

ANNUAL REPORT

Financial Statements

2014 Volume 2



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# University of Western Sydney

**Consolidated Financial Statements**

For the year ended 31 December 2014

University of Western Sydney

**Statement by the Members of the Board of Trustees**

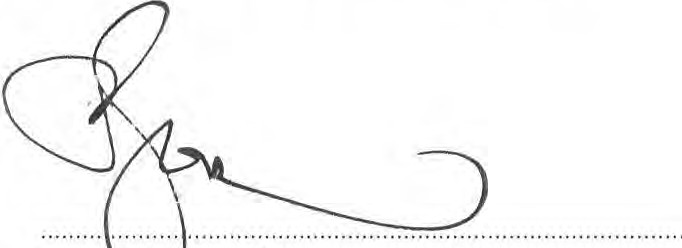
**For the year ended 31 December 2014**

In accordance with a resolution of the Board of Trustees of the University of Western Sydney dated 8 April 2015 and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983,* we state that to the best of our knowledge and belief:

1. The financial statements present a true and fair view of the financial position of the University of Western Sydney and its controlled entities (the Group) at 31 December 2014 and the Income Statement and Statement of Comprehensive Income of the Group for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983,* the *Public Finance and Audit Regulation 2010* and the *Financial Statement Guidelines for the Australian Higher Education Providers for the 2014 Reporting Period* issued by the Department of Education and Training.
3. The financial statements have been prepared in accordance with applicable Australian Accounting Standards and other mandatory authoritative pronouncements and interpretations of the Australian Accounting Standards Board, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
5. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

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Chancellor \_,,...:;---.

Profes or B rney Glover

Vice Chancellor and President

Dated at Sydney 8 April 2015

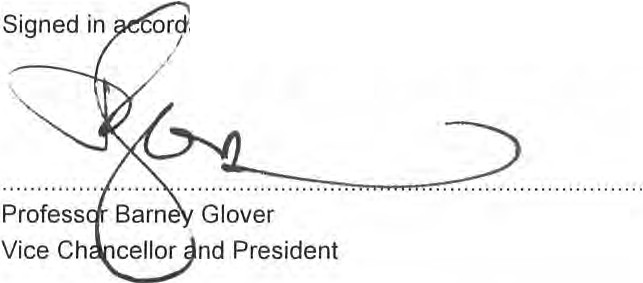
University of Western Sydney

**Responsible person's declaration**

**For the year ended 31 December 2014**

The responsible persons declare that in the responsible person's opinion:

* 1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
  2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

orctance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

*I*

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Dated at Sydney 8 April 2015

University of Western Sydney

**Certifications Statement**

**For the year ended 31 December 2014**

The amount of Australian Government financial assistance expended during the period was for the purposes for which it was intended and the University of Western Sydney has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

The University of Western Sydney charged Student Service and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 (the Act) and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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Professor Peter Shergold,A C Chancellor

Dated at Sydney 8 April 2015

PUBarney Glover

Vice Chancellor and President



To the Vice-Chancellor University of Western Sydney

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of the University of Western Sydney for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, that there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Hehir Auditor-General

7 April 2015 SYDNEY

Level15,1 Margaret Street, Sydney NSW 2000 I GPO Box 12,Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e [rnail@audit.nsw.gov.](mailto:rnail@audit.nsw.gov)au I auditnsw.gov.au

University of Western Sydney

**Income Statement**

**For the Year Ended 31 December 2014**

**Consolidated Parent**

**Income from continuing operations**

Australian Government financial assistance

**Notes**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Australian Government grants HELP - Australian Government | 2 | **339,758** | 318,615 | **339,758** | 318,615 |
| Payments | 2(b) | **210,423** | 200,061 | **210,429** | 199,948 |
| State and Local Government financial assistance | 3 | **575** | 145 | **575** | 145 |
| HECS-HELP - student payments |  | **15,734** | 16,523 | **15,734** | 16,523 |
| Fees and charges | 4 | **93,941** | 78,534 | **77,406** | 67,220 |
| Consultancy and contracts | 7 | **11,703** | 13,058 | **11,695** | 13,026 |
| Investment revenue | 5 | **7,520** | 7,748 | **46,321** | 4,735 |
| Royalties, Trademarks and Licences | 6 | **89** | 168 | **89** | 168 |
| Other revenue | 8 | **49,690** | 49,347 | **38,929** | 29,703 |
| **Total revenue from continuing** |  |  |  |  |  |
| **operations** |  | **729,433** | 684,199 | **740,936** | 650,083 |
| Gain on disposal of assets | 9 | **232** | - | **274** | - |
| **Total income from continuing** |  |  |  |  |  |

**operations**  **729,665** 684,199 **741,210** 650,083

**Expenses from continuing operations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Employee related expenses | 10 | **412,651** | 392,351 | **370,306** | 357,924 |
| Depreciation and amortisation | 11 | **36,552** | 34,870 | **35,912** | 33,690 |
| Repairs and maintenance | 12 | **24,214** | 25,517 | **23,827** | 25,168 |
| Borrowing costs |  | **1,806** | 1,819 | **1,806** | 1,819 |
| Impairment of assets | 13 | **636** | 29 | **1,217** | 76 |
| Loss on disposal of assets | 9 | **-** | 40,780 | **-** | 40,776 |
| Deferred Super expense | 10 | **-** | (1,682) | **-** | (1,682) |
| Other expenses | 14 | **187,574** | 181,751 | **202,213** | 187,728 |
| **Total expenses from continuing** |  |  |  |  |  |
| **operations** | | **663,433** 675,435 **635,281** 645,499 | | | |
| **Net result from continuing operations** | | **66,232** 8,764 **105,929** 4,584 | | | |

The accompanying notes form part of these financial statements.

University of Western Sydney

**Statement of Comprehensive Income**

**For the Year Ended 31 December 2014**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Notes** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| **Net result for the period** |  | **66,232** | 8,764 | **105,929** | 4,584 |
| Items that may be reclassified to profit or |  |  |  |  |  |
| loss |  |  |  |  |  |
| Gain / (loss) on available for sale financial assets | 27(a) | **5,876** | 3,409 | **5,573** | 931 |
| **Total** |  | **5,876** | 3,409 | **5,573** | 931 |
| Items that will not be reclassified to profit |  |  |  |  |  |
| or loss |  |  |  |  |  |
| Gain / loss on revaluation of land and buildings | 27(a) | **15,779** | 32,853 | **15,647** | 32,823 |
| Gain / (loss) on revaluation of art collection | 27(a) | **146** | (313) | **146** | (313) |
| Gain / (loss) on revaluation of livestock |  | **88** | 96 | **88** | 96 |
| Actuarial gains / losses recognised in respect of Defined Benefit Plans | 27(b) | **-** | 1,039 | **-** | 1,039 |
| **Total** |  | **16,013** | 33,675 | **15,881** | 33,645 |
| **Total other comprehensive income** |  | **21,889** | 37,084 | **21,454** | 34,576 |
| **Total comprehensive income** |  | **88,121** | 45,848 | **127,383** | 39,160 |
| **Total comprehensive income** |  |  |  |  |  |
| **attributable to members of UWS** |  | **88,121** | 45,848 | **127,383** | 39,160 |

The accompanying notes form part of these financial statements.

University of Western Sydney

**Statement of Financial Position**

**As at 31 December 2014**

**Consolidated Parent**

**Notes**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ASSETS**  **Current assets** |  | | | | |
| Cash and cash equivalents | 15 | **124,138** | 109,467 | **123,015** | 98,088 |
| Receivables | 16 | **33,638** | 30,600 | **34,797** | 30,851 |
| Inventories | 17 | **3,896** | 5,608 | **-** | - |
| Non-current assets held for sale | 18 | **-** | 11,200 | **-** | 11,200 |
| **Total current assets** |  | **161,672** | 156,875 | **157,812** | 140,139 |
| **Non-current assets**  Receivables | 16 | **337,364** | 220,591 | **337,364** | 220,591 |
| Property, plant and equipment | 19 | **1,456,274** | 1,374,719 | **1,450,639** | 1,369,512 |
| Intangible assets | 20 | **2,317** | 112 | **2,266** | 21 |
| Other financial assets | 21 | **56,494** | 42,181 | **56,494** | 11,457 |
| Other non-financial assets | 22 | **597** | 425 | **597** | 425 |
| **Total non-current assets** |  | **1,853,046** | 1,638,028 | **1,847,360** | 1,602,006 |
| **Total assets** |  | **2,014,718** | 1,794,903 | **2,005,172** | 1,742,145 |
| **LIABILITIES** |  |  |  |  |  |
| **Current liabilities**  Trade and other payables | 23 | **38,306** | 47,936 | **37,400** | 45,400 |
| Borrowings | 24 | **-** | 13,500 | **8,863** | 19,312 |
| Provisions | 25 | **73,705** | 62,349 | **71,020** | 59,769 |
| Other liabilities | 26 | **37,131** | 39,154 | **34,812** | 37,229 |
| **Total current liabilities** |  | **149,142** | 162,939 | **152,095** | 161,710 |
| **Non-current liabilities**  Borrowings | 24 | **76,000** | 41,000 | **76,000** | 41,000 |
| Provisions | 25 | **331,443** | 220,122 | **330,550** | 219,462 |
| Other liabilities | 26 | **3,142** | 3,971 | **3,142** | 3,971 |
| **Total non-current liabilities** |  | **410,585** | 265,093 | **409,692** | 264,433 |
| **Total liabilities** |  | **559,727** | 428,032 | **561,787** | 426,143 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net assets** |  | **1,454,991** | 1,366,871 | **1,443,385** | 1,316,002 |
| **EQUITY**  Restricted funds |  | **-** | - | **-** | - |
| Reserves | 27 | **575,310** | 562,758 | **571,082** | 558,965 |
| Retained earnings | 27 | **879,681** | 804,113 | **872,303** | 757,037 |
| **Total equity** |  | **1,454,991** | 1,366,871 | **1,443,385** | 1,316,002 |

The accompanying notes form part of these financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Balance at 1 January 2014** |  | **558,965** | **757,037** | **1,316,002** |
| Operating result for the year |  | **-** | **105,929** | **105,929** |
| Revaluation of property, plant and equipment |  | **15,647** | **-** | **15,647** |
| Gain on available for sale financial assets |  | **5,573** | **-** | **5,573** |
| Revaluation of art collection |  | **146** | **-** | **146** |
| Revaluation of livestock |  | **88** | **-** | **88** |
| **Total comprehensive income** |  | **21,454** | **105,929** | **127,383** |
| Transfer from property plant and equipment reserve on disposal of assets |  | **(9,337)** | **9,337** | **-** |
| **Balance at 31 December 2014** |  | **571,082** | **872,303** | **1,443,385** |
|  |  | | **Parent** |  |
|  |  | | **Retained** |  |
|  | **Reserves** | | **Earnings** | **Total** |
|  | **$'000** | | **$'000** | **$'000** |
| **Balance at 1 January 2013** | 525,428 | | 751,414 | 1,276,842 |
| Operating result for the year | - | | 4,584 | 4,584 |
| Revaluation of property, plant and equipment | 32,823 | | - | 32,823 |
| Gain on available for sale financial assets | 931 | | - | 931 |
| Revaluation of art collection | (313) | | - | (313) |
| Revaluation of livestock | 96 | | - | 96 |
| Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans | - | | 1,039 | 1,039 |
| **Total comprehensive income** | 33,537 | | 5,623 | 39,160 |
| **Balance at 31 December 2013** | 558,965 | | 757,037 | 1,316,002 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance at 1 January 2014** | **562,758** | **804,112** | **1,366,870** |
| Operating result for the year | **-** | **66,232** | **66,232** |
| Revaluation of property, plant and equipment | **15,779** | **-** | **15,779** |
| Gain on available for sale financial assets | **5,876** | **-** | **5,876** |
| Revaluation of art collection | **146** | **-** | **146** |
| Revaluation of livestock | **88** | **-** | **88** |
| **Total comprehensive income** | **21,889** | **66,232** | **88,121** |
| Transfer from property plant and equipment reserve on disposal of assets | **(9,337)** | **9,337** | **-** |
| **Balance at 31 December 2014** | **575,310** | **879,681** | **1,454,991** |
|  |  | **Consolidated** |  |
|  |  | **Retained** |  |
|  | **Reserves** | **Earnings** | **Total** |
|  | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2013** | 526,713 | 794,310 | 1,321,023 |
| Operating result for the year | - | 8,763 | 8,763 |
| Revaluation of property, plant and equipment | 32,853 | - | 32,853 |
| Gain on available for sale financial assets | 3,409 | - | 3,409 |
| Revaluation of art collection | (313) | - | (313) |
| Revaluation of livestock | 96 | - | 96 |
| Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans | - | 1,039 | 1,039 |
| **Total comprehensive income** | 36,045 | 9,802 | 45,847 |
| **Balance at 31 December 2013** | 562,758 | 804,112 | 1,366,870 |

The accompanying notes form part of these financial statements.

**Consolidated Parent**

**Notes**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **CASH FLOWS FROM OPERATING ACTIVITIES** |  | | | | |
| Australian Government Grants |  | **549,539** | 522,225 | **549,545** | 522,112 |
| State Government Grants |  | **575** | 145 | **575** | 145 |
| HECS-HELP - Student payments |  | **15,734** | 16,523 | **15,734** | 16,523 |
| Receipts from student fees and other customers |  | **151,956** | 137,800 | **124,314** | 107,653 |
| Interest received |  | **7,520** | 7,748 | **6,696** | 4,735 |
| Payments to suppliers and employees |  | **(654,257)** | (628,243) | **(626,583)** | (598,972) |
| Interest and other costs of finance |  | **(1,806)** | (1,819) | **(1,529)** | (1,592) |
| GST recovered / (paid) |  | **25,302** | 22,750 | **25,302** | 22,750 |
| **Net cash provided by operating activities** | 37 | **94,563** | 77,129 | **94,054** | 73,354 |
| **CASH FLOWS FROM INVESTING** |  |  |  |  |  |
| **ACTIVITIES** |  |  |  |  |  |
| Proceeds from sale of property, plant and equipment |  | **18,911** | 3,291 | **18,799** | 3,161 |
| Payments for property, plant and equipment |  | **(111,866)** | (90,114) | **(110,816)** | (86,829) |
| Payments for financial assets |  | **(8,437)** | (3,616) | **-** | (949) |
| Loans to related parties |  | **-** | - | **(7,575)** | (3,244) |
| Repayment of loans by related parties |  | **-** | - | **6,190** | 2,293 |
| **Net cash used by investing activities** |  | **(101,392)** | (90,439) | **(93,402)** | (85,568) |
| **CASH FLOWS FROM FINANCING** |  |  |  |  |  |
| **ACTIVITIES** |  |  |  |  |  |
| Proceeds from borrowings |  | **461,500** | 354,500 | **466,000** | 355,390 |
| Repayment of borrowings |  | **(440,000)** | (355,500) | **(441,725)** | (356,968) |
| Proceeds from finance leases |  | **-** | 48,200 | **-** | 48,200 |
| **Net cash provided by financing activities** |  | **21,500** | 47,200 | **24,275** | 46,622 |
| **Net increase/(decrease) in cash and cash equivalents held** |  | **14,671** | 33,890 | **24,927** | 34,408 |
| Cash and cash equivalents at beginning of the year |  | **109,467** | 75,577 | **98,088** | 63,680 |
| **Cash and cash equivalents at end of financial year** | 15 | **124,138** | 109,467 | **123,015** | 98,088 |

The accompanying notes form part of these financial statements.

**1 Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years reported, unless otherwise stated. The financial statements include the separate financial statements for the University of Western Sydney as the parent entity (the 'University') and the consolidated entity consisting of the University of Western Sydney and its subsidiaries (the 'Group').

The principal place of business for the University of Western Sydney, Great Western Highway Kingswood NSW 2747.

1. **Basis of Preparation**

The annual financial statements represent the audited general purpose financial statements of the University of Western Sydney. They have been prepared on an accrual basis in accordance with Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:

* + *Public Finance and Audit Act 1983 and Public Finance and Audit Regulations 2010*;
  + *Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period* as issued by the Department of Education and Training;

*-* The *Australian Charities and Not-for-profit Commission Regulation 2013;* and

- Other State/Australian Government legislative requirements.

The University of Western Sydney is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University of Western Sydney on 8 April 2015.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment.

**1 Summary of Significant Accounting Policies (continued)**

1. **Basis of Preparation (continued)**

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying University of Western 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 disclosed below:

Significant judgements

* 1. Management has elected to measure land and buildings at fair value as determined by licensed valuers being Global Valuation Services Pty Ltd who have performed an independent valuation as at 31 December 2014. Plant and equipment has been measured at the written down historical costs of these assets. The valuation of land, building, plant and equipment is shown in property, plant and equipment (note 19). For further details refer also note 1(p).
  2. Trade debtors (note 16) would generally be measured at amortised cost which will be approximated by the related nominal value. Management has assumed that there are no significant receivables with fair value materially different from nominal value and that there will be no significant delays in collecting outstanding amounts.
  3. The University has entered into a Joint Operation with Urban Growth (note 36). Cost of goods sold has been calculated on a percentage of completion basis, taking into account lot area sold and total costs to completion of the development.

Determining the carrying amount of provisions for employee long service leave entitlements (note 25), provision for annual leave entitlements (note 25), deferred superannuation (note 25), depreciation and useful life of buildings (note 19), and allowance for impaired receivables (note 16(a)) requires estimation of the uncertain future events on those assets and liabilities at the reporting date.

The assumptions made in the assessment of each of the financial assets and liabilities are shown in the relevant notes to the accounts and note 1(j), note 1(m), note 1(o), note 1(p) and note 1(x).

1. **Principles of Consolidation**
2. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of Western Sydney (''parent entity'') as at 31 December 2014 and the results of all subsidiaries for the year then ended. The University of Western Sydney and its subsidiaries together are referred to in these financial statements as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-

**1 Summary of Significant Accounting Policies (continued)**

1. **Principles of Consolidation (continued)**

consolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The subsidiaries of the University as at 31 December 2014 are:

* Television Sydney (TVS) Limited
* University of Western Sydney Foundation Limited (deregistered March 2015) and Trust (ceased operations as at 31 December 2014)
* UWS Enterprises Pty Limited trading as UWS College Pty Limited
* uwsconnect Limited
* Whitlam Institute (within the University of Western Sydney) Limited and Trust
* UWS Early Learning Limited

Separate financial statements are prepared by the University’s subsidiaries. The Audit Office of NSW audits these financial statements.

1. Joint arrangements Joint operations

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 36.

1. **Foreign currency transactions and balances**

Both the functional and presentation currency of the Group is Australian Dollars.

Transactions in foreign currencies are recorded in the functional currency at the exchange rates prevailing at the date of the transaction. 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.

1. **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future

**1 Summary of Significant Accounting Policies (continued)**

1. **Revenue Recognition (continued)**

economic benefits will flow to the Group and specific criteria have been met for each of the Group’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

* 1. ) Government Grants

University of Western Sydney treats operating grants received from Australian Government entities as income in the year of receipt, as required by *AASB 1004 Contributions*.

Grants from the government are recognised at their fair value where the Group obtains control of the right to receive a grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

* 1. ) HELP Payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

* 1. Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance in liabilities.

Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

* 1. Royalties, trademarks and licenses

Revenue from royalties, trademarks and licences is recognised as income when earned.

* 1. Consulting and contracting

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

* 1. Lease income

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

* 1. Investment income

Revenue is recognised as the interest accrues using the effective interest method. All other material revenue is accounted for on an accrual basis.

**1 Summary of Significant Accounting Policies (continued)**

1. **Research grants and contracts**

Private (Non Education) research grants and contracts are received by the University in advance of research services being provided and represent reciprocal transfers as specific research services are agreed between the University and the research contractee, with an acquittal process following the provision of the research service. The University treats unspent private research grants as a liability (note 26). In 2014 this amounted to

$9.846M (2013: $8.445M). In the 2014 reporting period the $8.445M deferred in the prior year has been treated as income (2013: $8.409M). The net impact on income in 2014 was therefore $1.400M (2013: $0.036M).

1. **Income Tax exemption**

The Group is exempt from income tax under section 50-B of the *Income Tax Assessment Act 1997*.

1. **Leases**

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 31). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. **Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount (note 13). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

1. **Cash and cash equivalents**

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group's standard terms of trade is 14 days from the date of recognition with the exception of the deferred government contribution for superannuation.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible

**1 Summary of Significant Accounting Policies (continued)**

1. **Trade receivables (continued)**

are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the movement in the provision is recognised in the income statement.

When a trade receivable is uncollectable the amount of the loss is recognised in the income statement within ‘impairment of assets’. Subsequent recoveries of amounts previously written off are credited to ‘other revenue’ in the income statement.

Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

1. **Prepayments**

Payments for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in trade and other receivables in the statement of financial position.

1. **Inventories**

A stocktake of inventories on hand at year end was performed. All inventories are measured at the lower of cost and net realisable value. Textbooks and retail stock are valued at a weighted average price and other stock is valued at last purchase price.

1. **Investments and other financial assets**

Classification

The Group classifies its investments in the following categories:held to maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity, re-evaluate this designation at each reporting date.

* 1. ) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

The Group has designated as held-to-maturity investments its investment in a fixed income portfolio managed by JB Were Limited. The investments are included as non current assets in the statement of financial position (note 21).

* 1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

**1 Summary of Significant Accounting Policies (continued)**

1. **Investments and other financial assets (continued)**

Classification (continued)

* 1. Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are designated in this category.

The Group has designated as available for sale:

* + units held in Acadian Australian Equity High Yield Fund, a managed investment fund; and
  + unlisted securities

The Acadian Australian Equity High Yield Fund units and unlisted securities are included as non current assets in the statement of financial position (note 21).

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available for sale are recognised in equity in the available for sale investments revaluation reserve (note 27(a)).

* 1. Recognition and derecognition of financial assets

Purchases and sales of investments are recognised on 'trade date' which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When investments classified as available for sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses on sale of available for sale financial assets (note 9).

Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to- maturity investments are carried at amortised cost using the effective interest method.

