curriculum	254	198	240	198
Less accumulated amortisation	(101)	(25)	(88)	(25)
Carrying amount	153	173	152	173
Software	3,752	3,125	3,752	3,125
Less accumulated amortisation	(1,308)	(731)	(1,308)	(731)
Carrying amount	2,444	2,394	2,444	2,394
Total intangible assets	2,597	2,567	2,596	2,567

Non-current assets – intangible assets

Reconciliations

Reconciliation of the carrying amount of each class of intangible assets at the beginning and end of the current and previous year are set out below.

	Software	Patents, trademarks and course curriculum	Total
	\$'000	\$'000	\$'000
Consolidated			
Year 2005			
Carrying amount at start of the year	2,394	173	2,567
Additions	629	51	680
Disposals	–	–	–
Foreign currency exchange differences	(2)	(3)	(5)
Amortisation	(577)	(68)	(645)
Carrying amount at end of year	2,444	153	2,597
Parent entity			
Year 2005			
Carrying amount at start of year	2,394	173	2,567
Additions	629	50	679
Disposals	–	–	–
Foreign currency exchange differences	(2)	(4)	(6)
Amortisation	(577)	(67)	(644)
Carrying amount at end of year	2,444	152	2,596

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
16. NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE				
Through profit and loss				
Investments in managed funds	-	1,664	-	1,664
Total financial assets at fair value through profit and loss	-	1,664	-	1,664
17. NON-CURRENT ASSETS – FINANCIAL ASSETS AT AMORTISED COST				
INSEARCH (Shanghai) Limited	-	-	942	942
Other	201	318	179	318
Total financial assets at amortised cost	201	318	1,121	1,260
18. CURRENT LIABILITIES – PAYABLES				
Trade creditors	572	851	985	843
University of Technology, Sydney	2,337	2,471	2,337	2,471
Other creditors	50	182	46	114
Total payables	2,959	3,504	3,368	3,428
19. CURRENT LIABILITIES – PROVISIONS				
Provision for donation to the University of Technology, Sydney	-	6,000	-	6,000
Provision for annual leave	341	624	341	624
Provision for long service leave	519	-	519	-
Other	452	663	452	663
Total current provisions	1,312	7,287	1,312	7,287
20. CURRENT LIABILITIES – OTHER				
Accrued expenses	1,696	1,515	1,659	1,515
Other	845	444	800	444
Student fees received in advance	1,895	2,555	1,856	2,555
Prepaid course fees	4,295	4,506	4,295	4,506
Total other	8,731	9,020	8,610	9,020
21. NON-CURRENT LIABILITIES – PROVISIONS				
Provision for long service leave	350	725	350	725
Provision for annual leave	306	-	306	-
Other	1,147	916	1,147	916
Total non-current provisions	1,803	1,641	1,803	1,641
22. RETAINED PROFITS AND RESERVES				
(a) Retained profits				
Retained profits at the beginning of the year	17,992	18,066	17,782	17,941
Profits from operating activities	598	(74)	385	(159)
Retained profits at the end of the year	18,590	17,992	18,167	17,782
(b) Reserves				
Foreign currency translation reserve	(118)	(347)	93	(16)
Reserves at the end of the year	(118)	(347)	93	(16)
Movements:				
Foreign currency translation reserve				
> Balance at the beginning of the year	(347)	(354)	(16)	-
> Translation of foreign operations	229	7	109	(16)
Foreign currency translation reserve balance at the end of the year	(118)	(347)	93	(16)

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
23. REMUNERATION OF DIRECTORS				
(a) Income paid or payable, or otherwise made available, to directors of the company, by the company, for the year ended 31 december 2005:	442	439	442	439
	442	439	442	439

(b) The number of directors whose income received from the company was within the following bands:

	Numbers 2005	Numbers 2004
\$0 to \$9,999	2	4
\$20,000 to \$29,999	4	4
\$30,000 to \$39,999	1	1
\$310,000 to \$319,999	1	1

24. REMUNERATION OF AUDITORS

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
The Audit Office of New South Wales				
Audit of financial report				
> INSEARCH Limited	95	90	95	90
> INSEARCH (Shanghai) Limited	20	34	20	34
> Australia Centre Chiang Mai	20	13	20	13
> Sydney Institute of Language and Commerce	14	-	14	-
> Australia Centre Medan	7	-	7	-
	156	137	156	137

25. COMMITMENTS

(a) Capital commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payables, with the input tax recoverable from the Australian Taxation Office \$6,000 (2004: \$6,000).

> Not later than one year	79	62	55	62
	79	62	55	62

(b) Lease commitments

Commitments for minimum lease payments, in relation to non-cancellable operating leases, contracted at the reporting date but not recognised as liabilities. Payable with the input tax recoverable from the Australian Taxation Office.

> Not later than one year	2,920	3,589	2,776	3,520
> Later than one year but not later than five years	1,040	6,126	964	6,121
Total inclusive of GST	3,960	9,715	3,740	9,641
Input tax recoverable from the Australian Taxation Office	334	482	334	482

(c) Remuneration commitments

Commitments for payment of salaries under employment contracts not recognised as liabilities.