Fair value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on characteristics of the asset and the assumptions made by market participants.

**1 Summary of Significant Accounting Policies (continued)**

1. **Investments and other financial assets (continued)**

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

1. **Non-current assets (or disposal groups) held for sale and discontinued operations**

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

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

1. **Fair value measurement**

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

**1 Summary of Significant Accounting Policies (continued)**

1. **Fair value measurement (continued)**

Fair value measurement of non-financial assets is based on the *highest and best use* of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

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

1. **Property, Plant and Equipment**

Land, buildings and the art collection are capitalised and shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Valuation for land and new refurbished buildings was undertaken as at 31 December 2014 by Global Valuation Services Pty Ltd. Land was revalued on the basis of highest and best use. New buildings completed in 2014 prior to the revaluation and existing buildings with 2014 refurbishments completed prior to the revaluation were subject to a full revaluation. Indexation was applied to the remainder of existing buildings that were not subject to construction works at the time of the revaluation by Global Valuation Services Pty Ltd. Land and buildings were revalued on the basis of highest and best use.

For non completed assets, construction costs totalling $1.443M incurred up to the reporting date were capitalised subsequent to the buildings revaluation. The scope of the valuation did not include revaluation of these buildings. The value of these refurbished buildings is based on the 31 December 2013 revaluation by Global Valuation Services Pty Ltd plus the construction costs capitalised in late 2014.

The Group undertakes a regular review of its land holdings in light of the future academic footprint of the University. Re-evaluation may be undertaken from time to time on land originally designated for educational use with a view to realising monies to fund infrastructure requirements via sale and or joint development, following appropriate re zoning of the land to allow alternate uses.

The fair value of land is the amount for which the land could be exchanged between willing parties in an arms length transaction, based on market prices for similar properties, with similar zoning, in comparable locations and condition. The Group expects that the fair value of land already rezoned to allow for alternate use shall be different to land available for educational use only. Valuers engaged to determine the fair value of the land have taken into account the intended use and ultimate disposal of the land, as applicable.

Due to the specialised nature of buildings and the lack of directly comparable sales evidence, the 31 December 2014 valuation for new and refurbished buildings was undertaken utilising the Summation Valuation approach, whereby the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and the current condition. In determining the value for each building the exterior dimensions of each building were calculated from the detailed room specifications maintained by the University and extrapolated by the valuer's knowledge of current building rates on a square metre basis. The resultant value as at reporting date was then adjusted for the estimated remaining useful life of each building. The Depreciated Replacement Cost of the improvements was then added to the underlying land value, which was derived after analysis of comparable sales evidence.

In valuing the art collection, McWilliam and Associates Pty Ltd utilised certain historical facts and relevant market data available up to the date of the valuation. The most recent valuation was completed as at 31 December 2013.

**1 Summary of Significant Accounting Policies (continued)**

1. **Property, Plant and Equipment (continued)**

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same class of asset are firstly recognised in other comprehensive income before reducing the balance of revaluation surplus in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are expensed in the income statement.

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

Life Computing (Mainframe & Networking) 4 years Computing (Other) 3 years

Vehicles 6-7 years

Scientific 10 years

Audio visual 10 years

Printing 10 years

Other 10-20 years

Buildings (except where a limit of useful life

of a building has been identified) 5-60 years

Library Collection 5 years

Leasehold Improvements 2-6 years

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated life of the improvements.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts in reserves in respect of those assets to retained earnings.

**1 Summary of Significant Accounting Policies (continued)**

1. **Repairs and Maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses as incurred.

1. **Livestock**

The University maintains livestock for research, teaching and commercial purposes. Livestock is valued on the fair value basis based on current market price. A stocktake of livestock holdings was undertaken at year end.

1. **Intangible Assets**
   1. Licences

Licences have a finite useful life and are carried at fair value less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of licences across their estimated useful life of 5 years (note 20).

* 1. ) E-Books

E-Books have a finite useful life and are carried at fair value less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of e-books across their estimated useful life of 5 years (note 20).

1. **Trade and other payables**

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year, that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The Group's standard terms of payment are 30 days from date of recognition.

1. **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

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

**1 Summary of Significant Accounting Policies (continued)**

1. **Borrowing costs**

Borrowing costs are expensed in the income statement.

1. **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

1. **Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. The calculation of employee benefits includes all relevant on-costs and is calculated as follows at reporting date.

* 1. Wages and salaries

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables.

* 1. Annual leave and sick leave

The liability for annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled.

Sick leave is cumulative but not vesting and therefore is not recognised in employee provisions. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

* 1. Long service leave

The liability for long service leave is recognised in the provision for employee benefits 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 using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are

**1 Summary of Significant Accounting Policies (continued)**

1. **Employee benefits (continued)**

classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

* 1. Retirement benefit obligations

Employees of the Group that are members of Unisuper are entitled to benefits on retirement, disability or death from the Group’s superannuation plan. The Group has a defined benefit section and defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group’s legal or constructive obligation is limited to these contributions.

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund’s assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the statement of financial position.

Past service costs are recognised in profit or loss immediately.

Contributions to the defined contributions section of University of Western Sydney's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

* 1. Deferred government benefit for superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education (Education), the effects of the unfunded superannuation liabilities of University of Western Sydney and its controlled entities were recorded in the income statement and the statement of financial position for the first time in 1998. The prior years’ practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under Provisions have been determined by Mercer Human Resource Consulting Ltd and relate to the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non Contributory Scheme. This assessment was based on the full requirements of AASB 119.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

Note 39 discloses specific treatment.

**1 Summary of Significant Accounting Policies (continued)**

1. **Employee benefits (continued)**

(vi) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within twelve months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before twelve months after the end of the reporting period are discounted to present value.

1. **Financial guarantee contracts**

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

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

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

1. **Rounding of amounts**

The University is of a kind referred to in Class order 98/0100 as amended by Class order 04/667, 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, or in certain cases, the nearest dollar.

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

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

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

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

1. **Summary of Significant Accounting Policies (continued)** **(aa) Goods and Services Tax (GST) (continued)**

The Group, excluding uwsconnect Limited, Television Sydney (TVS) Limited and UWS Early Learning Limited, is a Charitable Institution endorsed to access GST concessions on a range of transactions.

**(ab) Insurance**

The University of Western Sydney insures externally for all significant areas of risk exposure and accordingly, is not a self insurer and makes no provision in its financial statements for internal coverage.

Workers’ Compensation insurance is currently held with Employers Mutual Insurance. Property and liability protections (including General and Products Liability, Professional Liability, Medical Malpractice, Clinical Trials and Directors and Officers) are arranged with Unimutual.

**(ac) Foreign operations**

The University of Western Sydney operates a small number of teaching programs in the Asia region.

**(ad) New Accounting Standards and Interpretations**

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting periods. The University of Western Sydney assessed the impact of these new Standards as insignificant for the current year.

**(ae) Comparative Amounts**

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

No amendments have been made to comparatives in the current year.

1. **Australian Government financial assistance including HECS-HELP and other Australian Government loan programs**
   1. Commonwealth Grants Scheme and Other Grants

**Consolidated Parent**

**Note**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Commonwealth Grants Scheme  #1 |  | **271,495** | 256,893 | **271,495** | 256,893 |
| Indigenous Support Program #2 |  | **1,761** | 1,709 | **1,761** | 1,709 |
| Partnership and Participation |  |  |  |  |  |
| Program |  | **17,011** | 14,282 | **17,011** | 14,282 |
| Disability Support Program |  | **918** | 762 | **918** | 762 |
| Promotion of Excellence in |  |  |  |  |  |
| Learning and Teaching |  | **962** | 230 | **962** | 230 |
| Reward Funding |  | **-** | 1,204 | **-** | 1,204 |
| **Total Commonwealth Grants** |  |  |  |  |  |
| **Scheme and Other Grants** | 38(a) | **292,147** | 275,080 | **292,147** | 275,080 |
| (b) | Higher Education Loan Programs |  |  |  |  |  |
|  | HECS - HELP |  | **193,996** | 183,504 | **193,996** | 183,504 |
|  | FEE - HELP #3 |  | **9,038** | 9,681 | **9,044** | 9,568 |
|  | SA - HELP |  | **7,389** | 6,876 | **7,389** | 6,876 |
|  | **Total Higher Education Loan** | 38(b) |  |  |  |  |
|  | **Programs** |  | **210,423** | 200,061 | **210,429** | 199,948 |
| (c) | Scholarships |  |  |  |  |  |
|  | Australian Postgraduate Awards |  | **3,102** | 3,080 | **3,102** | 3,080 |
|  | International Postgraduate |  |  |  |  |  |
|  | Research Scholarships |  | **268** | 266 | **268** | 266 |
|  | Commonwealth Education Costs |  |  |  |  |  |
|  | Scholarships #4 |  | **(5)** | (199) | **(5)** | (199) |
|  | Indigenous Access Scholarships |  | **-** | (27) | **-** | (27) |
|  | **Total Scholarships** | 38(c) | **3,365** | 3,120 | **3,365** | 3,120 |
| (d) | Education Research |  |  |  |  |  |
|  | Joint Research Engagement |  |  |  |  |  |
|  | Program |  | **3,561** | 3,309 | **3,561** | 3,309 |
|  | Research Training Scheme |  | **6,906** | 7,144 | **6,906** | 7,144 |
|  | Research Infrastructure Block |  |  |  |  |  |
|  | Grants |  | **1,710** | 1,611 | **1,710** | 1,611 |
|  | Sustainable Research Excellence |  |  |  |  |  |
|  | in Universities |  | **1,341** | 1,303 | **1,341** | 1,303 |
|  | **Total Education Research** | 38(d) | **13,518** | 13,367 | **13,518** | 13,367 |

**2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)**

1. Other Capital Funding

**Consolidated Parent**

Education Investment Fund

**Note**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

**Total Other Capital Funding** 38(e)

|  |  |  |  |
| --- | --- | --- | --- |
| **5,024** | 7,074 | **5,024** | 7,074 |
| **5,024** | 7,074 | **5,024** | 7,074 |

1. Australian Research Council ('ARC')

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **(i) Discovery**  Projects |  | **3,749** | 4,471 | **3,749** | 4,471 |
| Fellowships #5 |  | **2,878** | 1,853 | **2,878** | 1,853 |
| Indigenous Researchers Development |  | **155** | 357 | **155** | 357 |
| **Total Discovery** | 38(f)(i) | **6,782** | 6,681 | **6,782** | 6,681 |
| **(ii) Linkages** |  |  |  |  |  |
| Linkages - Infrastructure |  | **963** | - | **963** | - |
| Projects |  | **1,056** | 658 | **1,056** | 658 |
| **Total Linkages** | 38(f)(ii) | **2,019** | 658 | **2,019** | 658 |
| **(iii) Networks and Centres** |  |  |  |  |  |
| Networks and Centres - Centres |  | **1,056** | - | **1,056** | - |
| **Total Networks and Centres** | 38(f)(iii) | **1,056** | - | **1,056** | - |
| Special Research Initiatives | 38(f)(iii) | **77** | 163 | **77** | 163 |
| **Total ARC** | 38(f) | **9,934** | 7,502 | **9,934** | 7,502 |

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program

#3 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP

#4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

#5 Includes Early Career Researcher Award

**2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)**

1. Other Australian Government Financial Assistance

**Consolidated Parent**

**Note**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Non-capital**  Department of Health & Ageing | **3,236** | 3,833 | **3,236** | 3,833 |
| Away-from-base assistance | **377** | 634 | **377** | 634 |
| Health Workforce Australia | **3,152** | 521 | **3,152** | 521 |
| National Disability Coordination Officer | **-** | 437 | **-** | 437 |
| Indigenous Tutorial Assistance Scheme | **331** | 398 | **331** | 398 |
| Study overseas short term mobility project | **1,998** | 335 | **1,998** | 335 |
| Structured Training and Employment Program | **72** | 114 | **72** | 114 |
| Other | **433** | 97 | **433** | 97 |
| **Total** | **9,599** | 6,369 | **9,599** | 6,369 |
| **Capital** |  |  |  |  |
| Horticulture Innovation Australia Limited | **636** | - | **636** | - |
| Department of the Environment | **5,500** | 5,573 | **5,500** | 5,573 |
| Department of Regional Australia, Local Government, Arts & Sport | **-** | 530 | **-** | 530 |
| Other Australian Government Financial Assistance | **35** | - | **35** | - |
| **Total** | **6,171** | 6,103 | **6,171** | 6,103 |
| **Total Other Australian** |  |  |  |  |
| **Government Financial** |  |  |  |  |
| **Assistance** | **15,770** | 12,472 | **15,770** | 12,472 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Australian Government Financial** |  | | | |
| **Assistance** | **550,181** | 518,676 | **550,187** | 518,563 |

1. **Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reconciliation**  Australian Government Grants (a |  | | | |
| + c + d + e + f +g) | **339,758** | 318,615 | **339,758** | 318,615 |
| HECS - HELP Payments | **193,996** | 183,504 | **193,996** | 183,504 |
| FEE - HELP Payments | **9,038** | 9,681 | **9,044** | 9,568 |
| SA - HELP Payments | **7,389** | 6,876 | **7,389** | 6,876 |
| **Total Australian Government** |  |  |  |  |
| **Financial Assistance** | **550,181** | 518,676 | **550,187** | 518,563 |

1. Australian Government Grants received - cash basis

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CGS and Other Education Grants Higher Education Loan | 38(a)  38(b) | **291,326** | 275,080 | **291,326** | 275,080 |
| Programmes |  | **209,725** | 202,772 | **209,731** | 202,659 |
| Scholarships | 38(c) | **3,370** | 3,346 | **3,370** | 3,346 |
| Education Research | 38(d) | **13,518** | 13,367 | **13,518** | 13,367 |
| Other Capital Funding | 38(e) | **5,024** | 7,074 | **5,024** | 7,074 |
| ARC Grants - Discovery | 38(f) | **7,115** | 6,758 | **7,115** | 6,758 |
| ARC Grants - Linkages | 38(f) | **1,941** | 577 | **1,941** | 577 |
| ARC Grants - Networks and Centres |  | **1,056** | - | **1,056** | - |
| Other Australian Government Grants | 2(g) | **15,610** | 12,911 | **15,610** | 12,911 |
| **Total Australian Government** |  |  |  |  |  |
| **Grants received - cash basis**  **548,685** 521,885 **548,691** 521,772 | | | | | |
| OS-Help (Net) | 38(g) | **854** | 340 | **854** | 340 |
| **Total Australian Government** |  |  |  |  |  |
| **funding received - cash basis** |  | **549,539** | 522,225 | **549,545** | 522,112 |

1. **State and local government financial assistance**

Government grants were received during the reporting period for the following purposes:

**Consolidated Parent**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014**  **$'000** |  | **2013**  **$'000** |  | **2014**  **$'000** |  | **2013**  **$'000** |  |
| **Non-capital** |  |  |  |  |  |  |  |
| Ministry of Health |  | **-** |  | 140 |  | **-** |  | 140 |
| Hawkesbury Nepean Catchment |  |  |  |  |  |  |  |  |
| Management Authority |  | **-** |  | 5 |  | **-** |  | 5 |
| Department of Family and |  |  |  |  |  |  |  |  |
| Community Services |  | **25** |  | - |  | **25** |  | - |
| **Total** |  | **25** |  | 145 |  | **25** |  | 145 |
| **Capital** |  |  |  |  |  |  |  |  |
| Ministry of Health |  | **550** |  | - |  | **550** |  | - |
| **Total** |  | **550** |  | - |  | **550** |  | - |
| **Total State and Local** |  |  |  |  |  |  |  |  |
| **Government Financial** |  |  |  |  |  |  |  |  |
| **Assistance** |  | **575** |  | 145 |  | **575** |  | 145 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **4** | **Fees and charges** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Course Fees and Charges** |  |  |  |  |
|  | Fee-paying onshore overseas students | **73,683** | 61,110 | **67,995** | 57,095 |
|  | Fee-paying offshore overseas students | **837** | 688 | **571** | 574 |
|  | Continuing education | **7,870** | 5,001 | **-** | - |
|  | Fee-paying domestic postgraduate students | **2,587** | 2,818 | **2,587** | 2,818 |
|  | Fee-paying domestic undergraduate students | **581** | 520 | **427** | 298 |
|  | Fee-paying domestic non-award students | **872** | 1,078 | **858** | 1,078 |
|  | Other domestic course fees and charges | **56** | 325 | **56** | 325 |
|  | **Total Course Fees and Charges** | **86,486** | 71,540 | **72,494** | 62,188 |
|  | **Other Non-Course Fees and** |  |  |  |  |
|  | **Charges** |  |  |  |  |
|  | Student services fees from students | **2,598** | 2,412 | **2,598** | 2,412 |
|  | Deferral fees | **140** | 136 | **140** | 136 |
|  | Library fines | **289** | 138 | **289** | 138 |
|  | Student accommodation | **506** | 1,083 | **506** | 1,083 |
|  | Academic transcripts | **292** | 239 | **292** | 239 |
|  | Graduation fees | **411** | 400 | **411** | 400 |
|  | Academic dress hire | **379** | 364 | **379** | 364 |
|  | Student test fees | **2,180** | 1,771 | **-** | - |
|  | Other | **660** | 451 | **297** | 260 |
|  | **Total Other Fees and Charges** | **7,455** | 6,994 | **4,912** | 5,032 |
|  | **Total Fees and Charges** | **93,941** | 78,534 | **77,406** | 67,220 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **5** | **Investment revenue** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Interest revenue** |  |  |  |  |
|  | Bank deposits | **3,821** | 3,732 | **3,589** | 3,385 |
|  | Other loans and receivables | **728** | 400 | **728** | 400 |
|  | **Distribution from managed funds** |  |  |  |  |
|  | Available-for-sale financial assets | **2,864** | 3,616 | **2,390** | 950 |
|  | Held-to-maturity investments | **107** | - | **-** | - |
|  | Distribution from University of Western Sydney Foundation Trust | **-** | - | **39,614** | - |
|  | **Total investment revenue** | **7,520** | 7,748 | **46,321** | 4,735 |

1. **Royalties, trademarks and licences**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

Royalty and intellectual property **89** 168 **89** 168

**Total royalties, trademarks and**

**licences 89** 168 **89** 168

1. **Consultancy and contracts**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Consultancy | **2,588** | 3,014 | **2,580** | 2,982 |
| Contract research | **9,115** | 10,044 | **9,115** | 10,044 |
| **Total consultancy and contracts** | **11,703** | 13,058 | **11,695** | 13,026 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **8** | **Other Revenue** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Sale of goods | **20,913** | 22,031 | **828** | 941 |
|  | Parking fees | **4,343** | 4,552 | **4,344** | 4,552 |
|  | Donations and bequests | **3,647** | 3,048 | **3,601** | 2,588 |
|  | Commercial leases and other rental income | **3,229** | 3,553 | **3,694** | 3,546 |
|  | Salary recoveries | **4,069** | 3,879 | **4,069** | 3,869 |
|  | Childcare centre fees and grants | **4,690** | 3,942 | **-** | - |
|  | Non-salary recoveries | **1,734** | 2,093 | **2,009** | 2,109 |
|  | Scholarships and prizes | **1,597** | 1,619 | **1,709** | 1,674 |
|  | Commission income | **1,068** | 976 | **896** | 796 |
|  | Service income | **40** | 73 | **14,396** | 6,871 |
|  | Tied grants non-government | **186** | 279 | **186** | 279 |
|  | Conference and seminar income | **246** | 297 | **246** | 297 |
|  | Other | **3,928** | 3,005 | **2,951** | 2,181 |
|  | **Total other revenue** | **49,690** | 49,347 | **38,929** | 29,703 |
| **9** | **Gain / (Loss) on disposal of assets** |  |  |  |  |
| **Consolidated Parent** | | | | | |
|  | | **2014** | **2013** | **2014** | **2013** |
|  | | **$'000** | **$'000** | **$'000** | **$'000** |
| Proceeds from sale | | **18,911** | 3,291 | **18,799** | 3,161 |
| Carrying amount of assets sold | | **(18,679)** | (44,071) | **(18,525)** | (43,937) |
| **Total gain / (loss) on disposal of** | |  |  |  |  |
| **assets** | | **232** | (40,780) | **274** | (40,776) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **10** | **Employee related expenses** |  | **Consolidated** | | **Parent** |  |
|  |  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Academic** |  |  |  |  |  |
|  | Salaries |  | **161,844** | 157,568 | **147,016** | 147,486 |
|  | Contribution to superannuation |  |  |  |  |  |
|  | & pension schemes - funded |  | **21,834** | 22,645 | **20,525** | 21,785 |
|  | Payroll tax |  | **9,928** | 9,854 | **9,040** | 9,259 |
|  | Worker's compensation |  | **1,182** | 826 | **1,115** | 739 |
|  | Long service leave expense |  | **8,755** | 2,093 | **8,502** | 1,986 |
|  | Annual leave |  | **(216)** | 1,377 | **(198)** | 1,151 |
|  | **Total academic** |  | **203,327** | 194,363 | **186,000** | 182,406 |
|  | **Non-academic** |  |  |  |  |  |
|  | Salaries |  | **166,789** | 161,026 | **145,082** | 141,314 |
|  | Contribution to superannuation |  |  |  |  |  |
|  | & pension schemes - funded |  | **22,589** | 22,774 | **20,705** | 21,121 |
|  | Payroll tax |  | **9,489** | 9,471 | **9,026** | 9,093 |
|  | Worker's compensation |  | **1,405** | 1,068 | **1,104** | 744 |
|  | Long service leave expense |  | **8,399** | 2,427 | **8,089** | 2,280 |
|  | Annual leave |  | **653** | 1,222 | **300** | 966 |
|  | **Total non-academic** |  | **209,324** | 197,988 | **184,306** | 175,518 |
|  | **Total employee related** |  |  |  |  |  |
|  | **expenses** |  | **412,651** | 392,351 | **370,306** | 357,924 |
|  | Deferred government employee |  |  |  |  |  |
|  | superannuation expense | 39 | **-** | (1,682) | **-** | (1,682) |
|  | **Total employee related** |  |  |  |  |  |
|  | **expenses, including deferred** |  |  |  |  |  |
|  | **Government Employee Benefits** |  |  |  |  |  |
|  | **for Superannuation** |  | **412,651** | 390,669 | **370,306** | 356,242 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **11** | **Depreciation and amortisation** | **Consolidated** | | **Parent** |  |
|  |  | **2014 2013** | | **2014** | **2013** |
|  |  | **$'000 $'000** | | **$'000** | **$'000** |
|  | **Depreciation** |  | |  |  |
|  | Buildings and Infrastructure | **22,406** 21,481 | | **22,406** | 21,481 |
|  | Plant and equipment | **9,056** 8,672 | | **8,749** | 8,208 |
|  | Library collection | **3,631** 3,693 | | **3,631** | 3,693 |
|  | **Total depreciation** | **35,093** 33,846 | | **34,786** | 33,382 |
|  | **Amortisation** |  | |  |  |
|  | Leasehold property | **1,407** 938 | | **1,105** | 253 |
|  | Intangible assets | **52** 86 | | **21** | 55 |
|  | **Total amortisation** | **1,459** 1,024 | | **1,126** | 308 |
|  | **Total depreciation and** |  | |  |  |
|  | **amortisation** | **36,552** 34,870 | | **35,912** | 33,690 |
| **12** | **Repairs and maintenance** |  | |  |  |
|  |  | **Consolidated** | | **Parent** |  |
|  |  | **2014 2013** | | **2014** | **2013** |
|  |  | **$'000 $'000** | | **$'000** | **$'000** |
|  | Buildings | **19,857** 20,966 | | **19,841** | 20,940 |
|  | Plant and equipment | **3,948** 3,869 | | **3,584** | 3,553 |
|  | Information technology | **196** 218 | | **196** | 218 |
|  | Motor vehicles | **213** 464 | | **206** | 457 |
|  | **Total repairs and maintenance** | **24,214** 25,517 | | **23,827** | 25,168 |
| **13** | **Impairment of assets** |  | |  |  |
|  |  | **Consolidated** | | **Parent** |  |
|  | | **2014** | **2013** | **2014** | **2013** |
|  | | **$'000** | **$'000** | **$'000** | **$'000** |
| Bad debts | | **80** | 390 | **60** | 389 |
| Doubtful debts | | **684** | (518) | **1,285** | (470) |
| Impairment of other financial | |  |  |  |  |
| assets | | **28** | - | **28** | - |
| Library collection | | **(156)** | 157 | **(156)** | 157 |
| **Total impairment of assets** | | **636** | 29 | **1,217** | 76 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **14** | **Other expenses** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Fees for service#1 | **66,805** | 60,404 | **93,140** | 78,471 |
|  | Consumables & supplies | **28,554** | 28,561 | **17,220** | 16,502 |
|  | Scholarships, grants and prizes | **15,577** | 18,027 | **15,549** | 18,064 |
|  | Overheads | **13,218** | 13,890 | **13,178** | 13,832 |
|  | Advertising, marketing and promotional expenses | **11,235** | 9,190 | **10,160** | 8,499 |
|  | Minimum lease payments on operating lease | **7,110** | 7,556 | **6,809** | 7,263 |
|  | Non-capitalised equipment | **5,097** | 6,658 | **4,888** | 6,321 |
|  | Travel and entertainment | **7,542** | 6,769 | **7,280** | 6,491 |
|  | Cleaning and waste removal | **7,071** | 6,147 | **6,748** | 5,852 |
|  | Student education support | **5,719** | 6,901 | **5,502** | 6,448 |
|  | Communication costs | **3,686** | 3,463 | **3,499** | 3,358 |
|  | Staff development | **2,454** | 2,440 | **2,277** | 2,258 |
|  | Security costs | **2,830** | 2,986 | **2,763** | 2,909 |
|  | Student service fees | **243** | 47 | **3,653** | 3,039 |
|  | Other expenses | **10,433** | 8,712 | **9,547** | 8,421 |
|  | **Total other expenses** | **187,574** | 181,751 | **202,213** | 187,728 |

#1 Audit remuneration included in amount and disclosed under note 29.

1. **Cash and cash equivalents**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cash at bank and on hand | **22,698** | 28,442 | **21,575** | 17,063 |
| Short-term deposits | **101,440** | 81,025 | **101,440** | 81,025 |
| **Total cash and cash equivalents** | **124,138** | 109,467 | **123,015** | 98,088 |

* 1. 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 | **124,138** | 109,467 | **123,015** | 98,088 |
| **Balance as per cash flow statement** | **124,138** | 109,467 | **123,015** | 98,088 |
| (b) | Cash at bank and on hand |  |  |  |  |

The average interest rate during 2014 on bank accounts included in cash at bank and on hand was 2.56% (2013 2.89%).

(c) Short term deposits

The deposits are at fixed interest rates between 3.35% and 3.60%.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **16** | **Trade and other receivables** |  | **Consolidated** | | **Parent** |  |
|  |  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current** |  |  |  |  |  |
|  | Student fees |  | **3,502** | 2,970 | **2,930** | 2,440 |
|  | Other debtors |  | **15,865** | 14,437 | **23,990** | 21,460 |
|  |  |  | **19,367** | 17,407 | **26,920** | 23,900 |
|  | Less Provision for impaired receivables | 16(a) | **(1,208)** | (521) | **(7,167)** | (5,883) |
|  | Other |  | **933** | 2 | **925** | - |
|  | Prepayments |  | **14,546** | 13,712 | **14,119** | 12,834 |
|  | **Total current receivables** |  | **33,638** | 30,600 | **34,797** | 30,851 |
|  | **Non-current** |  |  |  |  |  |
|  | Deferred government benefit for superannuation | 39 | **319,683** | 203,904 | **319,683** | 203,904 |
|  | Finance lease receivables | 16(c) | **16,821** | 16,411 | **16,821** | 16,411 |
|  | Prepayments |  | **860** | 276 | **860** | 276 |
|  | **Total non-current receivables** |  | **337,364** | 220,591 | **337,364** | 220,591 |
|  | **Total receivables** |  | **371,002** | 251,191 | **372,161** | 251,442 |

(a) Impaired receivables

As at 31 December 2014 current receivables of the Group with a nominal value of $1.208M (2013: $0.521M) were impaired. The amount of the provision was $1.208M (2013: $0.521M). The individually impaired receivables mainly relate to individual debtors with balances aged greater than 180 days.

The ageing of these receivables is as follows:

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 0 to 6 months | **2014**  **$'000**  **-** | **2013**  **$'000**  (4) | **2014**  **$'000**  **(736)** | **2013**  **$'000**  (63) |
| Over 6 months | **(1,208)** | (517) | **(6,431)** | (5,820) |
| **Total current impaired** |  |  |  |  |

**receivables**  **(1,208)** (521) **(7,167)** (5,883)

1. **Trade and other receivables (continued)**
   1. Impaired receivables (continued)

As at 31 December 2014 trade receivables of the Group totalling $7.987M (2013: $5.335M) were past due but not impaired. These relate to a number of individual customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Trade Receivables**  0 to 6 months | **7,259** | 4,950 | **6,647** | 4,989 |
| Over 6 months | **728** | 385 | **545** | 375 |
| **Total past due but not impaired** |  |  |  |  |

**receivables**  **7,987** 5,335 **7,192** 5,364

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Movements in the provision for impaired receivables are as follows:** |  | | | |
| At 1 January | **521** | 1,110 | **5,883** | 6,353 |
| Provision for impairment |  |  |  |  |
| recognised / (reversed) during the year | **607** | (199) | **1,224** | (81) |
| Receivables written off / |  |  |  |  |
| (reversed) during the year as uncollectible | **80** | (390) | **60** | (389) |
| **At 31 December** | **1,208** | 521 | **7,167** | 5,883 |

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

* 1. Leasing Arrangements

The University, as lessor, has entered into a lease with Campus Living Villages Pty Limited to manage student residence accommodation for a period of 40 years.

1. **Trade and other receivables (continued)**
   1. Amounts receivable under finance leases

**Minimum lease payments Present value of minimum lease**

**payments**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Not later than 1 year  Later than 1 year and not later | **-** | - | **-** | - |
| than 5 years | **-** | - | **-** | - |
| Later than 5 years | **42,990** | 42,990 | **16,821** | 16,411 |
|  | **42,990** | 42,990 | **16,821** | 16,411 |
| Less unearned finance income | **(26,169)** | (26,579) | **-** | - |
| Present value of minimum lease |  |  |  |  |
| payments receivable | **16,821** | 16,411 | **16,821** | 16,411 |
| Allowance for uncollectible lease payments | **-** | - | **-** | - |
| **Finance lease receivable** | **16,821** | 16,411 | **16,821** | 16,411 |

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at $42.990M.

Contingent rents of $0.501M have been recognised as income in the year.

The finance lease receivables at the end of the reporting period are neither past due nor impaired.

1. **Inventories**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |
| --- | --- | --- | --- |
| **Current**  At cost: |  | | |
| Stock on hand | **3,896** | 5,608 | **-** - |
| **Total inventories** | **3,896** | 5,608 | **-** - |

1. **Non-current assets classified as held for sale ('NCA')**

**Consolidated Parent**

**Current**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

Land **-** 11,200 **-** 11,200

**Total non-current assets or disposal**

**groups classified as held for sale -** 11,200 **-** 11,200

NCAs (or disposal groups) held for sale are carried at the lower of the carrying amount of the fair value less costs to sell. For the fair value of the NCA (or disposal group) see note 34(b).

1. **Property, plant and equipment**

**Construction in Progress**

**Freehold**

**Land Crown Land Buildings Infrastucture**

**Buildings - Under Finance Lease**

**Plant and Equipment**

**Leasehold Improvements**

**Library**

**Collection Artwork Total**

**Parent Entity $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000**

**At 1 January 2013**

- Cost 44,596 - - 92,553 807 4,594 98,607 2,674 85,071 - 328,902

- Valuation - 214,400 163,120 755,359 62,395 - - - - 3,083 1,198,356

Accumulated Depreciation - - - (5,120) (1,039) (4,594) (53,830) (2,379) (73,150) - (140,112)

|  |  |  |
| --- | --- | --- |
| Net Book Amount | 44,596 | 214,400 163, |
| **Year Ended 31 December 2013** |  |  |
| Opening Net Book Amount | 44,596 | 214,400 163, |
| Revaluation Surplus | - | 7,325 |

120 842,792 62,163 - 44,777 295 11,921 3,083 1,387,146

120 842,792 62,163 - 44,777 295 11,921 3,083 1,387,146

- 23,440 2,059 - - - - (313) 32,511

Additions 91,514 - - - - 7,349 - 3,950 43 102,856

Disposals - (7,189) (785) (96,640) 12 - (3,437) - (21) (1) (108,061)

Depreciation Charge - - - (19,756) (1,731) - (8,203) (253) (3,693) (33,636)

Non-Cash Adjustments - - - 328 (322) - 47 - - - 53

Impairment of Assets - - - - - - - - (157) - (157)

Assets held for sale - (11,200) - - - - - - - - (11,200) Transfers to Freehold Buildings and Plant &

Equipment (37,787) - - - - - - (37,787)

Transfers from Construction in Progress - - - 23,966 7,029 - 6,792 - - 37,787 Closing Net Book Amount 98,323 203,336 162,335 774,130 69,210 - 47,325 42 12,000 2,812 1,369,512

**At 31 December 2013**

- Cost 98,323 - - 19,090 - 4,594 103,661 2,674 87,779 - 316,120

- Valuation - 203,336 162,335 757,073 69,210 - - - 695 2,812 1,195,461

Accumulated depreciation - - - (2,033) - (4,594) (56,336) (2,632) (76,474) - (142,069)

Net Book Amount 98,323 203,336 162,335 774,130 69,210 - 47,325 42 12,000 2,812 1,369,512

**19 Property, plant and equipment (continued)**

**Construction in Progress**

**Freehold**

**Land Crown Land Buildings Infrastucture**

**Buildings - Under Finance Lease**

**Plant and Equipment**

**Leasehold Improvements**

**Library**

**Collection Artwork Total**

**Parent Entity $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $'000 $ '000 $ '000 $ '000**

**Year Ended 31 December 2014**

Opening Net Book Amount 98,323 203,336 162,335 774,130 69,210 - 47,325 42 12,000 2,812 **1,369,512**

Revaluation Surplus - (225) - 15,858 (6) - - - 20 146 **15,793**

Transfers to Freehold Buildings and Plant

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Additions | 97,858 - - - | | - - 8,594 | | - 2,166 | | 73 **108,691** |
| Disposals | (2,514) - - (2,651) | | - - (2,179) | | - (277) | | (2) **(7,623)** |
| Depreciation Charge | - - - (20,121) | | (2,285) - (8,749) | | (1,105) (3,631) | | - **(35,891)** |
| Non-Cash Adjustments | - - - (14,333) | | - - 14,333 | | - - | | - **-** |
| Impairment of Assets - - | | - - | - | - - | - | 157 | - **157** |
| & Equipment (102,553) - | | - - | - | - - | - | - | - **(102,553)** |
| Transfers from Construction in Progress - - | | - 72,461 | 14,418 | - 739 | 14,935 | - | - **102,553** |
| Transfers to Construction in Progress 15,775 (15,775) | | - - | - | - - | - | - | - **-** |

**Closing Net Book Amount 106,889 187,336 162,335 825,344 81,337 - 60,063 13,872 10,435 3,029 1,450,639**

**At 31 December 2014**

- Cost 106,889 - - 820 623 4,594 123,656 17,610 86,776 - **340,967**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| - Valuation | - 187,336 162,335 826,809 | 81,397 | - - - 872 | 3,029 **1,261,778** |
| Accumulated depreciation | - - (2,285) | (683) | (4,594) (63,593) (3,738) (77,213) | - **(152,106)** |
| **Net Book Amount** | **106,889 187,336 162,335 825,344** | **81,337** | **- 60,063 13,872 10,435** | **3,029 1,450,639** |

**19 Property, plant and equipment (continued)**

**Construction in Progress**

**Freehold**

**Land Crown Land Buildings Infrastucture**

**Buildings - Under Finance Lease**

**Plant and Equipment**

**Leasehold Improvements**

**Library**

**Collection Artw ork Total**

**Consolidated $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000**

**At 1 January 2013**

- Cost 44,595 - - 92,553 807 4,594 102,164 5,101 85,534 - 335,348

- Valuation - 214,400 163,120 755,359 62,395 - - - - 3,095 1,198,368

Accumulated Depreciation - - - (5,120) (1,039) (4,594) (55,777) (3,730) (73,150) - (143,410)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Net Book Amount | 44,595 | 214,400 | 163,120 | 842,792 | 62,163 | - 46,387 | 1,371 | 12,384 | 3,095 | 1,390,306 |
| **Year Ended 31 December 2013** |  |  |  |  |  |  |  |  |  |  |
| Opening Net Book Amount | 44,595 | 214,400 | 163,120 | 842,792 | 62,163 | - 46,387 | 1,371 | 12,384 | 3,095 | 1,390,306 |
| Revaluation Surplus | - | 7,325 | - | 23,440 | 2,059 | - - | - | 30 | (313) | 32,541 |
| Additions | 94,567 | - | - | - |  | - 7,614 | - | 4,005 | 42 | 106,228 |
| Disposals | - | (7,189) | (785) | (96,640) | 12 | - (3,674) | - | (22) | (1) | (108,299) |
| Depreciation Charge | - | - | - | (19,756) | (1,731) | - (8,667) | (938) | (3,693) |  | (34,785) |

Non-Cash Adjustments - - - 328 (322) - 79 - - - 85

Impairment of Assets - - - - - - - - (157) - (157)

Assets held for sale - (11,200) - - - - - - - - (11,200) Transfers to Freehold Buildings and Plant &

Equipment (38,126) - - - - - - (38,126)

Transfers from Construction in Progress - - - 23,966 7,029 - 6,883 248 - 38,126

Closing Net Book Amount 101,036 203,336 162,335 774,130 69,210 - 48,622 681 12,547 2,823 1,374,719

**At 31 December 2013**

- Cost 101,036 - - 19,090 - 4,594 107,281 5,349 87,779 - 325,128

|  |  |  |  |
| --- | --- | --- | --- |
| - Valuation | - 203,336 162,335 757,073 | 69,210 - - - 1,242 | 2,823 1,196,019 |
| Accumulated depreciation | - - - (2,033) | - (4,594) (58,659) (4,668) (76,474) | - (146,428) |
| Net Book Amount | 101,036 203,336 162,335 774,130 | 69,210 - 48,622 681 12,547 | 2,823 1,374,719 |

1. **Property, plant and equipment (continued)**

**Construction in Progress**

**Freehold**

**Land Crown Land Buildings Infrastucture**

**Buildings - Under Finance Lease**

**Plant and Equipment**

**Leasehold Improvements**

**Library**

**Collection Artwork Total**

**Consolidated $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000 $ '000**

**Year Ended 31 December 2014**

Opening Net Book Amount 101,036 203,336 162,335 774,130 69,210 - 48,622 681 12,547 2,823 **1,374,719**

Revaluation Surplus - (225) - 15,858 (6) - - - 152 146 **15,925**

Transfers to Freehold Buildings and Plant

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Additions | 98,829 - - - | | - - 8,669 | | - 2,265 | | 74 **109,837** |
| Disposals | (2,514) - - (2,651) | | - - (2,409) | | - (277) | | (2) **(7,853)** |
| Depreciation Charge | - - - (20,121) | | (2,285) - (9,067) | | (1,407) (3,631) | | - **(36,511)** |
| Non-Cash Adjustments | - - - (14,333) | | - - 14,333 | | - - | | - **-** |
| Impairment of Assets - - | | - - | - | - - | - | 157 | - **157** |
| & Equipment (102,553) - | | - - | - | - - | - | - | - **(102,553)** |
| Transfers from Construction in Progress - - | | - 72,461 | 14,418 | - 739 | 14,935 | - | - **102,553** |
| Transfers to Construction in Progress 15,775 (15,775) | | - - | - | - - | - | - | - **-** |

**Closing Net Book Amount 110,573 187,336 162,335 825,344 81,337 - 60,887 14,209 11,213 3,041 1,456,274**

**At 31 December 2014**

- Cost 110,573 - - 820 623 4,594 126,514 20,284 86,775 - **350,182**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| - Valuation | - 187,336 162,335 826,809 | 81,397 | - - - 1,651 | 3,041 **1,262,569** |
| Accumulated depreciation | - - - (2,285) | (683) | (4,594) (65,627) (6,075) (77,213) | - **(156,477)** |
| **Net Book Amount** | **110,573 187,336 162,335 825,344** | **81,337** | **- 60,887 14,209 11,213** | **3,041 1,456,274** |

1. **Intangible Assets**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Licences** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Cost | **756** | 756 | **275** | 275 |
| Accumulated amortisation and impairment | **(705)** | (644) | **(275)** | (254) |
| **Net book amount** | **51** | 112 | **-** | 21 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Electronic Books**  Cost | | **2,266** | - | **2,266** | - |
| Accumulated amortisation and impairment | | **-** | - | **-** | - |
| **Net book amount** | | **2,266** | - | **2,266** | - |
| **Total Intangibles** | | **2,317** | 112 | **2,266** | 21 |
| (a) | Reconciliation | |  |  |  |
|  |  | |  | **Parent** |  |
|  |  | |  | **Electronic** |  |
|  |  | | **Licences** | **Books** | **Total** |
|  |  | | **$'000** | **$'000** | **$'000** |
|  | **Year ended 31 December 2014** | |  |  |  |
|  | Balance at the beginning of the year | | **21** | - | **21** |
|  | Additions | | - | **2,266** | 2,266 |
|  | Amortisation charge | | **(21)** | - | **(21)** |
|  | **Closing value at 31 December 2014** | | **-** | **2,266** | **2,266** |
|  | **Year ended 31 December 2013** | |  |  |  |
|  | Balance at the beginning of the year | | 76 | **-** | 76 |
|  | Amortisation charge | | (55) | **-** | (55) |
|  | **Closing value at 31 December 2013** | | 21 | **-** | 21 |

**20 Intangible Assets (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (a) | *Reconciliation (continued)* |  | **Consolidated** |  |
|  |  | **Licences** | **Electronic Books** | **Total** |
|  |  | **$'000** | **$'000** | **$'000** |
|  | **Year ended 31 December 2014** |  |  |  |
|  | Balance at the beginning of the year | **112** | - | **112** |
|  | Additions | - | **2,266** | 2,266 |
|  | Disposals | **-** | - | **-** |
|  | Amortisation charge | **(61)** | - | **(61)** |
|  | **Closing value at 31 December 2014** | **51** | **2,266** | **2,317** |
|  | **Year ended 31 December 2013** |  |  |  |
|  | Balance at the beginning of the year | 208 | **-** | 208 |
|  | Disposals | (10) | **-** | (10) |
|  | Amortisation charge | (86) | **-** | (86) |
|  | **Closing value at 31 December 2013** | 112 | **-** | 112 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **21** | **Other financial assets** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Non-Current** |  |  |  |  |
|  | Available for sale (Unlisted securities) | **5,196** | 522 | **5,196** | 522 |
|  | Available for sale (Acadian) | **45,667** | 41,659 | **45,667** | 10,935 |
|  | Held to maturity (Amortised cost) | **5,631** | - | **5,631** | - |
|  | **Total non-current other financial assets** | **56,494** | 42,181 | **56,494** | 11,457 |

1. **Other non-financial assets**

**Consolidated Parent**

**Non-Current**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

Livestock holdings **597** 425 **597** 425

**Total other non-financial assets 597** 425 **597** 425

1. **Trade and other payables**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Current**  Payables | **37,452** | 47,596 | **36,546** | 45,060 |
| OS-HELP liability to Australian Government | **854** | 340 | **854** | 340 |
| Total current trade and other payables | **38,306** | 47,936 | **37,400** | 45,400 |

* 1. Foreign currency risk

The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Australian Dollars | **2014**  **$'000**  **36,439** | **2013**  **$'000**  47,344 | **2014**  **$'000**  **35,533** | **2013**  **$'000**  44,808 |
| US Dollars | **1,375** | 334 | **1,375** | 334 |
| GB Pounds | **391** | 213 | **391** | 213 |
| Other | **101** | 45 | **101** | 45 |
|  | **38,306** | 47,936 | **37,400** | 45,400 |

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 33.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **24** | **Borrowings** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current**  Unsecured bank loans (i) | **-** | 13,500 | **-** | 13,500 |
|  | Unsecured other financial liabilities (ii) | **-** | - | **8,863** | 5,812 |
|  | **Total current borrowings** | **-** | 13,500 | **8,863** | 19,312 |
|  | **Non-Current** |  |  |  |  |
|  | Unsecured bank loans (i) | **76,000** | 41,000 | **76,000** | 41,000 |
|  | **Total non-current borrowings** | **76,000** | 41,000 | **76,000** | 41,000 |
|  | **Total borrowings** | **76,000** | 54,500 | **84,863** | 60,312 |

1. In October 2013 the University received approval from the Treasurer of New South Wales to increase its borrowing facilities by $70 million to a maximum of $198 million towards the construction of new facilities and other infrastructure. The additional facilities were finalised with the University's bank in September 2014.