> Not later than one year	496	786	496	786
> Later than one year but not later than five years	196	1,297	196	1,297
	692	2,083	692	2,083

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
26. EMPLOYEE BENEFIT AND RELATED ON-COST LIABILITIES				
Included in other – current liabilities	152	205	151	205
Provision for employee benefits – current liabilities	860	624	860	624
Provision for employee benefits – non-current liabilities	656	725	656	725
	1,668	1,554	1,667	1,554

27. RELATED PARTIES

(a) Directors

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

Chairman – Non Executive

Mr R Hill

Executive Director

Mr M L Laurence

Non-Executive Directors

Dr D V Clark

Professor D Goodman

Professor R Lynch

Mr K J Rennie

Dr K L Woodthorpe

Mr W H Wright

(b) Remuneration and retirement benefits

Information regarding remuneration and retirement benefits of directors is disclosed in Note 23.

(c) Other transactions with directors and director-related entities

- (i) Mr R J Hill is a director of Hillandip Pty Limited. INSEARCH Limited continued the existing contract with Hillandip Pty Limited during the year for the provision of R J Hill's services as a director of INSEARCH Limited. The contract is based on normal commercial terms and conditions.
- (ii) Dr K L Woodthorpe is a director of People & Innovation Corporate Advisers Pty Limited. INSEARCH Limited continued the existing contract with People & Innovation Corporate Advisers Pty Limited during the year for the provision of Dr K L Woodthorpe's services as a director of INSEARCH Limited. The contract is based on normal commercial terms and conditions.

(d) Wholly Owned Group

- (i) The parent entity in the wholly owned group is INSEARCH Limited. The controlling entity of INSEARCH Limited is the University of Technology, Sydney. INSEARCH Limited entered into the following transactions:
 - > Donation for Technology Development Group \$50,000 (2004: \$50,000)
 - > Sales of Services and Fees \$1,390,161 (2004: \$1,985,758)
- (ii) The wholly owned group consists of INSEARCH Limited and its wholly owned controlled entities, INSEARCH (Shanghai) Limited, and INSEARCH Education International Pty Limited, which are 100% owned by INSEARCH Limited referred to in note 2 (b) (i). INSEARCH Education International Pty Limited holds the controlling interests in Australia Centre Medan and Australia Centre Chiang Mai. INSEARCH Limited entered into the following transactions during the period with these entities:
 - > Recovery of Services – INSEARCH (Shanghai) Limited (\$134,000)
 - > Promotion Services – INSEARCH (Shanghai) Limited \$134,000
 - > Commissions and Recovery of Services – Australia Centre Medan (\$46,000)
 - > Commissions, Travel and Promotion Services – Australia Centre Medan \$46,000
 - > Recovery of Services – Australia Centre Chiang Mai (\$75,000)
 - > Travel and Promotion Services – Australia Centre Chiang Mai \$75,000
 - > Loan Receivable – Australia Centre Medan \$39,300
 - > Loan Receivable – Australia Centre Chiang Mai \$10,178

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(iii) INSEARCH Limited continued the contract with TNC Asia Limited for the exploration and establishment of new business, representation and advancement of INSEARCH Limited in the People's Republic of China and the provision of management services for INSEARCH (Shanghai) Limited. INSEARCH Limited entered into the following transactions during the period with TNC Asia Limited:

- > Consultancy Services \$467,000 (2004: \$637,616)

The contract with TNC Asia Limited was terminated in 2005.

28. RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and at bank and money market investments readily convertible to cash, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year, as shown in the cash flow statement, are reconciled to the related items in the Balance Sheet as follow:

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash at bank and on hand	3,963	7,832	3,531	6,937
Deposits at call	17,001	18,500	17,001	18,500
	20,964	26,332	20,532	25,437

29. RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Profit/(loss) for the year	598	(74)	386	(159)
Depreciation	1,581	1,519	1,536	1,437
Amortisation	645	485	644	485
Foreign currency exchange difference	(12)	33	(78)	(16)
Net (gain)/loss on sale of non-current assets	91	13	75	13
Doubtful debts provision	-	2	-	2
Write down of investments to recoverable amount	1,979	390	1,979	390
Share of profit of joint ventures' partnerships not received as dividends or distributions	(231)	(557)	(231)	(557)
Increase in value of managed funds	-	(183)	-	(183)
Changes in assets and liabilities				
Receivables	(1,981)	726	(1,693)	777
Inventories	(57)	-	(54)	-
Other financial assets	(53)	(793)	40	(767)
Payables	(545)	135	(60)	99
Provisions	(5,813)	1,044	(5,813)	1,044
Other liabilities	(289)	(1,889)	(410)	(1,894)
Net cash flows from operating activities	(4,087)	851	(3,679)	671

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

30. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS

(1) Reconciling of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS.

(a) At the date of transition to AIFRS: 1 January 2004.

	Consolidated			Parent entity		
	Previous AGAAP \$'000	Effect of transition to IFRS \$'000	AIFRS \$'000	Previous AGAAP \$'000	Effect of transition to IFRS \$'000	AIFRS \$'000
Current assets						
Cash and cash equivalents	26,162	–	26,162	25,374	–	25,374
Receivables	1,125	–	1,125	1,228	–	1,228
Inventories	–	–	–	–	–	–
Other non-financial assets	512	–	512	536	–	536
Other financial assets	266	–	266	266	–	266
	28,065	–	28,065	27,404	–	27,404
Non-current assets classified as held for sale	–	13	13	–	13	13
Total current assets	28,065	13	28,078	27,404	13	27,417
Non-current assets						
Investments accounted for using the equity method	421	609	1,030	421	609	1,030
Plant and equipment	6,498	(334)	6,164	6,410	(334)	6,076
Intangible assets	544	388	932	544	388	932
Financial assets at fair value through profit and loss	1,437	–	1,437	1,437	–	1,437
Financial assets at amortised cost	103	–	103	1,045	–	1,045
Total non-current assets	9,003	663	9,666	9,857	663	10,520
Total assets	37,068	676	37,744	37,261	676	37,937
Current liabilities						
Payables	3,045	–	3,045	3,004	–	3,004
Provisions	6,549	–	6,549	6,549	–	6,549
Other	9,105	(2)	9,103	9,110	(2)	9,108
Total current liabilities	18,699	(2)	18,697	18,663	(2)	18,661
Non-current liabilities						
Provisions	619	716	1,335	619	716	1,335
Total non-current liabilities	619	716	1,335	619	716	1,335
Total liabilities	19,318	714	20,032	19,282	714	19,996
Net assets	17,750	(38)	17,712	17,979	(38)	17,941
Equity						
Retained profits	18,062	(350)	17,712	17,979	(38)	17,941
Reserves	(312)	312	–	–	–	–
Total equity	17,750	(38)	17,712	17,979	(38)	17,941

30. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (continued)

(b) At the end of the last reporting period under previous AGAAP: 31 December 2004

	Consolidated			Parent entity		
	Previous AGAAP	Effect of transition to IFRS	AIFRS	Previous AGAAP	Effect of transition to IFRS	AIFRS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	26,332	-	26,332	25,438	(1)	25,437
Receivables	502	-	502	555	-	555
Inventories	-	-	-	-	-	-
Other non financial assets	552	-	552	551	-	551
Other financial assets	597	(14)	583	597	(14)	583
	27,983	(14)	27,969	27,141	(15)	27,126
Non-current assets classified as held for sale	-	88	88	-	88	88
Total current assets	27,983	74	28,057	27,141	73	27,214
Non-current assets						
Investments accounted for using the equity method	1,234	-	1,234	1,234	-	1,234
Plant and equipment	7,216	(1,959)	5,257	7,160	(1,957)	5,203
Intangible assets	595	1,972	2,567	595	1,972	2,567
Financial assets at fair value through profit and loss	1,664	-	1,664	1,664	-	1,664
Financial assets at amortised cost	317	1	318	1,259	1	1,260
Total non-current assets	11,026	14	11,040	11,912	16	11,928
Total assets	39,009	88	39,097	39,053	89	39,142
Current liabilities						
Payables	3,504	-	3,504	3,428	-	3,428
Provisions	7,289	(2)	7,287	7,289	(2)	7,287
Other	9,020	-	9,020	9,020	-	9,020
Total current liabilities	19,813	(2)	19,811	19,737	(2)	19,735
Non-current liabilities						
Provisions	840	801	1,641	840	801	1,641
Total non-current liabilities	840	801	1,641	840	801	1,641
Total liabilities	20,653	799	21,452	20,577	799	21,376
Net assets	18,356	(711)	17,645	18,476	(710)	17,766
Equity						
Retained profits	18,688	(696)	17,992	18,476	(694)	17,782
Reserves	(332)	(15)	(347)	-	(16)	(16)
Total equity	18,356	(711)	17,645	18,476	(710)	17,766
(2) Reconciliation of profit for the year ended 31 December 2004						
Revenue from ordinary activities	42,836	(892)	41,944	41,462	(892)	40,570
Share of net profits from joint venture accounted for using the equity method	566	104	670	566	104	670
Total revenue	43,402	(788)	42,614	42,028	(788)	41,240
Employee benefits expense	(14,577)	-	(14,577)	(14,378)	-	(14,378)
Depreciation and amortisation expenses	(1,994)	(10)	(2,004)	(1,913)	(9)	(1,922)
Other expenses from ordinary activities	(26,207)	139	(26,068)	(25,240)	141	(25,099)
Total expenses	(42,778)	129	(42,649)	(41,531)	132	(41,399)
Profit/(loss) from ordinary activities						
Before income tax expense	624	(659)	(35)	497	(656)	(159)
Income tax expense	(39)	-	(39)	-	-	-
Profit/(loss) for the year	585	(659)	(74)	497	(656)	(159)
(3) Reconciliation of cash flow statement for the year ended 31 December 2004						

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statement.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out in pages 84 to 102, are in accordance with the *Corporations Act 2001*:
 - a. comply with *Accounting Standards and the Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 31 December 2005 and of the performance of the company for the year ended on that date.
2. 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 Board of Directors.