Such approval was required under Section 22 (l)(e) of the University of Western Sydney Act 1997. The interest rate of the loan is variable being based on the BBSW rate plus a margin. The interest rate averaged 3.82% during 2014. The loan is unsecured.

The balance of the loan outstanding as at 31 December 2014 was $76.0 million (2013: $54.5 million).

1. Relates to the transfer of UWS Enterprises (formerly UWS College) and UWS Early Learning surplus funds to the University.

The fair value of borrowings equals their carrying amount, as the impact of discounting is not significant. For an analysis of the sensitivity of borrowings to interest rate risk refer to note 33.

The carrying amount of the Group's borrowings are denominated in AUD currency.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **24 Borrowings (continued)**   1. Financing arrangements   Unrestricted access was available at reporting date to the following lines of credit: | | |  | | |
| **Consolidated** | | |  | **Parent** |  |
| **2014 2013** | | | **2014** |  | **2013** |
| **$'000 $'000** | | | **$'000** |  | **$'000** |
| **Credit standby arrangements** | | |  |  |  |
| Bank guarantees | **11** | 553 | **11** | | 553 |
| Credit cards | **4,525** | 4,615 | **4,500** | | 4,500 |
| Leasing facilities | **6,968** | 3,502 | **4,956** | | 1,501 |
| **Total credit standby arrangements** | **11,504** | 8,670 | **9,467** | | 6,554 |
| Bank guarantees | **11** | 53 | **11** | | 53 |
| Credit cards | **392** | 345 | **386** | | 324 |
| Leasing facilities | **5,073** | 1,710 | **4,956** | | 1,501 |
| **Used at balance date** | **5,476** | 2,108 | **5,353** | | 1,878 |
| Bank guarantees | **-** | 500 | **-** | | 500 |
| Credit cards | **4,133** | 4,270 | **4,114** | | 4,176 |
| Leasing facilities | **1,895** | 1,792 | **-** | | - |
| **Total unused at balance date** | **6,028** | 6,562 | **4,114** | | 4,676 |
| **Bank loan facilities** |  |  |  | |  |
| Total facilities | **198,000** | 128,000 | **198,000** | | 128,000 |
| Used at balance date | **(76,000)** | (54,500) | **(76,000)** | | (54,500) |
| **Total unused at balance date** | **122,000** | 73,500 | **122,000** | | 73,500 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **25** | **Provisions** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current provisions expected to** |  |  |  |  |
|  | **be settled within 12 months** |  |  |  |  |
|  | Employee benefits |  |  |  |  |
|  | Annual Leave | **20,160** | 19,903 | **18,920** | 18,569 |
|  | Long service leave | **6,402** | 5,455 | **5,329** | 4,822 |
|  |  | **26,562** | 25,358 | **24,249** | 23,391 |
|  | **Current provisions expected to** |  |  |  |  |
|  | **be settled after more than 12** |  |  |  |  |
|  | **months** |  |  |  |  |
|  | Employee benefits |  |  |  |  |
|  | Annual leave | **5,839** | 7,785 | **5,363** | 7,272 |
|  | Long service leave | **41,304** | 29,206 | **41,408** | 29,106 |
|  |  | **47,143** | 36,991 | **46,771** | 36,378 |
| **Total current provisions 73,705** | | | 62,349 | **71,020** | 59,769 |
| **Non-current provisions** | |  |  |  |  |
| Employee benefits | |  |  |  |  |
| Long service leave | | **11,565** | 13,947 | **10,672** | 13,287 |
| Deferred government benefits for superannuation | | **319,683** | 206,175 | **319,683** | 206,175 |
| Long-term provisions | |  |  |  |  |
| Make good on leases | | **195** | - | **195** | - |
| **Total non-current provisions** | | **331,443** | 220,122 | **330,550** | 219,462 |
| **Total provisions** | | **405,148** | 282,471 | **401,570** | 279,231 |

1. Annual leave

The following on costs have been used by management in calculating the provision for annual leave:

**%**

|  |  |
| --- | --- |
| Superannuation | 16.75 |
| Estimate of short term salary increase | 3.00 |
| Payroll tax | 6.60 |
| Workers compensation | 0.75 |

**25 Provisions (continued)**

1. Long service leave

In 2014 the University engaged Mercer Consulting (Australia) Pty Ltd to undertake a valuation of the University's long service leave liability. Assumptions used in this measurement included:

**%**

|  |  |
| --- | --- |
| Estimate rate of inflation / salary increase - 2015 | 3.00 |
| Estimate rate of inflation / salary increase - 2016 | 3.25 |
| Estimate rate of inflation / salary increase - 2016 | 3.75 |
| Estimate rate of long term inflation / salary increase | 3.50 |
| Estimate of long service leave taken "in service" | 6.00 |
| Discount for future investment earnings | 3.00 |
| Estimate of LSL and AL accrued on LSL taken in service | 6.90 |
| On costs used in this process were: |  |
| Superannuation (for "in service leave") | 16.75 |
| Payroll tax | 6.60 |
| Workers compensation | 0.75 |

1. Movements in provisions - Non Current

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

**Parent**

**Make good on**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **leases**  **$'000** | **Total**  **$'000** |  |
| **Non-current** |  |  |
| Opening balance at 1 January 2014 | **-** |  | **-** |
| Additional provisions | **195** |  | **195** |
| **Balance at 31 December 2014** | **195** |  | **195** |
| **Consolidated** |  |  |  |
|  | **Make good on leases** | **Total** |  |
|  | **$'000** | **$'000** |  |
| **Non-current** |  |  |  |
| Opening balance at 1 January 2014 | **-** |  | **-** |
| Additional provisions | **195** |  | **195** |
| **Balance at 31 December 2014** | **195** |  | **195** |

The University has an obligation to make good on leased premises at the end of certain rental agreements. A provision has been made factoring in the cost of bringing the premises back to the conditions specified in the lease agreements.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **26** | **Other liabilities** | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current** |  |  |  |  |
|  | Deferred income | **15,081** | 14,367 | **14,568** | 14,321 |
|  | Fees received in advance | **18,592** | 20,667 | **17,182** | 19,048 |
|  | Australian Government Unspent Financial Assistance | **90** | 265 | **90** | 265 |
|  | Other | **3,368** | 3,855 | **2,972** | 3,595 |
|  | **Total current other liabilities** | **37,131** | 39,154 | **34,812** | 37,229 |
|  | **Non-current** |  |  |  |  |
|  | Deferred income | **3,142** | 3,317 | **3,142** | 3,317 |
|  | Other | **-** | 654 | **-** | 654 |
|  | Total non-current other liabilities | **3,142** | 3,971 | **3,142** | 3,971 |
|  | **Total other liabilities** | **40,273** | 43,125 | **37,954** | 41,200 |
| **27** | **Reserves and retained earnings** |  |  |  |  |
|  | (a) Reserves |  |  |  |  |
|  |  | **Consolidated** | | **Parent** |  |
|  |  | **2014** | **2013** | **2014** | **2013** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Property, plant and equipment revaluation surplus | **562,282** | 555,840 | **562,107** | 555,797 |
|  | Investment revaluation reserve | **11,188** | 5,312 | **7,135** | 1,562 |
|  | Art collection revaluation reserve | **1,434** | 1,288 | **1,434** | 1,288 |
|  | Livestock revaluation reserve | **406** | 318 | **406** | 318 |
|  | **Total Reserves** | **575,310** | 562,758 | **571,082** | 558,965 |

**27 Reserves and retained earnings (continued)**

Movements in Reserves

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Property, plant and equipment revaluation surplus** |  | | | |
| Balance 1 January | **555,840** | 522,987 | **555,797** | 522,974 |
| Revaluation - gross | **15,779** | 32,853 | **15,647** | 32,823 |
| Write back on disposal of revalued assets | **(9,337)** | - | **(9,337)** | - |
| **Balance at 31 December** | **562,282** | 555,840 | **562,107** | 555,797 |
| **Investment revaluation reserve** |  |  |  |  |
| Balance 1 January | **5,312** | 1,903 | **1,562** | 631 |
| Revaluation - gross | **5,876** | 3,409 | **5,573** | 931 |
| **Balance at 31 December** | **11,188** | 5,312 | **7,135** | 1,562 |
| **Art work revaluation reserve** |  |  |  |  |
| Balance 1 January | **1,288** | 1,601 | **1,288** | 1,601 |
| Revaluation - gross | **146** | (313) | **146** | (313) |
| **Balance at 31 December** | **1,434** | 1,288 | **1,434** | 1,288 |
| **Livestock revaluation reserve** |  |  |  |  |
| Balance 1 January | **318** | 222 | **318** | 222 |
| Revaluation - gross | **88** | 96 | **88** | 96 |
| **Balance at 31 December** | **406** | 318 | **406** | 318 |
| **Total reserves** | **575,310** | 562,758 | **571,082** | 558,965 |

1. Movements in retained earnings

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Retained earnings at 1 January | **804,112** | 794,310 | **757,037** | 751,414 |
| Operating result for the period | **66,232** | 8,764 | **105,929** | 4,584 |
| Actuarial gains/(losses) on defined |  |  |  |  |
| benefit plans recognised directly in retained earnings | **-** | 1,039 | **-** | 1,039 |
| Transfer from property, plant and equipment revaluation reserve | **9,337** | - | **9,337** | - |
| **Retained earnings at 31 December** | **879,681** | 804,113 | **872,303** | 757,037 |

1. **Reserves and retained earnings (continued)**
2. Nature and purpose of reserves

The asset revaluation reserve for property, plant and equipment reflects revaluation of all Group land, buildings and rare library collection. The reserve is the difference between the valuation and the book value as at valuation date.

The investment revaluation reserve is equal to the unrealised gains/(losses) on investments with the University's Fund Managers and unlisted securities for 2014 together with accumulated prior years unrealised gains and losses.

The asset revaluation reserve for art collection reflects the revaluation of all Group artworks. The reserve is the difference between the valuation and the book value at the valuation date.

The livestock revaluation reserve reflects the revaluation of Group livestock at fair (market) value. The reserve is the difference between the revaluation and the book value at the valuation date See note 1(r).

1. **Key Management Personnel Disclosures**
   1. Names of responsible persons and executive officers

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

* + 1. Names of Responsible Persons

'Responsible person' is defined to mean a member of the University's Board of Trustees and its Executive who had authority and responsibility for planning, directing and controlling activities of the University in 2014:

Peter Shergold, AC

Barney Glover - appointed 1 January 2014 Paul Wormell

John Banks

Elizabeth Dibbs - appointed 17 February 2014 Genevieve Gregor

Vivienne James

Paul Newman - appointed 17 February 2014 Ian Stone

Christopher Brown Michael Pratt Gillian Shadwick Gabrielle Trainor Tim Ferraro

Elie Hammam George Morgan Taylor Macdonald

Jenny Purcell - appointed 1 January 2014

**28 Key Management Personnel Disclosures (continued)**

1. Names of responsible persons and executive officers (continued)
   * 1. Names of Executive Officers

'Executive' is defined to mean the Chief Executive Officer plus the members of the Executive Committee of the University. In 2014 these were:

Barney Glover - commenced 1 January 2014 Rhonda Hawkins - retired 31 December 2014 Scott Holmes - commenced 3 March 2014 Kerri-Lee Krause - resigned 11 November 2014 Michele Simons - commenced 1 January 2014 Angelo Kourtis

Peter Pickering Paul Rowland

Linda Taylor - commenced 4 August 2014 Michael Adams - commenced 1 January 2014 Kevin Dunn - commenced 1 January 2014 Rhonda Griffiths - commenced 1 January 2014

Annemarie Hennessy - commenced 1 January 2014 Peter Hutchings - commenced 1 January 2014 Gregory Kolt - commenced 1 January 2014

Simeon Simoff - commenced 1 January 2014 Clive Smallman - commenced 1 January 2014 Ann Tout - resigned 8 September 2014 Andrew Cheetham - resigned 1 July 2014

**28 Key Management Personnel Disclosures (continued)**

1. Remuneration of board members and executives

**Consolidated Parent**

**Remuneration of Board Members**

**2014**

**Number**

**2013**

**Number**

**2014**

**Number**

**2013**

**Number**

$10,000 to $19,999 **3** 3 **-** -

$40,000 to $49,999 **1** 1 **1** 1

**4** 4 **1** 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated 2014 2013**  **Number Number** |  | **Parent**  **2014**  **Number** | **2013**  **Number** |  |
| **Remuneration of executive officers**  $120,000 to $129,999 | **1** | - | **-** |  | - |
| $150,000 to $159,999 | **-** | 1 | **-** |  | - |
| $190,000 to $199,999 | **-** | 1 | **-** |  | - |
| $220,000 to $229,999 | **-** | 1 | **-** |  | - |
| $230,000 to $239,999 | **2** | - | **-** |  | - |
| $250,000 to $259,999 | **2** | - | **2** |  | - |
| $260,000 to $269,999 | **-** | 1 | **-** |  | - |
| $280,000 to $289,999 | **1** | - | **1** |  | - |
| $290,000 to $299,999 | **-** | 1 | **-** |  | - |
| $300,000 to $309,999 | **7** | 2 | **5** |  | 2 |
| $310,000 to $319,999 | **1** | - | **1** |  | - |
| $340,000 to $349,999 | **-** | 2 | **-** |  | 2 |
| $350,000 to $359,999 | **1** | 1 | **1** |  | 1 |
| $360,000 to $369,999 | **1** | - | **1** |  | - |
| $370,000 to $379,999 | **-** | 1 | **-** |  | 1 |
| $380,000 to $389,999 | **2** | - | **2** |  | - |
| $390,000 to $399,999 | **1** | - | **1** |  | - |
| $400,000 to $409,999 | **-** | 1 | **-** |  | 1 |
| $430,000 to $439,999 | **-** | 1 | **-** |  | 1 |
| $470,000 to $479,999 | **1** | - | **1** |  | - |
| $530,000 to $539,999 | **-** | 1 | **-** |  | 1 |
| $550,000 to $559,999 | **1** | - | **1** |  | - |
| $780,000 to $789,999 | **1** | - | **1** |  | - |
| $860,000 to $869,999\* | **-** | 1 | **-** |  | 1 |
|  | **22** | 15 | **17** |  | 10 |

\* The Vice-Chancellor's total remuneration included paid salary, PAYG withholding tax, expense-of-office allowance, employee and employer superannuation contributions, a salary-sacrificed motor vehicle, Fringe Benefits Tax and housing allowance. No additonal bonus is payable.

1. **Key Management Personnel Disclosures (continued)**
2. Key management personnel compensation

Key management personnel include Board Members and Executives.

**Consolidated Parent**

**2014**

**$**

**2013**

**$**

**2014**

**$**

**2013**

**$**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Short-term employee benefits | **6,615,075** | 4,819,091 | **5,533,400** | 3,795,146 |
| Post-employment benefits | **928,229** | 608,757 | **807,125** | 454,400 |
| Termination benefits | **1,604,870** | 227,051 | **1,604,870** | 226,551 |
| **Total key management personnel compensation** | **9,148,174** | 5,654,899 | **7,945,395** | 4,476,097 |
| (d) | Loans to key management personnel |  |  |  |  |

No loans were made to key management personnel during the financial year (2013: nil).

1. **Remuneration of Auditors**

During the year, the following fees were paid for services provided by the auditor of the entity:

**Consolidated Parent**

**Audit and review of the Financial Statements**

Fees paid to the Audit Office of New

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

South Wales **425** 414 **299** 294

**Total paid for audit and review 425** 414 **299** 294

Fees shown are inclusive of Goods and Services Tax.

1. **Contingencies**
   1. Contingent liabilities

The University currently has a jointly controlled operation with Urban Growth at the Campbelltown campus which may result in potential costs to the University from the removal of telecommunication equipment if the lease is terminated with the telecommunication company (costs associated with alternative site).

UWS has entered into an Agreement for Lease for 169 Macquarie Street Parramatta with Leighton Properties Pty Limited as the developer.

UWS has executed a Commercial Lease for an initial term of 15 years which is not immediately binding and is held in escrow pending practical completion under the Agreement for Lease. Subject to practical completion under the terms of the Agreement for Lease the Commercial Lease will only become binding on the later of the date of Practical Completion and 1st February 2017.

No financial impact has occurred or is recorded in the University's Financial Statements relating to the Agreement for Lease or Commercial Lease for the 2014 period.

Financial support and assistance

It is the University's current policy to provide Television Sydney (TVS) Ltd and uwsconnect Limited with such support and assistance as may be required to allow them to meet their financial obligations in conformity with generally accepted standards of commercial and financial prudence for the period 1 January 2015 up until approximately twelve months from the date of the signed financial statements to the expected date of the auditor's report for the next annual reporting period.

1. **Commitments**

|  |  |  |
| --- | --- | --- |
| (a) | Capital commitments  Capital expenditure contracted for at the reporting date but not recognised as liabilities are: |  |
|  | **Consolidated Parent** |
|  | **2014 2013 2014** | **2013** |
|  | **$'000 $'000 $'000** | **$'000** |
|  | Property, plant and equipment |  |
|  | Within one year **43,893** 88,658 **43,418** | 88,658 |
|  | Total **43,893** 88,658 **43,418** | 88,658 |

The above amounts included commitments for capital expenditure on joint operations of $5.751m payable within one year.

|  |  |  |
| --- | --- | --- |
| **31** | **Commitments (continued)**   1. Lease commitments    1. Operating Leases   The University leases computing equipment, printing equipment and building office space under operating |  |
|  | leases. |
|  | Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: |
|  | **Consolidated Parent** |
|  | **2014 2013 2014** | **2013** |
|  | **$'000 $'000 $'000** | **$'000** |
|  | Within one year **12,715** 8,386 **12,507** | 8,277 |
|  | Between one year and five years **9,791** 8,339 **9,791** | 8,214 |
|  | Later than five years **306** 298 **306** | 298 |
|  | Total future minimum lease payments **22,812** 17,023 **22,604** | 16,789 |

1. **Related Parties**
   1. Parent entities

The ultimate parent entity within the Group is University of Western Sydney.

* 1. Subsidiaries

Interests in subsidiaries are set out in note 35.

* 1. Key management personnel

Disclosures relating to directors and specified executives are set out in note 28

**32 Related Parties (continued)**

* 1. Transactions with related parties

The following transactions occurred with related parties:

**Consolidated Parent**

**Sale of goods and services**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

Royalty payments to University **-** - **13,412** 6,871 Expense recoveries from

controlled entities **-** - **439** 179

**Total sales of goods and**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **services**  **Purchase of goods** | **-** - **13,851** 7,050 | |
| Services to University | **-** - **2,787** 2,180 | |
| Funding to controlled entities | **-** - **36,372** 26,121 | |
| **Total purchase of goods** | **-** - **39,159** 28,301 | |
| (e) | Loans to/from related parties |  | |
|  |  | **Consolidated** | **Parent** |
|  |  | **2014 2013** | **2014 2013** |
|  |  | **$'000 $'000** | **$'000 $'000** |
|  | **Loans to subsidiaries**  Beginning of the year | **-** | - **4,082** 3,131 |
|  | Loans advanced | **-** | - **7,575** 3,150 |
|  | Loan repayment received | **-** | - **(6,088)** (2,247) |
|  | Interest charged | **-** | - **160** 94 |
|  | Interest received | **-** | - **(102)** (46) |
|  | End of year | **-** | - **5,627** 4,082 |

**Consolidated Parent**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014**  **$'000** | **2013**  **$'000** | **2014 2013**  **$'000 $'000** |
| **Loans from subsidiaries**  Beginning of the year |  | **-** | - **5,812** 6,164 |
| Loans advanced |  | **-** | - **4,499** 472 |
| Loan repayments paid |  | **-** | - **(1,725)** (1,050) |
| Interest charged |  | **-** | - **277** 226 |
| End of year |  | **-** | - **8,863** 5,812 |

1. **Related Parties (continued)**

(f) Outstanding balances

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

**Consolidated Parent**

Current receivables (sale of goods and services)

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

Subsidiaries **-** - **4,014** 3,758 Current receivables (loans)

Subsidiaries **-** - **5,627** 4,082 Current payables (purchase of

goods)

Subsidiaries **-** - **7** 212

Current payables (loans)

Parent entity **-** - **8,863** 5,812

A provision for doubtful debts of $6.103M has been raised in relation to outstanding balances from related parties.

1. **Financial Risk Management**
   1. Introduction

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The Group's principal financial instruments are investments in units in managed investment funds and held to maturity investments.

The main purposes of the managed investment funds and held to maturity investments are to:

* + 1. earn an income stream and provide long term growth to support the University of Western Sydney Foundation Trust's objectives, and
    2. provide long term capital growth so that the Group can provide sufficient funds to meet longer term liabilities including deferred employee benefits.

The Group also has various other financial instruments such as cash, receivables, payables and finance leases.