A handwritten signature in black ink, appearing to read 'Blair Peter McRae', is written over a faint horizontal line.

Blair Peter McRae
Chair

SYDNEY
19 April 2006

STATEMENT BY APPOINTED OFFICERS

accessUTS Pty Limited

ABN: 55 098 424 312

Statement in accordance with the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2005

For the year ended 31 December 2005

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

1. the accompanying financial statements present a true and fair view of the financial position of the company as at 31 December 2005 and transactions for the year then ended
2. the statements have been prepared in accordance with section 41B of the Public Finance and Audit Act 1983 and the Public Finance & Audit Regulations 2005. The policies adopted by the company follow Accounting Standards and other mandatory professional requirements including Urgent Issues Group Interpretations, the Corporations Act 2001 and other authoritative pronouncements of Australian Accounting Standards Board.

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



Blair Peter McRae
Chair



Susan Elizabeth Rowley

Sydney

INDEPENDENT AUDIT REPORT



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

accessUTS Pty Limited

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

Audit Opinion

In my opinion, the financial report of accessUTS Pty Limited is in accordance with:

- the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2005 and financial performance for the year ended on that date, and
 - complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- other mandatory financial reporting requirements in Australia, and
- section 41B of the *Public Finance and Audit Act 1983 (PF & A)* and the *Public Finance and Audit Regulation 2005*.

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

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, directors' declaration and accompanying notes to the financial statements for the Company, for the year ended 31 December 2005.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with both the PF & A Act and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and the members of the Company that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and disclosures in the financial report.

INDEPENDENT AUDIT REPORT

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Company's directors had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:


- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The PF & A Act further promotes independence by:

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

My Declaration of Independence dated 18 April 2006 would have been made on the same terms if it had been made at the date of this report.



A Oyetunji CPA
Director, Financial Audit Services

SYDNEY
20 April 2006

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
Revenue	3	1,129,832	2,447,627
Other income	3	39,896	5,206
Employee benefits expense	4a	(171,468)	(319,101)
Depreciation and amortisation expenses		(2,343)	(3,306)
Other expenses	4b	(1,078,816)	(2,189,234)
Loss before income tax		(82,899)	(58,808)
Income tax expense	5	-	-
Loss attributable to the members of the company		(82,899)	(58,808)

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Note	2005 \$	2004 \$
Assets			
Current assets			
Cash and cash equivalents	8	524,033	247,452
Trade and other receivables	9	180,766	245,688
Other financial assets	10	4,459	45,549
Total current assets		709,258	538,689
Non-current assets			
Other financial assets	11	-	67
Plant and equipment	12	10,586	12,475
Total non-current assets		10,586	12,542
Total assets		719,844	551,231
Liabilities			
Current liabilities			
Trade and other payables	13	553,249	730,205
Provisions	15	90	21,622
Short-term provisions	15	90	21,622
Total current liabilities		553,339	751,827
Non-current liabilities			
Borrowings	16	35,000	35,000
Total non-current liabilities		35,000	35,000
Total liabilities		588,339	786,827
Net assets/(liabilities)		131,505	(235,596)
Equity			
Issued capital	17	450,001	1
Accumulated losses	14	(318,496)	(235,597)
Total equity/(deficiency)		131,505	(235,596)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	Share capital ordinary \$	Accumu- lated losses \$	Total \$
Balance at 1 January 2004	2	1	(176,789)	(176,788)
Retrospective adjustment upon change in accounting policy	24	-	-	-
Loss attributable to the member of the company		-	(58,808)	(58,808)
Balance at 31 December 2004		1	(235,597)	(235,596)
Shares issued during the year		450,000	-	450,000
Loss attributable to the member of the company		-	(82,899)	(82,899)
Revaluation increment/(decrement)		-	-	-
Balance at 31 December 2005		450,001	(318,496)	131,505

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

AS AT 31 DECEMBER 2005

FOR YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
Cash flow from operating activities			
Receipts from customers		1,173,753	2,253,923
Payments to suppliers and employees		(1,364,586)	(2464,341)
Interest received/receivable		17,868	27,757
Net cash provided by/(used in) operating activities	19a	(172,965)	(182,661)
Cash flows from investing activities			
Purchase of plant and equipment		(454)	-
Net cash provided by/(used in) investing activities		(454)	-
Cash flow from financing activities			
Proceeds from the issue of shares		450,000	-
Net cash provided by/(used in) financing activities		450,000	-
Net increase/(decrease) in cash and cash equivalents		276,581	(182,661)
Cash and cash equivalents at the beginning of the period		247,452	430,113
Cash and cash equivalents at the end of the period	8	524,033	247,452

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	87
2. FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS	90
3. REVENUE	92
4. EXPENSES	92
5. INCOME TAX EXPENSE	93
6. DIRECTORS AND KEY MANAGEMENT PERSONNEL REMUNERATION	93
7. AUDITORS' REMUNERATION	94
8. CASH ASSETS	94
9. RECEIVABLES	94
10. OTHER FINANCIAL ASSETS – CURRENT	94
11. OTHER FINANCIAL ASSETS	94
12. PLANT AND EQUIPMENT	95
13. PAYABLES	95
14. ACCUMULATED LOSSES	95
15. PROVISIONS	96
16. BORROWINGS	96
17. ISSUED CAPITAL	96
18. LEASE COMMITMENTS	96
19. CASH FLOW INFORMATION	97
20. EVENTS AFTER THE BALANCE SHEET DATE	97
21. CONTINGENT LIABILITIES	97
22. RELATED PARTY TRANSACTIONS	97
23. FINANCIAL INSTRUMENTS	98
24. CHANGE IN ACCOUNTING POLICY	100
25. GOING CONCERN	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general-purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

accessUTS Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of accessUTS Pty Limited complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

accessUTS Pty Ltd has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the company accounts resulting from the introduction of IFRS have been applied retrospectively to 2004 comparative figures, excluding cases where optional exemptions available under AASB 1 have been applied. These are the first financial statements of accessUTS Pty Limited to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The company has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 24 for further details.

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting policies

(a) Income tax

The charge for current income tax expense is based on the loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable loss or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax loss will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

All repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

Depreciation

Depreciation is calculated on a diminishing value basis so as to write off the net cost of each item of property, plant and equipment over its expected useful life, which is estimated as:

Computer software	3.75 years
Fixtures and fittings	7.5 – 13.3 years
Office equipment	6 years

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

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the years in which they are incurred.

(d) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the year in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(e) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(f) Foreign currency transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the date of the transaction.

(g) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(j) Revenue

Revenue is recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates — impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

2. FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

	Previous GAAP at 1 January 2004	Adjustment	Australian equivalents to IFRS at 1 January 2004
	\$	\$	\$
Reconciliation of equity at 1 January 2004			
Assets			
Current assets			
Cash and cash equivalents	430,113	-	430,113
Trade and other receivables	304,958	-	304,958
Other current assets	51,049	-	51,049
Total current assets	786,120	-	786,120
Non-current assets			
Financial assets	67	-	67
Plant and equipment	15,781	-	15,781
Total non-current assets	15,848	-	15,848
Total assets	801,968	-	801,968
Current liabilities			
Trade and other payables	724,305	-	724,305
Other liabilities	207,035	-	207,035
Short-term provisions	12,416	-	12,416
Total current liabilities	943,756	-	943,756
Non-current liabilities			
Long-term borrowings	35,000	-	35,000
Total non-current liabilities	35,000	-	35,000
Total liabilities	978,756	-	978,756
Net liabilities	(176,788)	-	(176,788)
Equity			
Issued capital	1	-	1
Accumulated losses	(176,789)	-	(176,789)
Total equity/(deficiency)	(176,788)	-	(176,788)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Previous GAAP at 1 January 2004	Adjustment on intro- duction of Australian equivalents to IFRS	Australian equivalents to IFRS at 1 January 2004
	\$	\$	\$
Reconciliation of equity at 31 December 2004			
Assets			
Current assets			
Cash and cash equivalents	247,452	-	247,452
Trade and other receivables	245,688	-	245,688
Other current assets	45,549	-	45,549
Total current assets	538,689	-	538,689
Non-current assets			
Financial assets	67	-	67
Plant and equipment	12,475	-	12,475
Total non-current assets	12,542	-	12,542
Total assets	551,231	-	551,231
Current liabilities			
Trade and other payables	730,205	-	730,205
Short-term provisions	21,622	-	21,622
Total current liabilities	751,827	-	751,827
Non-current liabilities			
Long-term borrowings	35,000	-	35,000
Total non-current liabilities	35,000	-	35,000
Total liabilities	786,827	-	786,827
Net liabilities	(235,596)	-	(235,596)
Equity			
Issued capital	1	-	1
Accumulated losses	(235,597)	-	(235,597)
Total equity/(deficiency)	(235,596)	-	(235,596)
	Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
	\$	\$	\$
Reconciliation of loss for 2004			
Revenues from ordinary activities	2,447,627	-	2,447,627
Other revenue	5,206	-	5,206
Employee benefits expense	(319,101)	-	(319,101)
Depreciation and amortisation expense	(3,306)	-	(3,306)
Other expenses from ordinary activities	(2,189,234)	-	(2,189,234)
Loss before income tax expense	(58,808)	-	(58,808)
Income tax expense	-	-	-
Loss after related income tax expense	(58,808)	-	(58,808)
Loss for the financial year	(58,808)	-	(58,808)
Loss attributable to the member of the company	(58,808)	-	(58,808)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

2. FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

	Issued capital \$	Reserves \$	Accumul- ated losses \$
Reconciliation of equity			
1 January 2004			
Balance under existing Australian GAAP	1	-	(176,789)
Balance under Australian equivalents to IFRS	1	-	(176,789)
31 December 2004			
Balance under existing Australian GAAP	1	-	(235,597)
Balance under Australian equivalents to IFRS	1	-	(235,597)
			2004
			\$
Reconciliation of loss			
Loss under existing Australian GAAP			(58,808)
Loss under Australian equivalents to IFRS			(58,808)

3. REVENUE

	2005 \$	2004 \$
Operating activities		
> Consulting fees	1,112,080	2,420,193
> Interest received/receivable	17,752	27,434
Total revenue	1,129,832	2,447,627

4. EXPENSES

Salaries and wages	90,055	241,552
Superannuation	4,198	21,934
Other	77,215	55,615
(a) Total employee benefits expenses	171,468	319,101
Consultancy fees	705,998	1,992,498
Service level agreement – RIO	201,140	-
General and administration expenses	167,524	196,736
Other	4,154	-
(b) Total other expenses	1,078,816	2,189,234

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

5. INCOME TAX EXPENSE

	2005 \$	2004 \$
The income tax benefit for the financial year differs from the amount calculated on the result. The differences are reconciled as follows:		
Loss from ordinary activities before income tax benefit	(82,899)	(58,808)
Prima facie tax benefit on the loss from ordinary activities before income tax at 30% (2004: 30%)	(24,870)	(17,642)
Add:		
Tax effect of:		
> Capital gain – Sunshine Heart Company Limited shares – Taxation	12,801	–
> Loss on sale of Sunshine Heart Company Limited Shares – Accounting	20	–
> Faculty cost written back – prior year	(4,456)	–
> Non-deductible depreciation/amortisation	121	–
> Other	36	99
	(16,348)	(17,543)
Less:		
Tax effect of:		
> Provision for annual leave	(2,594)	(924)
> Provision for fringe benefits tax	(40)	(139)
> Accrued expenses	(3,957)	(2,988)
> Interest receivable	35	96
> Superannuation accrued	(267)	(409)
	(6,823)	(4,364)
Income tax expense/(benefit) adjusted for timing differences	(23,171)	(21,907)
Future income tax benefit not brought to account	23,171	21,907
Income tax expense	–	–

6. DIRECTORS AND KEY MANAGEMENT PERSONNEL REMUNERATION

Directors

The names of persons being directors of accessUTS Pty Limited at any time during the financial year are as follows: Susan Elizabeth Rowley, Kevin John McCarthy, Blair Peter McRae, John Rice, Jane Morrison, Archie James Johnston and Peter James Booth.

Remuneration and retirement benefits for directors of the company have been paid by the parent entity, with the exception of Jane Morrison who was paid director's fees, in the amount of \$2,888.

Key management personnel

Jann Hill

	Short-term benefits			Post-employment benefit			Total
	Salary and fees	Super-annuation	Bonus	Non-cash benefits	Super-annuation	Long-term benefits, long service leave	
	\$	\$	\$	\$	\$	\$	\$
2005							
Total compensation	75,314	4,197	8,500	–	–	–	88,011
2004							
Total compensation	81,451	8,478	12,750	–	–	–	102,679

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

7. AUDITORS' REMUNERATION

	2005 \$	2004 \$
Remuneration of the auditor of the company for:		
> Auditing the financial report	9,000	9,000

8. CASH ASSETS

Cash at bank and in hand	524,033	247,452
--------------------------	---------	---------

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Balance Sheet as follows:

Cash and cash equivalents	524,033	247,452
----------------------------------	----------------	----------------

9. RECEIVABLES

Current

Trade receivables	180,766	245,688
-------------------	---------	---------

10. OTHER FINANCIAL ASSETS

Current

GST refund due	-	43,026
Prepayments	2,537	485
Interest receivable	1,922	2,038
	4,459	45,549

11. OTHER FINANCIAL ASSETS

Available-for-sale financial assets	-	67
Available-for-sale financial assets comprise:		
Listed investments, at fair value		
> Shares in a listed corporation	-	67
Total available-for-sale financial assets	-	67

Available-for-sale financial assets comprised an investment in the ordinary share capital of Sunshine Heart Company Limited (SHC) – at cost. There were no fixed returns or fixed maturity dates attached to this investment.

Transition to AASB 132 and AASB 139

The company has elected to take the exemption under AASB 1 to apply AASB 132 Financial Instruments Disclosure and Presentation and AASB 139 Financial Instruments; Recognition and Measurement, from 1 January 2005.