**33 Financial Risk Management (continued)**

1. Introduction (continued)

**Treasury Risk Management**

The University of Western Sydney Act provides that the University can only invest funds with ‘fund managers’ approved by NSW Treasury. Approved fund managers use a wide range of diversified strategic asset allocations. The performance of the fund managers is closely monitored by the University of Western Sydney Finance and Investment Committee. The Finance and Investment Committee has a number of external members with a high level of experience and expertise in funds management. The Committee provides written principles for overall risk management, as well as policies covering specific areas, such as investment of excess liquidity. The Finance and Investment Committee also evaluates Treasury management strategies in the context of the most recent economic conditions and forecasts and the Group’s activities. The Finance and Investment Committee reports regularly to the Board of Trustees.

1. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

* 1. Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is primarily exposed to foreign exchange risk on purchases that are denominated in a currency other than the Australian dollar (AUD). The Group undertakes a minor level of hedging associated with regular purchases for the Library, and specific one off purchases. The Group also ensures that its exposure is kept to an acceptable level by buying foreign currencies at spot rates when necessary to address any short term imbalances. The Group has no overseas investment operations likely to affect its statement of financial position by movement in exchange rates.

* 1. Price risk

Price risk is risk that the value of a financial instrument will fluctuate as a result of changes in market prices. This arises from investments held by the University and classified on the Statement of Financial Position as available for sale and held-to-maturity. To manage price risk from investments in managed investment funds the University has contracted out the management of the portfolio to external fund managers. These fund managers are mandated to diversify investments of the portfolio under their management. The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are in accordance with limits / policies set by the Finance and Investment Committee.

* 1. Cash flow and fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates. The Group's exposure to interest rate risk is relatively small, however this is likely to increase as additional debt is utilised in future years.

**33 Financial Risk Management (continued)**

1. Market risk (continued)
   1. Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

**31 December 2014**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Carrying amount** | **Interest rate risk**  **-0.25% +0.25%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | | **Foreign exchange risk**  **-10% +10%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | | **Other price risk**  **-1% +1%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | |
| 124,138 | (310) | (310) | 310 | 310 | - | - | - | - | - | - | - | - |
| 371,002 | - | - | - | - | - | - | - | - | - | - | - | - |
| 50,863 | - | - | - | - | - | - | - | - | - | (509) | - | 509 |
| 5,631 | - | (14) | - | 14 | - | - | - | - | - | - | - | - |
| 38,306 | - | - | - | - | 187 | 187 | (187) | (187) | - | - | - | - |
| 76,000 | 190 | 190 | (190) | (190) | - | - | - | - | - | - | - | - |
| 40,274 | - | - | - | - | - | - | - | - | - | - | - | - |
|  | (120) | (134) | 120 | 134 | 187 | 187 | (187) | (187) | - | (509) | - | 509 |

**Financial assets**

Cash and cash equivalents Receivables

Financial assets - available for sale

Financial assets - Held to maturity

**Financial liabilities** Trade and other payables Borrowings

Other liabilities

Total increase/(decrease)

**31 December 2013**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Carrying amount** | **Interest rate risk**  **-0.25% +0.25%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | | **Foreign exchange risk**  **-10% +10%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | | **Other price risk**  **-1% +1%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | |
| 109,467 | (273) | (273) | 273 | 273 | - | - | - | - | - | - | - | - |
| 251,191 | - | - | - | - | - | - | - | - | - | - | - | - |
| 42,181 | - | - | - | - | - | - | - | - | - | (422) | - | 422 |
| 47,935 | - | - | - | - | 59 | 59 | (59) | (59) | - | - | - | - |
| 54,500 | 136 | 136 | (136) | (136) | - | - | - | - | - | - | - | - |
| 43,125 | - | - | - | - | - | - | - | - | - | - | - | - |
|  | (137) | (137) | 137 | 137 | 59 | 59 | (59) | (59) | - | (422) | - | 422 |

**Financial assets**

Cash and cash equivalents Receivables

Financial assets - available for sale

**Financial liabilities** Trade and other payables Borrowings

Other liabilities

Total increase/(decrease)

**33 Financial Risk Management (continued)**

1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from receivables from customers and investment securities.

*Receivables*

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables are mainly attributable to sales transactions with a single customer. Apart from the Government deferred debtor, the Group does not have any material risk exposure to any other single debtor or group of debtors.

*Investments*

The Group limits its exposure to credit risk through its Credit Risk Policy which establishes eligible counterparties with credit limits based upon counterparty credit ratings and accessible shareholder funds. An eligible counterparty must be rated from Standard and Poors or Moodys at a level equivalent to A (Standard and Poors long term) or A2 (Standard and Poors short term) or better, and has accessible shareholder funds of at least $100M. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. Funds managers are closely monitored to ensure adherence to the Credit Risk policy.

1. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meets its financial obligations as they fall due. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The Group reviews its immediate and short term cash requirements on a daily basis with a three year rolling cash flow forecast regularly provided to management.

University of Western Sydney

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

1. **Financial Risk Management (continued)**
2. Liquidity risk (continued)

The following tables summarise the maturity of the Group’s financial assets and financial liabilities:

**Average Interest**

**rate Variable interest rate Within 1 year 1 - 5 years 5+ years Non Interest Total**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014**  **%** | **2013**  **%** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| **Financial Assets:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents **3.35** | | 3.64 | **22,698** | 28,442 | **101,440** | 81,025 | **-** | - | **-** | - **-** | | - | **124,138** | 109,467 |
| Receivables (a) **-**  Other Financial Assets: | | - | **-** | - | **-** | - | **-** | - | **-** | - **49,990** | | 47,287 | **49,990** | 47,287 |
| Available for sale (Unlisted  securities) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - **5,196** | | 522 | **5,196** | 522 |
| Available for sale (Acadian) **12.01** | | 22.28 | **45,667** | 41,659 | **-** | - | **-** | - | **-** | - **-** | | - | **45,667** | 41,659 |
| Held to maturity **4.76** | | - | **39** | - | **1,014** | - | **2,562** | - | **2,016** | - **-** | | - | **5,631** | - |
| **Total Financial Assets** | |  | **68,404** | 70,101 | **102,454** | 81,025 | **2,562** | - | **2,016** | - **55,186** | | 47,809 | **230,622** | 198,935 |
| **Financial Liabilities:**  Payables **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - **(38,306)** | | (47,936) | **(38,306)** | (47,936) |
| Borrowings **3.82** | | 4.27 | **-** | - | **-** | (13,500) | **(76,000)** | (41,000) | **-** | - **-** | | - | **(76,000)** | (54,500) |
| Other financial liabilities **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - **(38,942)** | | (43,125) | **(38,942)** | (43,125) |
| **Total Financial Liabilities** | |  | **-** | - | **-** | (13,500) | **(76,000)** | (41,000) | **-** | - **(77,248)** | | (91,061) | **(153,248)** | (145,561) |

* 1. The University's deferrred government contribution for superannuation included in note 16 is not included in the above analysis as the timing of the cash flows cannot be determined.

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1. **Fair Value Measurement**
   1. Fair value measurements

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

Due to the short-term nature of the current receivables their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables, that are neither past due nor impaired, will be received when due.

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

**Carrying Amount Fair Value**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| **Financial assets**  Cash and cash equivalents | 124,138 | 109,467 | 124,138 | 109,467 |
| Receivables | 371,002 | 251,191 | 371,002 | 251,191 |
| Other financial assets  Available for sale (Unlisted securities) | 5,196 | 522 | 5,196 | 522 |
| Available for sale (Acadian) | 45,667 | 41,659 | 45,667 | 41,659 |
| Held-to-maturity investments | 5,631 | - | 5,631 | - |
| **Total financial assets** | **551,634** | 402,839 | **551,634** | 402,839 |
| **Financial Liabilities**  Payables | 38,306 | 47,936 | 38,306 | 47,936 |
| Borrowings | 76,000 | 54,500 | 76,000 | 54,500 |
| Other financial liabilities | 3,368 | 4,509 | 3,368 | 4,509 |
|  | **117,674** | 106,945 | **117,674** | 106,945 |

The Group measure and recognise the following assets and liabilities at fair value on a recurring basis:

* + - Available-for-sale financial assets
    - Land and buildings

The Group has also measured assets and liabilities as fair value for non-recurring basis as a result of the reclassification of assets as held for sale.

**34 Fair Value Measurement (continued)**

* 1. Fair value hierarchy

University of Western Sydney categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements.

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

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

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

1. Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

**Fair value measurements at 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014**  **$'000** | **Level 1**  **$'000** | **Level 2 Level 3**  **$'000 $'000** |
| **Recurring fair value** |  |  |  |
| **measurements** |  |  |  |
| **Financial assets** |  |  |  |
| Available for sale (Unlisted securities) | 5,196 | - | - 5,196 |
| Available for sale (Acadian) | 45,667 | 45,667 | - - |
| Held to maturity (Amortised cost) | 5,631 | 5,631 | - - |
| Total financial assets | **56,494** | **51,298** | **- 5,196** |
| **Non-financial assets** |  |  |  |
| Property, plant and equipment |  |  |  |
| Land | 349,671 | - | 349,671 - |
| Buildings | 825,344 | - | - 825,344 |
| Infrastructure | 81,337 | - | - 81,337 |
| Artwork | 3,041 | - | 3,041 - |
| Rare book collection | 1,242 | 1,242 | - - |
| Total non-financial assets | **1,260,635** | **1,242** | **352,712 906,681** |

**34 Fair Value Measurement (continued)**

|  |  |  |  |
| --- | --- | --- | --- |
| (b) | Fair value hierarchy (continued)  **Fair value measurements at 31 December 2013** |  | |
|  |  | **2013** | **Level 1 Level 2 Level 3** |
|  |  | **$'000** | **$'000 $'000 $'000** |
|  | **Recurring fair value** |  |  |
|  | **measurements** |  |  |
|  | **Financial assets** |  |  |
|  | Available for sale financial assets |  |  |
|  | Available for sale (Unlisted securities) | 522 | - - 522 |
|  | Available for sale (Acadian) | 41,659 | 41,659 - - |
|  | **Total financial assets** | **42,181** | **41,659** - **522** |
|  | **Non-financial assets** |  |  |
|  | Investment properties |  |  |
|  | Property, plant and equipment |  |  |
|  | Land | 365,671 | - 365,671 - |
|  | Buildings | 774,130 | - - 774,130 |
|  | Infrastructure | 69,210 | - - 69,210 |
|  | Artwork | 2,823 | - 2,823 - |
|  | Rare book collection | 695 | 695 - - |
|  | **Total non-financial assets** | **1,212,529** | **695 368,494 843,340** |
|  | **Non-recurring fair value** |  |  |
|  | **measurements** |  |  |
|  | Land held for sale | 11,200 | - 11,200 - |
|  | **Total non-recurring fair value** |  |  |
|  | **measurements** | **11,200** | - 11,200 - |

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

University of Western Sydney's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

1. Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (level 1). This is the most representative of fair value in the circumstances. The fair value of held-to-maturity investments were determined by reference to published price quotations in an active market.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments (level 3).

**34 Fair Value Measurement (continued)**

1. Fair value hierarchy (continued)

The fair value of non-current borrowings disclosed in note 24 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 31 December 2014, the borrowing rates averaged 3.82% during the year. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

1. Valuation techniques used to derive level 2 and level 3 fair values
   1. Recurring fair value measurements

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

* The use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, explained in

1. below.

Land and buildings (classified as property, plant and equipment) are calculated independently, at least every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources, including:

* Discounted replacement cost - the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and current condition.

All resulting fair value estimates for properties are included in level 3 except for vacant land. The level 2 fair value of vacant land has been derived using the sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

(ii) Non-recurring fair value measurement

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of the reclassification. The fair value of the land was also determined using the sales comparison approach as described in (i) above.

**34 Fair Value Measurement (continued)**

1. Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 2013.

**Unlisted equity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Level 3 Fair Value**  **Measurement 2014** | **securities**  **$'000** | | **Buildings Infrastructure**  **$'000 $'000** | | **Total**  **$'000** |
| Opening balance |  | 522 | 774,130 | 69,210 | 843,862 |
| Acquisitions |  | - | 72,461 | 14,418 | 86,879 |
| Disposals |  | - | (2,671) | - | (2,671) |
| Non-cash adjustments |  | - | (14,333) | - | (14,333) |
| Recognised in profit or loss\* |  | (28) | (20,121) | (2,285) | (22,434) |
| Recognised in other |  |  |  |  |  |
| comprehensive income | 4,702 | | 15,878 | (6) | 20,574 |
| Closing balance | **5,196** | | **825,344** | **81,337** | **911,877** |

**Level 3 Fair Value Measurement 2013**

**Unlisted equity securities**

**$'000**

**Buildings**

**$'000**

**Infrastructure**

**$'000**

**Total**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Opening balance | 473 | 842,792 | 62,163 | 905,428 |
| Acquisitions | - | 23,966 | 7,029 | 30,995 |
| Disposals | - | (96,640) | 12 | (96,628) |
| Non-cash adjustments | - | 328 | (322) | 6 |
| Recognised in profit or loss\* | - | (19,756) | (1,731) | (21,487) |
| Recognised in other comprehensive income | 49 | 23,440 | 2,059 | 25,548 |
| Closing balance | 522 | 774,130 | 69,210 | 843,862 |

\* This includes losses of $0.028m (2013: nil) attributable to the change in unrealised gains / (losses) recognised in profit or loss attributable to unlisted securities, and $22.406m (2013: $21.487m) attributable to depreciation recognised in profit or loss.

* 1. Transfers between levels 2 and 3 and changes in valuation techniques

No transfers have occurred between level 2 and level 3 investments. There have been no changes in valuation techniques used during the year.

1. **Fair Value Measurement (continued)**

(d) Fair value measurements using significant unobservable inputs (level 3) (continued)

* 1. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

**Description Fair value at 31**

**December 2014**

**$'000**

**Unobservable inputs\***

**Range of inputs (probability weighted average)**

**Relationship of unobservable inputs to fair value**

|  |  |  |  |
| --- | --- | --- | --- |
| Unlisted securities | equity | 5,196 | \* \* \* |
| Buildings |  | 825,344 | \* \* \* |
| Infrastructure |  | 69,210 | \* \* \* |

\*There were no significant inter-relationship between unobservable inputs that materially affects fair value

1. **Subsidiaries**

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

**Ownership interest**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of Entity** | **Principal place of**  **business** | **2014**  **%** |  | **2013**  **%** |  |
| Television Sydney Limited | Australia |  | 75 |  | 75 |
| University of Western Sydney Foundation Limited and Trust | Australia |  | 100 |  | 100 |
| UWS Enterprises Pty Limited (formerly UWS College Pty Limited) | Australia |  | 100 |  | 100 |
| UWS Early Learning Limited | Australia |  | 100 |  | 100 |
| uwsconnect Limited | Australia |  | 100 |  | 100 |
| Whitlam Institute (within University of Western Sydney) Limited and Trust | Australia |  | 100 |  | 100 |

The University of Western Sydney Foundation Trust has ceased and the University is working towards the de- registration of The University of Western Sydney Foundation Limited, which is expected to occur in the first quarter of 2015.

There are no significant restrictions on the groups ability to access or use the assets and settle the liabilities of the group.

1. **Joint Operations**

Joint operation with Urban Growth at Campbelltown

The project is for the development of a residential subdivision comprising some 850 lots over 122 hectares located on the south west portion of the Campbelltown property. Land sales commenced in 2014 and extend through a number of stages over the next coming years, subject to market demand. The development is located in a desirable south western portion of Campbelltown's Macarthur region, adjacent to the UWS campus, suburban shopping facilities, parks, and in close proximity to both a railway station and the Hume Highway. The infrastructure being built will also improve access to the UWS campus with a much needed second major entry road as part of the development.

The University and Urban Growth each have a 50% interest in the operation, and share equally in the costs of development, and proceeds from sale of the developed lots. Due to decision making being shared equally, and the equal sharing of costs and output, the University has determined this to be a jointly controlled operation.

**Ownership interest/ voting rights held**

**Name of joint operation Nature of relationship**

Jointly controlled operation with Urban Growth for the

**Principal place of business**

**2014**

**%**

**2013**

**%**

Campbelltown residential development

residential subdivision of

land. Australia 50 50

1. **Joint Operations (continued)**

The assets and liabilities employed in the above jointly controlled operations, including University of Western Sydney's share of any assets and liabilities held jointly, are detailed below. The amounts are included in the financial statements under their respective categories.

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of Financial Position**  Other debtors | **933** | - | **933** | - |
| Other receivables | **925** | - | **925** | - |
| Construction in Progress | **21,201** | - | **21,201** | - |
| Land | **-** | 16,000 | **-** | 16,000 |
| Deferred income | **(925)** | - | **(925)** | - |
| Trade and other payables | **(2,086)** | - | **(2,086)** | - |
| **Statement of Comprehensive Income** |  |  |  |  |
| Proceeds from sale of assets | **4,962** | - | **4,962** | - |
| Carrying amount of assets sold | **(2,514)** | - | **(2,514)** | - |
| Gain on disposal of assets | **2,448** | - | **2,448** | - |
| Other expenses | **(16)** | - | **(16)** | - |

1. **Reconciliation of Operating Results to Net Cash Flows From Operating Activities**

**Consolidated Parent**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Net result for the period  Net (gain)/loss on disposal of | **66,232** | 8,764 | **105,929** | 4,584 |
| property, plant and equipment | **(232)** | 40,780 | **(274)** | 40,776 |
| Superannuation adjustments | **(115,779)** | 53,263 | **(115,779)** | 53,263 |
| Depreciation and amortisation | **36,552** | 34,870 | **35,912** | 33,690 |
| Impairment of receivables | **687** | (589) | **1,284** | (470) |
| Cost of goods sold - livestock | **(84)** | 29 | **(84)** | 29 |
| Distribution from University of Western Sydney Foundation Trust | **-** | - | **(39,614)** | - |
| (Increase)/decrease in trade debtors | **(4,719)** | (20,388) | **(4,690)** | (19,085) |
| Increase/(decrease) in other operating liabilities | **(2,852)** | 16,073 | **(2,969)** | 15,841 |
| (Increase)/decrease in inventories | **1,712** | (77) | **-** | - |
| Increase/(decrease) in trade creditors | **(9,630)** | (2,381) | **(8,000)** | (1,575) |
| Increase/(decrease) in other provisions | **122,676** | (53,214) | **122,339** | (53,699) |

**Net cash provided by operating**

**activities 94,563** 77,130 **94,054** 73,354

1. **Acquittal of Australian Government Financial Assistance**
   1. Education - CGS and other Education grants - Parent Entity (University) only

**Commonwealth Grants Scheme#1**

**Indigenous Support Program**

**Partnership & Participation Program #2**

**Disability Support Program**

**Workplace Reform Program**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Note** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 270,674 | 256,893 | 1,761 | 1,709 | 17,011 | 14,282 | 918 | 762 |  | - - |
| Net accrual adjustments |  | 821 | - | - | - | - | - | - | - |  | - - |
| Revenue for the period | 2(a) | 271,495 | 256,893 | 1,761 | 1,709 | 17,011 | 14,282 | 918 | 762 |  | - - |
| Surplus/(deficit) from the previous year |  | - | - | - | - | 3,439 | 3,052 | 115 | 29 |  | - 16 |
| Total revenue including accrued revenue |  | 271,495 | 256,893 | 1,761 | 1,709 | 20,450 | 17,334 | 1,033 | 791 |  | - 16 |
| Less expenses including accrued expenses |  | (271,495) | (256,893) | (1,761) | (1,709) | (15,600) | (13,895) | (557) | (676) |  | - (16) |
| Surplus/(deficit) for the reporting period |  | - | - | - | - | 4,850 | 3,439 | 476 | 115 |  | - - |

**Diversity and Structural Adjustment Fund #3**

**Promo of Exc in**

**Learning and Teaching Reward Funding Other Total**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Note** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | - | - | 962 | 230 |  | - 1,204 |  | - - | 291,326 | 275,080 |
| Net accrual adjustments |  | - | - | - | - |  | - - |  | - - | 821 | - |
| Revenue for the period | 2(a) | - | - | 962 | 230 |  | - 1,204 |  | - - | 292,147 | 275,080 |
| Surplus/(deficit) from the previous year |  | 1,579 | 4,701 | 443 | 340 |  | - - |  | - 216 | 5,576 | 8,354 |
| Total revenue including accrued revenue |  | 1,579 | 4,701 | 1,405 | 570 |  | - 1,204 |  | - 216 | 297,723 | 283,434 |
| Less expenses including accrued expenses |  | (1,042) | (3,122) | (425) | (127) |  | - (1,204) |  | - (216) | (290,880) | (277,858) |
| Surplus/(deficit) for the reporting period |  | 537 | 1,579 | 980 | 443 |  | - - |  | - - | 6,843 | 5,576 |

#1 Basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustments Program

**38 Acquittal of Australian Government Financial Assistance (continued)**

* 1. Higher education loan programmes (excl OS-HELP) - Parent Entity (University) only

**HECS-HELP (Aust.**

**Government payments**

**only) FEE-HELP #4 SA-HELP Total**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Note** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Cash Payable/(Receivable) at the beginning of year | the |  | 1,888 | 765 | (414) | 352 | (374) | (2,728) | 1,100 | (1,611) |
| Financial assistance received in cash during reporting period | the |  | 192,997 | 184,627 | 9,234 | 8,802 | 7,500 | 9,230 | 209,731 | 202,659 |
| Cash available for the period |  |  | 194,885 | 185,392 | 8,820 | 9,154 | 7,126 | 6,502 | 210,831 | 201,048 |
| Revenue earned |  | 2(b) | 193,996 | 183,504 | 9,044 | 9,568 | 7,389 | 6,876 | 210,429 | 199,948 |
| Cash Payable/(Receivable) at the end of the year |  |  | 889 | 1,888 | (224) | (414) | (263) | (374) | 402 | 1,100 |

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP

**38 Acquittal of Australian Government Financial Assistance (continued)**

* 1. Scholarships - Parent Entity (University) only

**International Australian Postgraduate Postgraduate Research**

**Commonwealth Education Cost**

**Indigenous Access**

**Awards**

**Scholarships**

**Scholarships #5**

**Scholarship Total**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014 2013 2014**  **Note $'000 $'000 $'000** | | | | | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | | **2014**  **$'000** | **2013**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 3,102 | 3,080 | 268 | 266 | - | - | - | | - | 3,370 | 3,346 |
| Net accrual adjustments |  | - | - | - | - | (5) | (199) | - | | (27) | (5) | (226) |
| Revenue for the period | 2(c) | 3,102 | 3,080 | 268 | 266 | (5) | (199) | - | | (27) | 3,365 | 3,120 |
| Surplus/(deficit) from the previous year |  | (1,093) | 321 | - | - | 154 | 524 | 9 | | 36 | (930) | 881 |
| Total revenue including accrued revenue |  | 2,009 | 3,401 | 268 | 266 | 149 | 325 | 9 | | 9 | 2,435 | 4,001 |
| Less expenses including accrued expenses |  | (2,009) | (4,494) | (134) | (266) | (92) | (171) | (9) | | - | (2,244) | (4,931) |
| Surplus/(deficit) for the reporting period |  | - | (1,093) | 134 | - | 57 | 154 | - | | 9 | 191 | (930) |

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

**38 Acquittal of Australian Government Financial Assistance (continued)**

* 1. Education Research #6 - Parent Entity (University) only

**Joint Research Engagement#6**

**Research Training Scheme**

**Research Infrastructure Block Grants**

**Sustainable Research Excellence in**

**Universities Total**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Note** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 3,561 | 3,309 | 6,906 | 7,144 | 1,710 | 1,611 | 1,341 | 1,303 | 13,518 | 13,367 |
| Revenue for the period | 2(d) | 3,561 | 3,309 | 6,906 | 7,144 | 1,710 | 1,611 | 1,341 | 1,303 | 13,518 | 13,367 |
| Surplus/(deficit) from the previous year |  | 266 | 411 | - | - | (1) | 137 | - | - | 265 | 548 |
| Total revenue including accrued revenue |  | 3,827 | 3,720 | 6,906 | 7,144 | 1,709 | 1,748 | 1,341 | 1,303 | 13,783 | 13,915 |
| Less expenses including accrued expenses |  | (3,827) | (3,454) | (6,906) | (7,144) | (1,709) | (1,749) | (1,300) | (1,303) | (13,742) | (13,650) |
| Surplus/(deficit) for the reporting period |  | - | 266 | - | - | - | (1) | 41 | - | 41 | 265 |

#6 The reported surpluses for Sustainable Research Excellence in Universities of ($0.041 million) for 2014 are requested as a rollover.