At the date of transition to these standards of 1 January 2005:

- (i) equity securities with a carrying amount of \$67 that were classified in the balance sheet under previous AGAAP as other financial assets were designated and reclassified as available-for-sale financial assets; and
- (ii) no adjustment was recognised in respect of an initial gain/(loss) on remeasurement to fair value of assets that under previous AGAAP had been measured of cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

12. PLANT AND EQUIPMENT

	2005 \$	2004 \$
Plant and equipment		
At cost	23,354	22,900
Accumulated depreciation	(12,768)	(10,425)
Accumulated impairment losses *	-	-
Total plant and equipment	10,586	12,475

* No impairment losses were identified on transition to AIFRS or at 31 December 2005.

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Plant and equipment \$
Balance at the beginning of the financial year	12,475
Additions	454
Disposals	-
Revaluation increments/(decrements)	-
Depreciation expense	(2,343)
Carrying amount at the end of the financial year	10,586

13. PAYABLES

	2005 \$	2004 \$
Current		
Trade payables	88,077	97,516
Accrued expenses	87,731	95,952
Amounts payable to:		
> Parent entity	373,655	535,848
Superannuation	-	889
GST payable	3,786	-
	553,249	730,205

14. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	235,597	176,789
Loss for the financial year	82,899	58,808
Accumulated losses at the end of the financial year	318,496	235,597

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

15. PROVISIONS

	Employee entitlements	Fringe Benefits Tax \$	Total \$
Opening balance at 1 January 2005	21,395	227	21,622
Additional provision raised during the financial year	8,135	147	8,282
Amounts applied	(29,530)	(284)	(29,814)
Balance at 31 December 2005	-	90	90
		2005 \$	2004 \$

Analysis of total provisions

Current	90	21,622
---------	----	--------

Provision for employee entitlements

A provision had been recognised for employee entitlements relating to annual leave for employees.

The measurement and recognition criteria for employee benefits are included in Note 1.

16. BORROWINGS

Unsecured loan from parent entity *	35,000	35,000
-------------------------------------	--------	--------

* The loan is interest free and repayable upon demand.

17. ISSUED CAPITAL

450,001 (2004: [1]) fully paid ordinary shares	450,001	1
--	---------	---

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2005 No.	2004 No.
At the beginning of the financial year	1	1
Shares issued during the financial year – 23 December 2005 *	450,000	-
At the end of the financial year	450,001	1

* On 23 December 2005 the company issued 450,000 ordinary shares at an issue price of \$1 per share, to the shareholder, University of Technology, Sydney.

18. LEASE COMMITMENTS

	2005 \$	2004 \$
(a) Commitments for expenditure		
Expenditure commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities:		
> Computer equipment – operating lease	9,378	1,150
	9,378	1,150
Payable:		
> Not later than 12 months	4,362	1,150
> Between 12 months and 5 years	5,019	-
Total commitments (including GST)	9,378	1,150
Input tax credits	938	105

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

19. CASH FLOW INFORMATION

	2005	2004
	\$	\$
Reconciliation of net cash provided by operating activities to profit or loss		
Loss from ordinary activities after income tax	(82,899)	(58,808)
Non-cash flows in loss from ordinary activities		
> Depreciation and amortisation	2,343	3,306
> Other non-cash items	67	(4,628)
> (Increase)/decrease in trade debtors	64,922	32,733
> (Increase)/decrease in other operating assets	41,090	170,338
> Increase/(decrease) in trade creditors and payables	(176,956)	(391,246)
> Increase/(decrease) in operating liabilities	(21,532)	65,644
	(172,965)	(182,661)

20. EVENTS AFTER THE BALANCE SHEET DATE

(a) The financial report was authorised for issue on 19 April 2006 by the board of directors.

(b) No circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

21. CONTINGENT LIABILITIES

As at the reporting date the directors are not aware of any contingent liabilities not otherwise disclosed in the financial statements.

22. RELATED PARTY TRANSACTIONS

	2005	2004
	\$	\$
Loans director-related entities		
Loans from a director-related entity disclosed in Note 15 comprises:		
Loan from University of Technology, Sydney	35,000	35,000

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

Other transactions with director-related entities

UTS purchased 129,508 ordinary shares in the issued capital of Sunshine Heart Company Limited (SHC) for consideration of \$1 on 19 July 2005. The market value of the SHC shares at the close of business on the date of the transfer was \$42,738.

Wholly owned group

The wholly owned group consists of University of Technology, Sydney (UTS) and its controlled entities accessUTS Pty Limited, INSEARCH Limited and INSEARCH (Shanghai) Limited. Transactions between accessUTS Pty Limited and other entities in the group during the year ended 31 December 2005 consisted of:

- > expenses paid by UTS invoiced to accessUTS Pty Limited
- > faculty costs payable to UTS
- > sale of investment in Sunshine Heart Company Limited by accessUTS Pty Limited to UTS
- > issue of 450,000 shares to UTS by accessUTS Pty Limited (450,000 shares fully paid ordinary shares at an issue price of \$1.00 per share).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

22. RELATED PARTY TRANSACTIONS (continued)

	2005 \$	2004 \$
Aggregate amounts included in the determination of the loss from ordinary activities before income tax resulting from transactions with entities in the wholly owned group:		
> Rent	23,760	23,760
> Licence fee	23,500	47,000
> Service fee	7,500	15,000
> Faculty costs	305,884	1,380,024
> Service level agreement – IT	6,713	6,354
> Service level agreement – FSU	201,140	–
> Operating lease payments	3,548	6,597
> Public liability Indemnity insurance premium	3,000	6,000
Aggregate amounts payable by the company to the parent entity at balance date:		
> Current liabilities	373,655	535,848
> Non-current liabilities (loan)	35,000	35,000

There were no other related party transactions during the financial year.