**38 Acquittal of Australian Government Financial Assistance (continued)**

* 1. Other Capital Funding - Parent Entity (University) only

**Education Investment**

**Fund Total**

**Note**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 5,024 | 7,074 | 5,024 | 7,074 |
| Revenue for the period | 2(e) | 5,024 | 7,074 | 5,024 | 7,074 |
| Surplus/(deficit) from the previous year |  | 360 | 9,722 | 360 | 9,722 |
| Total revenue including accrued revenue |  | 5,384 | 16,796 | 5,384 | 16,796 |
| Less expenses including accrued expenses |  | (5,360) | (16,436) | (5,360) | (16,436) |
| Surplus/(deficit) for the reporting period |  | 24 | 360 | 24 | 360 |

**38 Acquittal of Australian Government Financial Assistance (continued)**

* 1. Australian Research Council Grants - Parent Entity (University) only

**Projects Fellowships**

**Indigenous Researchers**

**Development Total**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(i) Discovery** | **Note** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 4,091 | 4,548 | 2,878 | 1,853 | 146 | 357 | 7,115 | 6,758 |
| Net accrual adjustments |  | (342) | (77) | - | - | 9 | - | (333) | (77) |
| Revenue for the period | 2(f)(i) | 3,749 | 4,471 | 2,878 | 1,853 | 155 | 357 | 6,782 | 6,681 |
| Surplus/(deficit) from the previous year |  | 3,382 | 2,836 | 1,110 | 846 | 162 | 239 | 4,654 | 3,921 |
| Total revenue including accrued revenue |  | 7,131 | 7,307 | 3,988 | 2,699 | 317 | 596 | 11,436 | 10,602 |
| Less expenses including accrued expenses |  | (4,060) | (3,925) | (2,264) | (1,589) | (236) | (434) | (6,560) | (5,948) |
| Surplus/(deficit) for the reporting period |  | 3,071 | 3,382 | 1,724 | 1,110 | 81 | 162 | 4,876 | 4,654 |

**Infrastructure International Projects Total**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(ii) Linkages** | **Note** | **2014**  **$'000** | **2013**  **$'000** |  | **2014**  **$'000** |  | **2013**  **$'000** |  | **2014**  **$'000** | **2013**  **$'000** | **2014**  **$'000** | **2013**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 963 |  | - |  | - |  | - | 978 | 577 | 1,941 | 577 |
| Net accrual adjustments |  | - |  | - |  | - |  | - | 78 | 81 | 78 | 81 |
| Revenue for the period | 2(f)(ii) | 963 |  | - |  | - |  | - | 1,056 | 658 | 2,019 | 658 |
| Surplus/(deficit) from the previous year |  | - |  | 3 |  | 10 |  | 13 | 1,418 | 2,044 | 1,428 | 2,060 |
| Total revenue including accrued revenue |  | 963 |  | 3 |  | 10 |  | 13 | 2,474 | 2,702 | 3,447 | 2,718 |
| Less expenses including accrued expenses |  | (764) |  | (3) |  | (1) |  | (3) | (1,210) | (1,284) | (1,975) | (1,290) |
| Surplus/(deficit) for the reporting period |  | 199 |  | - |  | 9 |  | 10 | 1,264 | 1,418 | 1,472 | 1,428 |

1. **Acquittal of Australian Government Financial Assistance (continued)**

(f) Australian Research Council Grants (continued)

**(iii) Networks and Centres and Special Research**

**Centres**

**Total Networks and Centres**

**Special Research**

**Initiatives Total**

**Initiatives**

**Note**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

**2014**

**$'000**

**2013**

**$'000**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 1,056 | - 1,056 | - - | - | 1,056 | - |
| Net accrual adjustments |  | - | - - | - 77 | 163 | 77 | 163 |
| Revenue for the period | 2(f)(iii) | 1,056 | - 1,056 | - 77 | 163 | 1,133 | 163 |
| Surplus/(deficit) from the previous year |  | - | - - | - 78 | 84 | 78 | 84 |
| Total revenue including accrued revenue |  | 1,056 | - 1,056 | - 155 | 247 | 1,211 | 247 |
| Less expenses including accrued expenses |  | (208) | - (208) | - (135) | (169) | (343) | (169) |
| Surplus/(deficit) for the reporting period |  | 848 | - 848 | - 20 | 78 | 868 | 78 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **38** | **Acquittal of Australian Government Financial Assistance (continued)**  (g) OS-HELP - Parent Entity (University) only |  | | |
|  |  |  | **2014** | **2013** |
|  |  | **Note** | **$'000** | **$'000** |
|  | Cash received during the reporting period |  | 2,003 | 808 |
|  | Cash spent during the reporting period |  | (1,489) | (680) |
|  | Net cash received |  | 514 | 128 |
|  | Cash surplus/(deficit) from the previous period |  | 340 | 212 |
|  | Cash surplus/(deficit) for the reporting period | 23 | 854 | 340 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (h) | Student Services and Amenities Fee - Parent Entity (University) only |  | **2014** | **2013** |
|  |  | **Note** | **$'000** | **$'000** |
|  | SA-HELP revenue earned | 2(b) | 7,389 | 6,876 |
|  | Student services fees direct from students | 4 | 2,598 | 2,412 |
|  | Total revenue expendable in period |  | 9,987 | 9,288 |
|  | Student services expenses during period |  | (9,987) | (9,288) |

1. **Defined Benefits Plans**
   1. Fund specific disclosure

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes, namely State Authorities Superannuation Scheme (SASS), State Superannuation Scheme (SSS) and State Authorities Non Contributory Superannuation Scheme (SANCS), are State schemes and subject to reimbursement rights. These three schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership.

These unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by independent actuaries.

During 2014, University of Sydney on behalf of the NSW Universities, led a project to finalise the negotiation of an agreement between the Commonwealth and New South Wales Governments to provide certainty in respect to the funding of the defined benefits superannuation funds managed by the State Authorities Superannuation Trustees Corporation (STC). These discussions have now culminated in a memorandum of understanding being reached between the Commonwealth and the State Governments. This memorandum has now been executed with the effect that the Commonwealth and New South Wales Governments are taking on all of the risk of the liabilities of the three funds (SASS, SANCS and SSS) for the next seventy years.

The significant elements of the agreement are that:

* the agreement allows for funding of the SANCS accounts that were previously not eligible under the scheme
* in future, the Commonwealth will not contribute to costs associated with excess salary increases. However, the Commonwealth has agreed that it is not practical to separate out the cost of previous decisions at this time. This means that future fund liabilities deemed to be the result of excess salary increases will be recouped from each relevant University in the form of 'top-up' payments.

The amount owing in respect of the three funds as at 31 December 2014 was $319.683M (2013: $203.804M) and this is reflected in Note 16 as Non-current receivables. Accordingly the unfunded liabilities have been recognised in the statement of financial position under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and liability consequently does not affect the year end net position of the University and its controlled entities for those funds, except as otherwise disclosed.

The University expects to make a contribution of $2.01 million (2013: $2.19 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 12.3 years (2013: 11.6 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **Less than 1 year** | **Between 1**  **and 2 years** | **Between 2**  **and 5 years** | **Over 5 years** | **Total** |
| **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Defined benefit obligations  - 31 December 2014 |  | 24,255 | 24,326 | 75,203 | 504,054 | 627,838 |
| Defined benefit obligations December 2013 | - 31 | 23,402 | 23,749 | 73,060 | 529,556 | 649,767 |

**39 Defined Benefits Plans (continued)**

* 1. Categories of plan assets

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

**2014 (%) 2013 (%)**

**No Active No Active**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Equity instruments | **Active Market**  66 | **Market** | - | **Active Market**  77 | **Market** | - |
| Property | 8 |  | 4 | 4 |  | 4 |
| Alternatives | 15 |  | 7 | 8 |  | 7 |
| **Total** | **89** |  | **11** | 89 |  | 11 |

The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

|  |  |  |  |
| --- | --- | --- | --- |
|  | Discount rate(s) | **2014**  **%**  **2.83** | **2013**  **%**  4.27 |
| Expected return on plan assets | **8.30** | 8.30 |
| Expected return on reimbursement rights | **4.89** | 4.54 |
| Expected rate(s) of salary increase | **2.25** | 2.25 |
| Expected rate of CPI increase | **2.50** | 2.50 |
| (c) | Actuarial assumptions and sensitivity |  |  |

The sensitivity of the defined benefit obligation to change in the significant assumptions is:

**Change in**

|  |  |  |
| --- | --- | --- |
|  | **assumption** | **Impact on defined obligation** |
| **%** | **Increase in assumption Decrease in assumption** |
| Discount rate | 1.00 | Decrease by 11.0% Increase by 13.0% |
| Salary growth rate | 0.50 | Increase by 0.3% Decrease by 0.3% |

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The methods and types of assumpions used in the preparation of the sensitivity analysis did not change compared to the prior period.

**39 Defined Benefits Plans (continued)**

(d) Statement of financial position amounts

**Amounts recognised in the**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **statement of financial position -**  **2014** | **Note** | **$'000**  **SASS** | **$'000**  **SANCS** | **$'000**  **SSS** | **$'000**  **Total** |
| **Liabilities** |  |  |  |  |  |
| Provision for deferred government | 25 |  |  |  |  |
| benefits for superannuation |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Total liabilities recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Assets** |  |  |  |  |  |
| Receivables for deferred government | 16 |  |  |  |  |
| contribution for superannuation |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Total assets recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Net liability recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | **-** | **-** | **-** | **-** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net liability reconciliation - 2014**  Defined benefit obligation |  | 45,840 | 7,829 | 417,591 | 471,260 |
| Fair value of plan assets |  | (35,679) | (4,323) | (111,577) | (151,579) |
| **Net liability** |  | **10,161** | **3,506** | **306,014** | **319,681** |
| Reimbursement right | 16 | (10,161) | (3,506) | (306,014) | (319,681) |
| **Total net liability/(asset)** |  | **-** | **-** | **-** | **-** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reimbursement rights - 2014**  Opening value of reimbursement right | 6,646 | - | 197,258 | 203,904 |
| 2013 contribution tax adjustment | 1,023 | - | 34,166 | 35,189 |
| Return on reimbursement rights | 617 | 2,751 | 9,904 | 13,272 |
| Remeasurements | 1,875 | 755 | 64,686 | 67,316 |
| **Closing value of reimbursement** 16  **right** | **10,161** | **3,506** | **306,014** | **319,681** |

**39 Defined Benefits Plans (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (d) Statement of financial position amounts (continued) | **$'000** | **$'000** | **$'000** | **$'000** |
| **Present value obligations - 2014** | **SASS** | **SANCS** | **SSS** | **Total** |
| Opening defined benefit obligation | 43,175 | 7,250 | 315,572 | 365,997 |
| 2013 contribution tax adjustment | 1,023 | 357 | 34,166 | 35,546 |
| Current service cost | 1,617 | 343 | 350 | 2,310 |
| Interest expense | 1,767 | 304 | 14,591 | 16,662 |
|  | **47,582** | **8,254** | **364,679** | **420,515** |
| **Remeasurements** |  |  |  |  |
| Actuarial losses/(gains) arising from changes in financial assumptions | 2,547 | 697 | 68,985 | 72,229 |
| Experience (gains)/losses | 1,299 | 215 | (139) | 1,375 |
|  | **3,846** | **912** | **68,846** | **73,604** |
| **Contributions** |  |  |  |  |
| Plan participants | 651 | - | 444 | 1,095 |
| **Payments from plan** |  |  |  |  |
| Benefits paid | (6,008) | (1,105) | (17,261) | (24,374) |
| Taxes, premiums and expenses paid | (231) | (232) | 883 | 420 |
|  | **(6,239)** | **(1,337)** | **(16,378)** | **(23,954)** |
| **Closing defined benefit obligation** | **45,840** | **7,829** | **417,591** | **471,260** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Present value of plan assets - 2014**  Opening fair value of plan assets | 36,529 | 4,979 | 118,314 | 159,822 |
| Interest expense / (income) | 1,467 | 199 | 4,716 | 6,382 |
|  | **37,996** | **5,178** | **123,030** | **166,204** |
| **Remeasurements** |  |  |  |  |
| Return on plan assets, excluding |  |  |  |  |
| amounts included in net interest expense | 1,971 | 157 | 4,160 | 6,288 |
| **Contributions** |  |  |  |  |
| Employers | 1,299 | 325 | 321 | 1,945 |
| Plan participants | 651 | - | 444 | 1,095 |
|  | **1,950** | **325** | **765** | **3,040** |
| **Payments from plan** |  |  |  |  |
| Benefits paid | (6,007) | (1,105) | (17,261) | (24,373) |
| Settlements | (231) | (232) | 883 | 420 |
|  | **(6,238)** | **(1,337)** | **(16,378)** | **(23,953)** |
| **Closing fair value of plans assets** | **35,679** | **4,323** | **111,577** | **151,579** |

**39 Defined Benefits Plans (continued)**

(d) Statement of financial position amounts (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Note** | **$'000**  **SASS** | **$'000**  **SANCS** | **$'000**  **SSS** | **$'000**  **Total** |
| **Amounts recognised in the** |  |  |  |  |  |
| **statement of financial position -** |  |  |  |  |  |
| **2013** |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |
| Provision for deferred government | 25 |  |  |  |  |
| benefits for superannuation |  | 6,646 | 7,250 | 197,258 | 211,154 |
| **Total liabilities recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 6,646 | 7,250 | 197,258 | 211,154 |
| **Assets** |  |  |  |  |  |
| Receivables for deferred government | 16 |  |  |  |  |
| contribution for superannuation |  | 6,646 | - | 197,258 | 203,904 |
| **Total assets recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 6,646 | - | 197,258 | 203,904 |
| **Net liability recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | - | 7,250 | - | 7,250 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net liability reconciliation - 2013**  Defined benefit obligation |  | 43,175 | 7,250 | 315,572 | 365,997 |
| Fair value of plan assets |  | (36,529) | (4,979) | (118,314) | (159,822) |
| **Net liability** | 25 | 6,646 | 2,271 | 197,258 | 206,175 |
| Reimbursement right | 16 | (6,646) | - | (197,258) | (203,904) |
| **Total net liability/(asset)** |  | - | 2,271 | - | 2,271 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reimbursement rights - 2013**  Opening value of reimbursement right | 10,040 | - 246,089 | 256,129 |
| Return on reimbursement rights | 421 | - 8,435 | 8,856 |
| Remeasurements | (3,815) | - (57,266) | (61,081) |

**Closing value of reimbursement** 16

**right**

6,646 - 197,258 203,904

1. **Defined Benefits Plans (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (d) Statement of financial position amounts (continued) | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **SASS** | **SANCS** | **SSS** | **Total** |
| **Present value obligations - 2013** |  |  |  |  |
| Opening defined benefit obligation | 42,641 | 7,859 | 357,134 | 407,634 |
| Current service cost | 1,436 | 323 | 747 | 2,506 |
| Interest expense | 1,322 | 245 | 11,529 | 13,096 |
|  | 45,399 | 8,427 | 369,410 | 423,236 |
| **Remeasurements** |  |  |  |  |
| Actuarial losses/(gains) arising from changes in financial assumptions | (1,429) | (349) | (39,296) | (41,074) |
| Experience (gains)/losses | 2,753 | (15) | (1,555) | 1,183 |
|  | 1,324 | (364) | (40,851) | (39,891) |
| **Contributions** |  |  |  |  |
| Plan participants | 634 | - | 602 | 1,236 |
| **Payments from plan** |  |  |  |  |
| Benefits paid | (4,171) | (948) | (15,686) | (20,805) |
| Taxes, premiums and expenses paid | (11) | 135 | 2,097 | 2,221 |
|  | (4,182) | (813) | (13,589) | (18,584) |
| **Closing defined benefit obligation** | 43,175 | 7,250 | 315,572 | 365,997 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Present value of plan assets - 2013**  Opening fair value of plan assets | 32,601 | 4,576 | 111,045 | 148,222 |
| Interest expense / (income) | 991 | 173 | 3,408 | 4,572 |
|  | 33,592 | 4,749 | 114,453 | 152,794 |
| **Remeasurements** |  |  |  |  |
| Return on plan assets, excluding |  |  |  |  |
| amounts included in net interest expense | 5,138 | 675 | 16,415 | 22,228 |
|  | 5,138 | 675 | 16,415 | 22,228 |
| **Contributions** |  |  |  |  |
| Employers | 1,347 | 368 | 433 | 2,148 |
| Plan participants | 634 | - | 602 | 1,236 |
|  | 1,981 | 368 | 1,035 | 3,384 |
| **Payments from plan** |  |  |  |  |
| Benefits paid | (4,171) | (948) | (15,686) | (20,805) |
| Settlements | (11) | 135 | 2,097 | 2,221 |
|  | (4,182) | (813) | (13,589) | (18,584) |
| **Closing fair value of plans assets** | 36,529 | 4,979 | 118,314 | 159,822 |

1. **Events Occurring After the Reporting Date**

There are no events identified after the Statement of Financial Position date that would have a material impact on the financial statements.

**End of Audited Financial Statements.**



**INDEPENDENT AUDITOR’S REPORT**

**University of Western Sydney**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of Western Sydney (the University), which comprise the statements of financial position as at 31 December 2014, the income statements, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the responsible person’s declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year’s end or from time to time during the financial year.

**Opinion**

In my opinion, the financial statements:

* + give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
  + are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010
  + comply with the ‘Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period’ (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003,* the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
  + have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

**University Board of Trustees’ Responsibility for the Financial Statements**

The Board of Trustees of the University is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, the Guidelines and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board of Trustees determines is necessary to enable preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Trustees as well as evaluating the overall presentation of the financial statements.

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

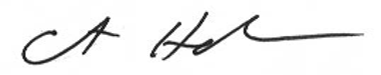
My opinion does *not* provide assurance:

* about the future viability of the University or the consolidated entity
* that they have carried out their activities effectively, efficiently and economically
* about the effectiveness of internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
* about any other information which may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements*.* The PF&A Act further promotes independence by:

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



Grant Hehir Auditor-General

9 April 2015 SYDNEY

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# Television Sydney (TVS) Limited

**ABN 27104674124**

**Financial Statements**

**For the Year Ended 31 December 2014**

These financial statements are the individual entity statements of Television Sydney (TVS) Limited. The financial statements are presented in Australian Currency.

The Company is a company limited by guarantee, incorporated and domiciled in Australia. It's registered office is:

Television Sydney Limited

UWS Company Secretary, Entities, Finance Office Building M16 College Drive

Richmond NSW 2753

The principal place of business is: Building BD

Werrington South Campus Penrith NSW 2750

A description of the nature of Television Sydney (TVS) Limited's operations and its principal activites is included in the directors report which forms part of these financial statements.

The financial statements were authorised for issue by the directors on 16 March 2015. The directors have the power to amend and reissue the financial statements.

**Directors' Report**

**For the Year Ended 31 December 2014**

Your directors present their report on Television Sydney (TVS) Limited (hereafter referred to as "the Company") for the financial year ended 31 December 2014.

**Directors**

The names of each person who has been a director or an alternate director during the year and to the date of this report are:

Harold C Mitchell AC Geoffrey M Roberson

Peter Hutchings Appointed 10 February 2014

Rhonda Hawkins Resigned 7 March 2014 Alexander F Marinos OAM

Wayne F McKenna Resigned 10 February 2014 Sharon Bell

Christina L Alvarez Angelo N Kourtis Marcus Gillezeau Lynette Burns

Peter A Malecki Resigned 7 March 2014

Directors and alternate directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company secretary**

Mr Ian Londish held the position of Company Secretary for the whole of the financial year and to the date of this report.

**Principal activities**

The principal activity of Television Sydney (TVS) Limited during the financial year was to operate a Community Television Station in accordance with the licence granted to the Company under the Broadcasting Services Act 1992 (Cth). The operation of the Community Television station is essential for the Company to meet its objectives.