23. FINANCIAL INSTRUMENTS

(a) Financial risk management

The company's financial instruments consist of deposits with the Commonwealth Bank of Australia Limited, accounts receivable and payable, loans from the parent entity and leases.

The company does not have any derivative instruments at 31 December 2005.

Financial risks

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Credit risk

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

The company does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

23. FINANCIAL INSTRUMENTS (continued)

(b) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate %	Floating interest rate \$	Within 1 year \$	Non- interest bearing \$	Total \$
2005					
Financial assets					
Cash and cash equivalents	4.00	523,991	-	42	524,033
Receivables		-	-	180,766	180,766
Total financial assets		523,991	-	180,808	704,799
Financial liabilities					
Trade and other creditors		-	-	553,249	553,249
Other loans		-	-	35,000	35,000
Total financial liabilities		-	-	588,249	588,249
2004					
Financial assets					
Cash and cash equivalents	4.75	247,317	-	135	247,452
Receivables		-	-	245,688	245,688
Total financial assets		247,317	-	245,823	493,140
Financial liabilities					
Trade and other creditors		-	-	730,205	730,205
Other loans		-	-	35,000	35,000
Total financial liabilities		-	-	765,205	765,205

(c) Net fair values

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

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

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2005		2004	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Financial assets				
Available-for-sale financial assets at fair value	-	-	67	67
Loans and receivables	180,766	180,766	245,688	245,688
	180,766	180,766	245,755	245,755
Financial liabilities				
Trade and other creditors	553,249	553,249	730,205	730,205
Loan	35,000	35,000	35,000	35,000
	588,249	588,249	765,205	765,205

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

24. CHANGE IN ACCOUNTING POLICY

The company has adopted the following Accounting Standards for application on or after 1 January 2005:

- > AASB 132: Financial Instruments: Disclosure and Presentation
- > AASB 139: Financial Instruments: Recognition and Measurement

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

The adoption of AASB 139 has not resulted in material differences in the recognition and measurement of the company's financial instruments. The company has elected not to adjust comparative information resulting from the introduction of AASB 139 as permitted under the transitional provisions of this standard. As such, previous Australian Accounting Standards have been applied to comparative information. A summary of the main adjustments that would have resulted were AASB 139 to have been applied retrospectively is included below.

Available-for-sale financial assets

Under AASB 139, available-for-sale financial assets are revalued to fair value at reporting date. All adjustments resulting from changes in fair value are taken directly to equity. Were AASB 139 to have been applied retrospectively, a financial asset reflected at cost in the comparative year would have been adjusted to fair value at 31 December 2004. This would have resulted in an increased carrying value attributable to financial assets at 31 December 2004, and a corresponding increase in reserves at that date.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 December 2005 is as follows:

	2005			2004		
	Previously stated \$	Adjustments \$	Restated \$	Previously stated \$	Adjustments \$	Restated \$
Balance sheet						
Financial assets (non-current)	-	-	-	67	27,971	28,038
Financial asset revaluation reserve	-	-	-	-	(27,971)	(27,971)

25. GOING CONCERN

As at 31 December 2005, the company's net assets amounted to \$131,505 (2004: deficiency of \$235,596). The Directors consider that the company will continue its operations and will be able to meet its financial obligations.



This page has been left blank intentionally

CAMPUS LOCATIONS

City campus

15 Broadway, Ultimo
702–730 Harris Street, Ultimo
755 Harris Street, Ultimo
235 Jones Street, Ultimo
1–59 Quay Street, Haymarket

Kuring-gai campus

Eton Rd, Lindfield

St Leonards campus

Cnr Pacific Hwy and Westbourne St,
Gore Hill

Access

The University is open for general business from 9.00 a.m. – 5.00 p.m. weekdays. Many sections of the University are open at other times. Contact the University to check particular section opening times.

Postal address

University of Technology, Sydney
PO Box 123 Broadway, Sydney
New South Wales 2007 Australia
telephone + 61 2 9514 2000
www.uts.edu.au

University of Technology, Sydney

+61 2 9514 2000

PO Box 123 Broadway, Sydney,
New South Wales 2007 Australia

Course Information

+61 2 9514 1222

info.office@uts.edu.au

International Office

+61 3 9627 4816

international@uts.edu.au

Research and Innovation

+61 2 9514 9617

Media Inquiries

+61 2 9514 1734

www.uts.edu.au

CRICOS provider code 00099F

ABN 77 257 686 961

ISSN 1031-8690