**Short and long term objectives**

Television Sydney (TVS) Limited is the only free-to-air not-for-profit community television licence holder in Sydney. The Company began operating in Sydney in 2006 and broadcasts on Digital Channel 44. The Company is established as a majority owned entity of the University of Western Sydney (UWS) in accordance with section 81(1) of the Broadcasting Services Act 1992, which prescribes that a holder of a community television licence must be a Company limited by guarantee.

The University’s vision is that a community television station in Western Sydney is a powerful resource to raise, address and promote issues of local significance in partnership with the regional community.

As a controlled entity of UWS the Company’s mission is:

* To be the strategic resource for UWS academic courses in communication, design, music and convergent media;
* To promote and enhance UWS’s community engagement agenda; and
* To raise awareness of UWS and higher education.

**Strategy**

In this context UWS has two key expectations:

* The Company will provide a venue for the broadcast of material produced by UWS students as part of undergraduate and postgraduate coursework. This will require guaranteed UWS student access to broadcast air time.
* Broadcast air time will be available to promote the activities of UWS in general and specifically in the coverage of UWS community engagement activities in a range of areas consistent with the University's overarching Engagement Plan including the production of programs by community groups and partners. This will require a strong connection between the Company and the community within which the Company plays an active role in identifying and developing community programming options and outcomes. The estimated benefit to UWS in 2014 of this broadcast air time, and other programming and production services was $1,162,745 (2013: $963,194).

### Directors' Report

**For the Year Ended 31 December 2014**

**Dividends**

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing of this report ( 2013: $Nil).

**Significant changes in the state of affairs**

No significant changes in the nature of the Company's activities occurred during the financial year.

**Review of operations**

The surplus/(deficit) for the year ended 31 December 2014 is $5,486,742 (2013: $(1,094,803)).

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

On 25 February 2015 the Board of Trustees of the University of Western Sydney, as a response to the announcement of the Federal Minister for Communications on 10 September 2014, noted that Television Sydney's broadcast licence will end on 31 December 2015. At this time it is anticipated that Television Sydney's television broadcast operations may cease.

The Parent's Board of Trustee' resolved that the University write off the TVS debt subsequent to the reporting date. This decision by the parent may not result in outflows of resources from TVS. Consequently, the amount owing by the company to the University of Western Sydney as at 31 December 2014 is de-recognised.

**Likely developments and expected results of operations**

Likely developments in the entity's operations in future financial years are not expected to significantly affect the expected results of the Company.

**Performance measures**

The Company measures its performance by the use of financial, quantitative and qualitative methods. The Company uses the following key performance indicators to measure its performance:

* Financial statements
* Advertising and sponsorship revenues
* Audience estimates
* ACMA feedback and decisions on compliance measures.

**Members**

During the year the Company had two members; University of Western Sydney (UWS) as the Community Member and Metro Screen as the Education Member. Throughout the entirety of the financial year ending 31 December 2014, the Company remained a controlled entity of UWS.

**Members guarantee**

The liability of members of the Company is limited. If the Company is wound up during the time of a member's membership or within one year afterwards, each Community and Educational member of the Company is liable to contribute an amount not greater than $10.00.

As the Company has only two members, the total amount that members of the Company are liable to contribute if the Company is wound up is $20.00.

**Environmental regulation**

The Company is not subject to any significant environmental regulations.

**Information on directors**

Harold C Mitchell AC

Experience Appointed as Director 27 September 2006. Harold Mitchell is the founder of Mitchell & Partners and Executive Chairman of Aegis Media, Australia and New Zealand. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today, with a growing presence in New Zealand and across the Asia-Pacific region. Harold holds a large number of community roles including Chairman of CARE Australia; Chairman of the Melbourne Symphony Orchestra; Chairman and Majority Owner of the Melbourne Rebels Rugby Union team; Chairman of TVS; Chairman of Art Exhibitions Australia; Vice President of Tennis Australia; Chairman of The Florey Institute of Neuroscience and Mental Health; Board Member New York Philharmonic and Non-Executive Director, Crown Limited. Harold was awarded the Victorian Australian of the Year for 2013.

Special responsibilities Non executive chairman

### Directors' Report

**For the Year Ended 31 December 2014**

**Information on directors continued**

Geoffrey M Roberson

Qualifications HonDLit (UWS)

Experience Appointed as Director 3 June 2004. Geoffrey Roberson is Chairman and Managing Director of Champion Legal and leads the firm’s Commercial, Litigation and Dispute Resolution practice. He has over 40 years’ experience as a commercial lawyer and litigator. He is a solicitor of the Supreme Court of NSW and an Accredited Specialist in Commercial Litigation. He provides strategic advice to boards and management teams on all aspects of the Corporations Act, including: constitutions, board and committee roles and processes, director duties, employee incentive schemes, conflicts and disclosure. Geoffrey is a former Deputy Chancellor of the University of Western Sydney and is still very actively involved in a number of University activities. He was the founding Chairman of the University’s entity, uwsconnect Ltd. He also was founding Chairman of Television Sydney. He remains a Director of Television Sydney and chairs the board of the Whitlam Institute. He was recently appointed an Emeritus Member of The College of Law.

Special responsibilities Non executive

Alexander F Marinos OAM

Qualifications BA (Hons Drama) (UNSW)

Experience Appointed as Director 6 February 2008. Lex Marinos has worked in all areas of the entertainment industry as an actor, director, writer, teacher and broadcaster. In 1994 he was awarded an OAM for services to the performing arts. Lex has held many advisory and governance positions within the arts and cultural organisations. He was also a former Deputy Chair of the Australia Council and the Community Cultural Development Fund of the Australia Council.

Special responsibilities Non executive

Sharon Bell

Qualifications BA Hons, PhD (Syd)

Experience Appointed as Director 15 December 2009. Professor Sharon Bell is Deputy Vice Chancellor at the Charles Darwin University. Sharon brings to the TVS Board a background as a senior academic administrator, a documentary filmmaker and an anthropologist. Before taking on senior university leadership roles Sharon was a member of Film Australia's Ethnographic Film Unit and Head of Fulltime Program then Head of Studies at the Australian Film, Television and Radio School (AFTRS).

Professor Bell has a PhD in Anthropology from the University of Sydney, documentary film production experience and extensive knowledge of film and television education and training.

Special responsibilities Non executive

Angelo N Kourtis

Qualifications BA (UWS)

Experience Appointed as Director 21 May 2010. Angelo Kourtis has been a member of the UWS community since 1986, as a student, graduate and commencing as a UWS staff member 1992. Angelo has held senior positions at the University since 2004 and was appointed Pro Vice-Chancellor (Students and International) in October 2011. Angelo is a member of the University Executive, the Senate Education Committee, and is also on the Board of Directors for the UWSCollege. Over the past 20 years, Angelo has played a leading role at UWS and in the University sector.

Special responsibilities Non executive and Chair, TVS Strategy Comittee

### Directors' Report

**For the Year Ended 31 December 2014**

**Information on directors continued**

Marcus Gillezeau

Qualifications MMAP (UTS)

Experience Appointed as Director 21 June 2011. Marcus Gillezeau is an International Emmy® Award winning producer who specialises in all-media drama and documentary production. He is a principal in Firelight Productions. Marcus began his film career 20 years ago as a drama editor but was soon drawn to producing. The past five years have seen a focus on writing and directing all-media drama and documentaries. Most recently he completed Scorched, an all-media drama for Nine Network and nine MSN for which he received an International Digital Emmy® Award. The project was also nominated for an AMIA award and AFI Award and won the Content and Technology award for Rich Media.

Special responsibilities Non executive

Christina L Alvarez

Qualifications BA Comms (Macquarie Uni), MA Comms (Ohio Uni. USA)

Experience Appointed as Alternate Director 21 June 2011. Christina Alvarez is Chief Executive Officer of Metro Screen Ltd and is a specialist in not-for-profit screen media arts management.

Special responsibilities Non executive - alternate for Marcus Gillezeau.

Lynette Burns

Qualifications BA (Journalism) (RMIT), PhD (Newcastle)

Experience Appointed as Alternate Director 19 March 2010. Lynette Sheridan Burns is Professor of Journalism and Deputy Dean, Humanities and Communication Arts, at the University of Western Sydney.

Special responsibilities Non executive - alternate for Wayne McKenna.

Peter Hutchings

Qualifications BA (Hons) PhD (Syd) GAICD

Experience Appointed as Director 10 February 2014. Professor Peter Hutchings is the Dean of the School of Humanities and Communication Arts. His research interests are in cinema, critical legal studies, literature, and philosophy. His publications have appeared in local and international refereed journals as well as in the mainstream print media, and he is the author of The Criminal Spectre in Law, Literature and Aesthetics: Incriminating Subjects (London & New York: Routledge, 2001)

**Company Secretary**

Ian Londish .

Qualifications BALLB (Hons) GIA Cert

Experience Appointed as Company Secretary from 2 August 2013. Ian has over 30 years experience as a Solicitor, Company Director and Secretary, including as a director and secretary of private, unlisted and listed public companies. He has experience in the property, mining, education, not for profit and insurance sectors.

**Television Sydney (TVS) Limited**

**ABN 27104674124**

**Directors' Report**

**For the Year Ended 31 December 2014**

**Meetings of directors**

During the financial year, five meetings of directors (including commlttees of directors) were held.Attendances by each director during the year were as follows:

**Directors' Meetings**

|  |  |  |
| --- | --- | --- |
|  | Number eligible to attend | Number  attended |
| H,uold C Mitchell AC | 4 | 4 |
| Geoffrey M Roberson | 4 | 2 |
| Alexander F Marinos OAM | 4 | 3 |
| Sharon Bell | 4 | 4 |
| Angelo N Kourtis | 3 | 3 |
| Marcus Gillezeau | 4 | 3 |
| Peter Hutchings | 4 | 3 |
| Christina L Alvarez (Alternate Director) |  |  |
| Lynette Burns (Alternate Director) |  |  |
| Peter A Malecki(Alternate Director) |  |  |

In addition to the above meetings and pursuant to clause 17.1, of the Television Sydney (TVS) Limited Constitution, the directors passed one resolution via circular resolution during the year ending 31 December 2014.

Proceedings on behalf of company

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

The Company was not a party to any such proceedings during the year. A uditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001,* for the year

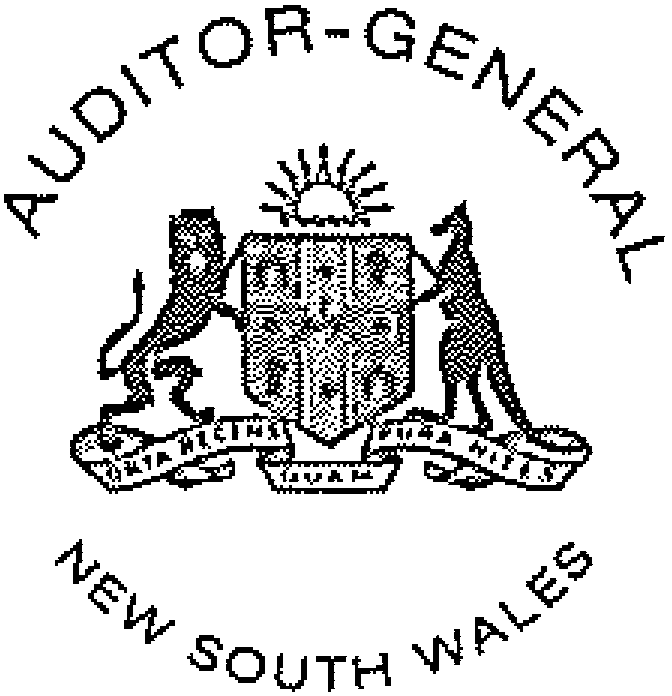
ended 31 December 2014 has been received and can be found on page 6 of the financial report. This report ls made in accordance with a resolution of the Board of Directors:



Director:................................................................

Angelo N Kourtis

Dated 16 March 2015



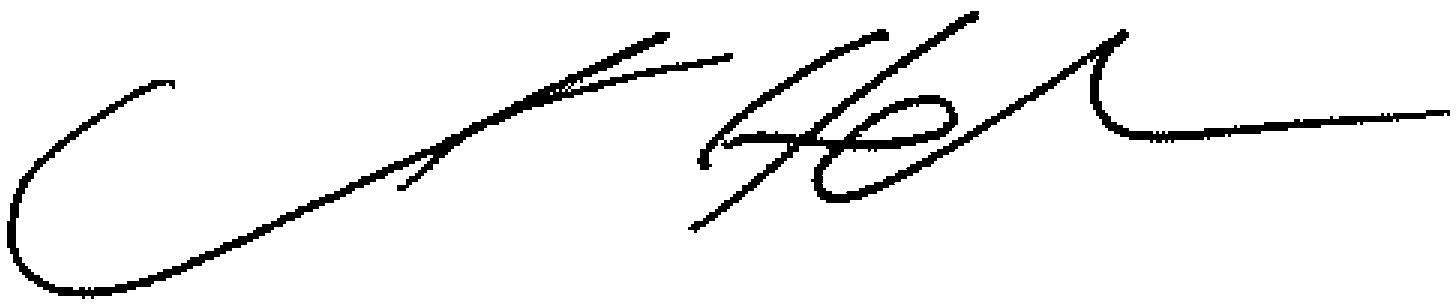
To the Directors

Television Sydney (TVS) Limited

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of Television Sydney (TVS) Limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Grant Hehir Auditor-General

1O March 2015 SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12. Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au) I audit.nsw.gov.au

|  |  |  |
| --- | --- | --- |
| **Statement of Comprehensive Income For the Year Ended 31 December 2014** |  | |
|  |  | **2014 2013** |
|  | **Notes** | **$ $** |
| **Revenue** |  |  |
| Rendering of services | 2 | **428,666** 430,859 |
| Other revenue | 2 | **252,270** 252,705 |
| **Total revenue** |  | **680,936** 683,564 |
| HEPP income | 2 | **18,990** 123,251 |
| Other income | 2 | **22,614** - |
| Liabilities forgiven by ultimate parent |  | **6,100,895** - |
| **Total income** |  | **6,823,435** 806,815 |
| **Expenses** |  |  |
| Employee benefits expense | 3 | **(650,337)** (598,409) |
| Depreciation and amortisation expense | 3 | **(62,834)** (76,852) |
| Transmission expenses | 3 | **(213,312)** (7,774) |
| Advertising, marketing and promotions expense |  | **(85,113)** (81,715) |
| HEPP project expenses | 4 | **(89,729)** (870,612) |
| Operations expenses |  | **(78,240)** (83,069) |
| Production expenses |  | **(37,626)** (36,365) |
| Finance costs | 17(b) | **(51,081)** (57,280) |
| Other expenses |  | **(68,421)** (89,542) |
| **Total expenses** |  | **(1,336,693)** (1,901,618) |
| **Surplus / (deficit) for the year** |  | **5,486,742** (1,094,803) |
| Other comprehensive income for the year |  | **-** - |
| **Total comprehensive income for the year** |  | **5,486,742** (1,094,803) |

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of Financial Position As at 31 December 2014** |  | |
|  |  | **2014 2013** |
|  | **Notes** | **$ $** |
| **ASSETS** |  |  |
| **Current assets** |  |  |
| Cash and cash equivalents | 5 | **163,500** 84,578 |
| Trade and other receivables | 6 | **117,785** 99,951 |
| **Total current assets** |  | **281,285** 184,529 |
| **Non-current assets** |  |  |
| Property, plant and equipment | 7 | **135,507** 139,807 |
| Intangible assets | 8 | **38,569** 78,569 |
| **Total non-current assets** |  | **174,076** 218,376 |
| **TOTAL ASSETS** |  | **455,361** 402,905 |
| **LIABILITIES** |  |  |
| **Current liabilities** |  |  |
| Trade and other payables | 9 | **148,646** 219,509 |
| Provisions | 11 | **59,981** 52,205 |
| Deferred income |  | **6,545** 6,545 |
| **Total current liabilities** |  | **215,172** 278,259 |
| **Non-current liabilities** |  |  |
| Ultimate parent payables | 9 | **-** 3,722,645 |
| Borrowings from ultimate parent | 10 | **-** 1,654,919 |
| Provisions | 11 | **45,450** 39,085 |
| **Total non-current liabilities** |  | **45,450** 5,416,649 |
| **TOTAL LIABILITIES** |  | **260,622** 5,694,908 |
| **Net assets** |  | **194,739** (5,292,003) |
| **EQUITY**  Retained earnings | 12 | **194,739** (5,292,003) |
| **TOTAL EQUITY** |  | **194,739** (5,292,003) |

The accompanying notes form part of these financial statements.

### Statement of Changes in Equity

**For the Year Ended 31 December 2014**

|  |  |  |
| --- | --- | --- |
|  | **Retained Earnings** | **Total equity** |
| **$** | **$** |
| **Balance at 1 January 2014** | **(5,292,003)** | **(5,292,003)** |
| Comprehensive income for the year |  |  |
| Surplus / (deficit) for the year | **5,486,742** | **5,486,742** |
| Total other comprehensive income | **-** | **-** |
| **Total comprehensive income for the year** | **5,486,742** | **5,486,742** |
| **Balance at 31 December 2014** | **194,739** | **194,739** |
|  | **Retained Earnings** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2013** | (4,197,200) | (4,197,200) |
| Comprehensive income for the year |  |  |
| Deficit for the year | (1,094,803) | (1,094,803) |
| Total other comprehensive income | - | - |
| **Total comprehensive income for the year** | (1,094,803) | (1,094,803) |
| **Balance at 31 December 2013** | (5,292,003) | (5,292,003) |

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of Cash Flows**  **For the Year Ended 31 December 2014** |  | |
|  |  | **2014 2013** |
|  | **Note** | **$ $** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |
| Receipts from customers |  | **787,963** 898,796 |
| Payments to suppliers and employees |  | **(1,093,089)** (1,825,302) |
| Interest received |  | **2,582** 12,783 |
| **Net cash flows from operating activities** | 18 | **(302,544)** (913,723) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |
| Purchase of property, plant and equipment |  | **(18,534)** (4,517) |
| **Net cash flows from investing activities** |  | **(18,534)** (4,517) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |
| Proceeds from borrowings |  | **400,000** - |
| **Net cash flows from financing activities** |  | **400,000** - |
| **Net increase (decrease) in cash and cash equivalents held** |  | **78,922** (918,240) |
| Cash and cash equivalents at beginning of the financial year |  | **84,578** 1,002,818 |
| **Cash and cash equivalents at end of the financial year** | 5 | **163,500** 84,578 |

The accompanying notes form part of these financial statements.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2010*, *ACNC Act 2012 and Regulation 2013*, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Company comply with Australian Accounting Standards some of which contain requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

* 1. *Rendering of services*

A sale is recorded when services have been provided to the customer, the customer has accepted the services and collectability of the related receivables is probable.

* 1. *Investment income*

Interest income is recognised using the effective interest method.

* 1. *HEPP project funding*

HEPP project funding is recognised in income when received.

1. **Finance costs**

Finance costs are expensed in the statement of comprehensive income in the period in which they are incurred.

1. **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and on hand.

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**1 Summary of Significant Accounting Policies continued**

1. **Trade receivables continued**

The amount of the impairment loss is recognised in statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

1. **Property, Plant and Equipment**

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

**Plant and equipment**

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

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

**Class of Fixed Asset Useful Life**

Plant and Equipment 20 years

Furniture, Fixtures and Fittings 3 years

Computer Equipment 3 years

Transmission Equipment 3 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 and losses are included in the statement of comprehensive income.

1. **Intangible Assets**
   1. *Transmission setup fee*

Transmission set up fee has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight method to allocate the cost over its estimated useful life of 10 years.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**1 Summary of Significant Accounting Policies continued**

1. **Financial assets**

*Classification*

The Company classifies its investments as loans and receivables.

*(i) Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non current assets. Loans and receivables are included in trade and other receivables (note 6), and borrowing from ultimate parent (note 10) in the statement of financial position. The assets residual values are reviewed and adjusted if appropriate at each reporting date.

*Measurement*

Details on how the fair value of financial instruments is determined is disclosed in note 13.

*Impairment*

*(i) Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If the loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Impairment testing of trade receivables is described in note 1(e).

1. **Employee benefits**

*(i) Short term obligations*.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of each reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits.

*(iii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wages and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

*(iii) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange of these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**1 Summary of Significant Accounting Policies continued**

1. **Employee benefits continued**

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

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

1. **Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability in the statement of financial position with the amounts normally paid within 30 days of recognition of the liability.

1. **Income Tax**

No provision for income tax has been raised as the Company is exempt from income tax under Div 50-B of the

*Income Tax Assessment Act 1997*.

1. **Goods and Services Tax (GST)**

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

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

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

1. **Critical accounting estimates and judgments**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgment or complexity or where assumptions and estimates are significant to the financial statements of the Company.

**Key judgments - provision for impairment of receivables**

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

1. **New and revised accounting standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting period and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

|  |  |  |
| --- | --- | --- |
| **2** | **Revenue** | **2014 2013** |
|  | **Rendering of services** | **$ $** |
|  | Programs | **132,295** 109,250 |
|  | Advertising | **292,825** 292,876 |
|  | Production | **3,546** 28,733 |
|  | **Total rendering of services** | **428,666** 430,859 |
|  | **Other revenue**  Special funding | **250,000** 250,000 |
|  | Interest received | **2,270** 2,705 |
|  | **Total other revenue** | **252,270** 252,705 |
|  | **Total revenue** | **680,936** 683,564 |
|  | **HEPP income**  HEPP miscellaneous income | **18,678** 113,173 |
|  | HEPP interest | **312** 10,078 |
|  | **Total HEPP income** | **18,990** 123,251 |
|  | **Other income** |  |
|  | DVD sales | **2,614** - |
|  | Miscellaneous income | **20,000** - |
|  | **Total other income** | **22,614** - |
| **3** | **Expenses** | **2014 2013** |
|  | **Depreciation and amortisation expense** | **$ $** |
|  | Plant and equipment | **22,834** 36,852 |
|  | Amortisation | **40,000** 40,000 |
|  | **Total depreciation and amortisation expense** | **62,834** 76,852 |
|  | **Employee benefits expense**  Salaries and wages | **564,450** 538,482 |
|  | Superannuation expense | **51,839** 45,212 |
|  | Leave expense | **20,996** 546 |
|  | Other | **13,052** 14,169 |
|  | **Total employee benefits expense** | **650,337** 598,409 |
|  | **Transmission expense**  Licences and maintenance | **211,783** 5,931 |
|  | Other transmission expenses | **1,529** 1,843 |
|  | **Total transmission expense** | **213,312** 7,774 |
| **4** | **HEPP project expenses** | **2014 2013** |
|  |  | **$ $** |
|  | Employee benefits | **14,877** 169,750 |
|  | Production expense | **61,441** 593,642 |
|  | Other operating | **13,411** 107,220 |
|  | **Total HEPP project expenses** | **89,729** 870,612 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

1. **Cash and cash equivalents**

**2014**

**$**

**2013**

**$**

Cash on hand **420** 1,105

Cash at bank **163,080** 83,473

**Total cash at bank and on hand**  **163,500** 84,578

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

**2014**

**$**

**2013**

**$**

Balance as above **163,500** 84,578

**Balance as per statement of cash flows**  **163,500** 84,578

The Company's exposure to interest rate risk is discussed in note 13. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. Cash at bank is interest bearing.

1. **Trade and other receivables**

**2014 2013**

|  |  |
| --- | --- |
| **Current**  Trade receivables | **$ $**  **61,931** 64,117 |
| Provision for impairment | **(4,100)** - |
| **Net trade receivables** | **57,831** 64,117 |
| Prepayments | **37,219** 35,834 |
| GST receivable | **22,735** - |
| **Total current trade and other receivables** | **117,785** 99,951 |

**Credit risk**

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company.

The following table details the Company's's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**6 Trade and other receivables continued**

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

|  |  |  |
| --- | --- | --- |
|  | **2014** | **2013** |
| **$** | **$** |
| Up to 3 months | **53,431** | 38,902 |
| 3 to 6 months | **-** | 5,635 |

Over 6 months **8,500** 19,580

**Total**  **61,931** 64,117

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The other classes of receivables do not contain impaired assets.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

|  |  |  |
| --- | --- | --- |
| **7** | **Property, plant and equipment** | **Plant and** |
|  |  | **equipment**  **$** |
|  | **At 1 January 2013** |  |
|  | Cost | 824,997 |
|  | Accumulated depreciation | (652,855) |
|  | **Net book amount** | 172,142 |
|  | **Year ended 31 December 2013** |  |
|  | Opening net book amount | 172,142 |
|  | Write offs | - |
|  | Additions | 4,517 |
|  | Disposals | - |
|  | Depreciation charge | (36,852) |
|  | Closing net book amount | 139,807 |
|  | **At 31 December 2013** |  |
|  | Cost | 829,514 |
|  | Accumulated depreciation | (689,707) |
|  | Net book amount | 139,807 |
|  | **Year ended 31 December 2014**  Opening net book amount | **139,807** |
|  | Write offs | **-** |
|  | Additions | **18,534** |
|  | Disposals | **-** |
|  | Depreciation charge | **(22,834)** |
|  | **Closing net book amount** | **135,507** |
|  | **At 31 December 2014**  Cost | **781,585** |
|  | Accumulated depreciation | **(646,078)** |
|  | **Net book amount** | **135,507** |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

|  |  |  |
| --- | --- | --- |
| **8** | **Intangible assets**  **Transmission start up fee** | **2014 2013**  **$ $** |
|  | Cost | **400,000** 400,000 |
|  | Accumulated amortisation and impairment | **(361,431)** (321,431) |
|  | **Total Intangibles** | **38,569** 78,569 |
|  | **Year ended 31 December 2014** | **Intangible assets**  **$** |
|  | Balance at the beginning of the year | **78,569** |
|  | Amortisation | **(40,000)** |
|  | **Closing value at 31 December 2014** | **38,569** |
|  | **Year ended 31 December 2013** |  |
|  | Balance at the beginning of the year | 118,569 |
|  | Amortisation | (40,000) |
|  | **Closing value at 31 December 2013** | 78,569 |
| **9** | **Trade and other payables** | **2014 2013** |
|  | **Current** | **$ $** |
|  | Trade payables | **67,968** 78,553 |
|  | Accrued expenses | **50,446** 90,106 |
|  | Sundry payables | **30,232** 50,624 |
|  | GST payable | **-** 226 |
|  | **Total current trade and other payables** | **148,646** 219,509 |
|  | **Non-current** |  |
|  | Ultimate parent payables | **-** 3,722,645 |
|  | **Total non-current trade and other payables** | **-** 3,722,645 |
| **10** | **Borrowings from ultimate parent** | **2014 2013** |
|  |  | **$ $** |
|  | **Non current**  Borrowings from ultimate parent | **-** 1,654,919 |
|  | **Total borrowings from ultimate parent** | **-** 1,654,919 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

1. **Employee Benefits**

**Current**

**2014**

**$**

**2013**

**$**

Provision for annual leave **59,981** 52,205

**Non-current**

Provision for long service leave **45,450** 39,085

1. **Retained Earnings**

**2014**

**$**

**2013**

**$**

Balance at 1 January **(5,292,003)** (4,197,200)

Surplus / (deficit) for the year **5,486,742** (1,094,803)

**Balance at 31 December**  **194,739** (5,292,003)

1. **Financial Risk Management**

The Company's activities expose it to a variety of financial risks: market risk (which includes interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk to determine market risk.

The Company holds the following financial instruments:

**Financial Assets**

**2014**

**$**

**2013**

**$**

Cash and cash equivalents **163,500** 84,578

Trade and other receivables \* **117,785** 99,951

**Total financial assets**  **281,285** 184,529

**Financial Liabilities**

Trade and other payables \* **148,646** 3,942,154

Borrowings from ultimate parent **-** 1,654,919

**Total financial liabilities**  **148,646** 5,597,073

\* Excludes statutory payables and receivables

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**13 Financial Risk Management continued**

1. Credit risk

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated customer.

1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the reporting date the Company had cash and cash equivalents of $163,500 (2013: $84,578).

In addition, the University of Western Sydney has given the Company an undertaking that in the event that it is not able to pay for its debts as and when they fall due, the University will be financially responsible for ensuring the ongoing solvency of the Company. Therefore the liquidity risk is considered to be minimal.

*Maturities of financial liabilities*

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Less than 12 months** | **Between Over**  **1 and 5 years 5 years** | **Total** |
| **2014 2013**  **$ $** | **2014 2013 2014 2013**  **$ $ $ $** | **2014 2013**  **$ $** |
| Trade payables | **148,646** 219,509 | **-** - **-** - | **148,646** 219,509 |
| Deferred income | **6,545** 6,545 | **-** - **-** - | **6,545** 6,545 |
| Borrowings | **-** - | **-** - **-** 1,654,919 | **-** 1,654,919 |
| Total contractual outflows | **155,191** 226,054 | **-** - **-** 1,654,919 | **155,191** 1,880,973 |

The timing of expected outflows is not expected to be materially different from contracted cashflows.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

**13 Financial Risk Management continued**

1. Market risk
   1. *Cash flow and fair value interest rate risk*

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates. The Company's exposure to interest rate risk is minimal.

* 1. *Summarised sensitivity analysis*

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

***-100bps +100bps***

**31 December 2014 Financial assets**

**Carrying Amount**

**$**

**Surplus/ (deficit)**

**$**

**Equity**

**$**

**Surplus/ (deficit)**

**$**

**Equity**

**$**

Cash and cash equivalents 163,500 (1,635) (1,635) 1,635 1,635

|  |  |
| --- | --- |
| Trade and other receivables | 117,785 (1,178) (1,178) 1,178 1,178 |
| **Total increase/(decrease) in financial assets** | (2,813) (2,813) 2,813 2,813 |
| **Financial liabilities**  Trade and other payables | 148,646 (1,486) (1,486) 1,486 1,486 |
| **Total increase/(decrease) in financial liabilities** | (1,486) (1,486) 1,486 1,486 |
| **Total increase/(decrease)** | (4,299) (4,299) 4,299 4,299 |
|  | ***-100bps +100bps*** |

**31 December 2013 Financial assets**

**Carrying Amount**

**$**

**Surplus/ (deficit)**

**$**

**Equity**

**$**

**Surplus/ (deficit)**

**$**

**Equity**

**$**

Cash and cash equivalents 84,578 (846) (846) 846 846

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Trade and other receivables | 99,951 (1,000) (1,000) 1,000 1,000 | | | | |
| **Total increase/(decrease) in financial assets** | (1,846) (1,846) 1,846 1,846 | | | | |
| **Financial liabilities** |  | | | | |
| Trade and other payables | 3,942,154 | (39,422) | (39,422) | 39,422 | 39,422 |
| Deferred Income | 6,545 | (65) | (65) | 65 | 65 |
| Borrowings | 1,654,919 (16,549) (16,549) 16,549 16,549 | | | | |
| **Total increase/(decrease) in financial liabilities** | (56,036) (56,036) 56,036 56,036 | | | | |
| **Total increase/(decrease)** | (57,882) (57,882) 57,882 57,882 | | | | |

1. Fair value measurements

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

Due to the Company's financial instruments short term nature, the carrying value of all financial instruments recognised in the statements of financial position approximates their fair value.

1. **Key Management Personnel Disclosures**

All responsible persons and executive officers are employees of the University and remunerated directly by the University.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

1. **Remuneration of Auditors**

The Audit Office of New South Wales

**2014**

**$**

**2013**

**$**

Audit of the financial statements **12,000** 21,585

**Total remuneration for audit services (exclusive of GST)**  **12,000** 21,585

1. **Contingencies**

The Company had no contingent liabilities at 31 December 2014 (31 December 2013: $Nil).

1. **Related Parties**
2. Entities exercising control over the Company

The ultimate parent entity of the Company is University of Western Sydney.

1. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

* 1. *Purchase of goods and services*

Ultimate parent

**2014**

**$**

**2013**

**$**

Interest expense **51,081** 57,280

* 1. *Outstanding balance arising from sale/purchase of goods and services*

Ultimate parent

|  |  |
| --- | --- |
| Non-current payables from ultimate parent | **-** 3,722,645 |
| Non-current borrowings from ultimate parent | **-** 1,654,919 |
| **Total borrowings and payables from ultimate parent** | **-** 5,377,564 |

The outstanding debt from the ultimate parent was derecognised as at the date of this report. Refer to Note 20 for further details.

### Notes to the Financial Statements

**For the Year Ended 31 December 2014**

1. **Reconciliation of Operating Surplus/(Deficit) to Net Cash Flows From Operating Activities**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | **2014**  **$** | **2013**  **$** |
| Surplus / (deficit) for the year | | **5,486,742** | (1,094,803) |
| Cash flows excluded from profit attributable to operating activities  - finance costs | | **51,081** | 57,280 |
| - amortisation | | **40,000** | 40,000 |
| - depreciation | | **22,834** | 36,852 |
| Changes in operating assets and liabilities: | |  |  |
| - (increase)/decrease in trade and other receivables |  | **(16,449)** 12,754 | |
| - (increase)/decrease in prepayments |  | **(1,385)** 5,701 | |
| - increase/(decrease) in income in advance |  | **-** 6,545 | |
| - increase/(decrease) in trade and other payables |  | **(70,863)** 19,533 | |
| - increase/(decrease) in ultimate parent payables |  | **(3,722,645)** - | |
| - increase/(decrease) in ultimate parent borrowings |  | **(2,106,000)** - | |
| - increase/(decrease) in employee benefits |  | **14,141** 2,415 | |
| Net cash provided by / (used in) operating activities |  | **(302,544)** (913,723) | |
| **19 Economic dependency** |  |  | |
| The Company is economically dependent on the accommodation and support activities. | University | of Western Sydney for the provision of office | |
| **20 Events Occurring After the Reporting Date** |  |  | |

On 25 February 2015 the Board of Trustees of the University of Western Sydney, as a response to the announcement of the Federal Minister for Communications on 10 September 2014, noted that Television Sydney's broadcast licence will end on 31 December 2015. At this time it is anticipated that Television Sydney's television broadcast operations may cease.

The Parent's Board of Trustee' resolved that the University write off the TVS debt subsequent to the reporting date. This decision by the parent may not result in outflows of resources from TVS. Consequently, the amount owing by the company to the University of Western Sydney as at 31 December 2014 is de-recognised.

**Telev ision Sydney (TVS) Limited**

ABN 27104674124

**Directors' Declaration**

The director of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 23, arein accordance the *Corporations Act 2001* and:
   1. comply with Australian Accounting Standards,the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010 and other mandatory professional reporting requirements;and
   2. give a true and fair View oftl1e financial position as at 31 December 2014, and of the performance for the year ended on that date, of the Company.

2. In the trustee's opinion, at the date of this declaration, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

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.

Dicectoc ..........................'?.

Angelo N Kourtis

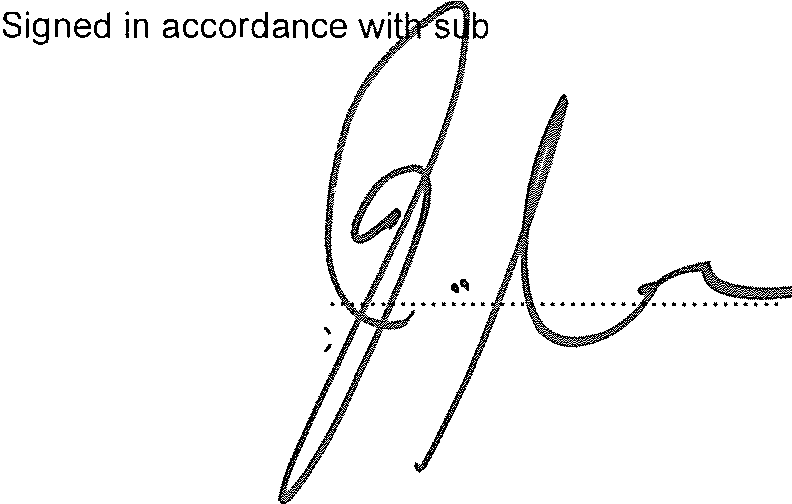
**Television Sydney {TVS) Limited**

**ABN 27104674124**

**Repsonsible Entities Declaration** - *per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.*

1. The responsible entities declare the in the responsible entities' opinion:
   1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
   2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

the *Australian Charities and Not-for-profits Commission Regulation 2013.*

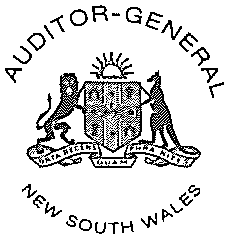


section 60.15(2) of

Director: .................. .

Harold C Mitchell AC

Dated 16 March 2015



**INDEPENDENT AUDITOR'S REPORT**

**Television Sydney Limited (TVS)**

To Members of the New South Wales Parliament and Members of Television Sydney (TVS) Limited.

I have audited the accompanying financial statements of Television Sydney (TVS) Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration, and the responsible entities declaration.

**Opinion**

In my opinion the financial statements:

are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* + - are in accordance with section 41(8) of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 201O
    - have been prepared in accordance with Division 60 of the *Australian Charities and not-for­ profits Act 2012* including complying with Division 60 of the Australian Charities and Not-for­ profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, *the Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7"179 I e [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au) I audit.nsw.gov.au

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

My opinion does *not* provide assurance:

* about the future viability of the Company

that it carried out its activities effectively, efficiently and economically about the effectiveness of the internal control

about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented

about other information that may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

providing that only Parliament, and not the executive government, can remove an Auditor-General

mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 10 March 2015 would be in the same terms if provided to the directors as at the time of this auditor's report.

- /µ-

Grant Hehir Auditor-General

23 March 2015

SYDNEY

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# University of Western Sydney Foundation Limited

**ABN: 43 050 679 671**

**Financial statements**

**For the Year Ended 31 December 2014**

These financial statements of the University of Western Sydney Foundation Limited are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the University of Western Sydney Foundation Limited is: University of Western Sydney Foundation Limited

University of Western Sydney Finance Office, Building M16 College Drive

Richmond NSW 2753

Registered postal address is:

University of Western Sydney Foundation Limited Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Company's operations and its principal activities is included in the director's report which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 17 March 2015. The directors have the power to amend and reissue the financial statements.

**Director's report**

For the year ended 31 December 2014

Your directors present their report on University of Western Sydney Foundation Limited (the Company) for the financial year ended 31 December 2014

**Directors**

The names of each person who has been a director or an alternate director during the year and to the date of this report are

Prof. Barney Glover Appointed 1 January 2014 Emeritus Prof. Richard Bawden AM

Prof. Peter Shergold AC Mr Daniel Gilbert AM

Mr Darren Greentree Appointed 19 August 2013

Dr Paul Rowland Appointed 19 August 2013

Directors and alternate directors have been in office since the start of the financial year to the date of this report unless otherwise stated

**Company secretary**

Mr Ian Gregory Londish held the position of Company Secretary since 1 August 2013.

**Principal activities**

The principal activity of the Company during the financial year was to act as the Trustee of the University of Western Sydney Foundation Trust (the Trust). The main function of the Company is fundraising in support of the University, and the effective management control of all Trust funds held within the Foundation Trust account.

No significant changes in the nature of the Company's activity occurred during the financial year. However the Trust did cease to exist as at 31 December 2014 as it no longer held any assets.

This will result in the deregistration of the Company in April 2015.

**Review of operations**

The surplus of the Company for the year ended 31 December 2014 is $ nil (2013: $nil).

**Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year (2013: $nil). No recommendation for payment of dividends has been made.

**Events after the reporting date**

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

**Future developments**

With the Trust no longer in existence the Company will be deregistered during 2015.

**Environmental matters**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

**Auditors independence declaration**

The lead auditors independence declaration for the year ended 31 December 2014 has been received and can be found on page 5 of the financial statements.

### Director's report

For the year ended 31 December 2014

**Information on directors**

Prof. Barney Glover PhD (Applied Mathematics), MSc, BSc (Honours), Dip Ed (Melbourne), MAICD.

Non-Executive.

Experience Appointed as Director 1 Jan 2014. Professor Barney Glover has been the Vice- Chancellor and President of the University of Western Sydney since he commenced in this role on 1 January 2014. Professor Glover is an accomplished academic leader and experienced Vice-Chancellor. Previously Vice-Chancellor at Charles Darwin University from 2009 to 2013, he has a long record of success in university management and leadership, particularly in research, intellectual property management and major capital development projects.Before relocating to the Northern Territory in 2009 Professor Glover was the Deputy Vice-Chancellor, Research at the University of Newcastle. Prior to this, he held several positions at Perth's Curtin University of Technology including Pro Vice-Chancellor, Research and Development. He has a strong research publication record and has co-authored four texts in mathematics education. Before his appointment at Curtin Professor Glover held a number of positions at the University of Ballarat in Victoria. Professor Glover holds a PhD in Applied Mathematics and has worked on both the east and west coasts of Australia.

Emeritus Prof. Richard Bawden AM PhD (University of Queensland), BSc (Agric.) (Hons) (University of London).

Non-Executive.

Experience Appointed as Director 11 August 2010. Emeritus Professor Bawden is the Chair of the Hawkesbury Foundation and an adjunct professor at Michigan State University. During his distinguished career he has spent over 20 years at Hawkesbury Agricultural College which incorporated into the University of Western Sydney in 1989. In addition to his academic posts Emeritus Professor Bawden is a foundation Director of Global Business Network Australia and of the Systemic Development Institute and is a senior consultant with Neville Freeman Agency in Australia. In 2000 he was appointed Membership of the Order of Australia in recognition of his national and international work in systemic development.

Prof. Peter Shergold AC BA (Hons) (Hull), MA (Illinois), PhD (LSE), FASSA, FAICD. Non-Executive.

Experience Appointed as Director 23 February 2011. Professor Shergold is the Chancellor of the University of Western Sydney. He was installed as UWS Chancellor by the Governor of NSW, Her Excellency Professor Marie Bashir AC CVO, and in this capacity chairs the University's Board of Trustees. With a distinguished academic and public service career that spans over three decades, he brings a wealth of knowledge and experience to his role with the University. Professor Shergold was the Secretary of the Department of the Prime Minister and Cabinet from 2003-2008 and as such was the nation’s most senior public servant. In two decades as a senior public servant he served four Prime Ministers and eight Ministers in both Labor and Coalition governments.

Mr Daniel Gilbert AM LLB. Non-Executive. Chair.

Experience Appointed as Director and Chair 13 Feb 2012. Mr Gilbert is a Managing Partner and co-founder of Gilbert and Tobin, one of Australia’s most successful corporate law firms. His skills and experience includes over 30 years in commercial law, specialising in technology and corporate law. Along with his position as Chair of the UWS Foundation, Mr Gilbert is also Chairman of the National Museum of Australia and a Non-Executive Director of the National Australia Bank Limited. He is also a trustee of several private charitable trusts. In 2005 he was honoured with the Order of Australia (AM) for his services to the law and the community, particularly Australia’s Indigenous peoples.

### Director's report

For the year ended 31 December 2014

**Information on directors (continued)**

Mr Darren Greentree MBA(Exec) AGSM, BBUS(Acc), GAICD, CPA, JP. Non-Executive

Experience Appointed as Director 19 August 2013. Mr Darren Greentree is an experienced operational and accounting practitioner with over 20 years senior management experience within Multi-National, Publically Listed and Privately owned organisations joining the Education Sector in early 2010.

In his role as Director – Financial Operations at UWS, Darren is responsible for the University’s Financial Accounting, Management Reporting, Forecasting and Budgeting along with the Financial Systems and Client Services Areas.

Darren holds a joint Executive MBA from the Universities of Sydney and New South Wales (AGSM), a Bachelor Degree in Business (Accounting), is a Graduate Member of the Australian Institute of Company Directors, Member of CPA Australia and is a Justice of the Peace.

Dr Paul Rowland PhD (Griffith) MBA (Qld). Non-Executive.

Experience Appointed as Director 19 August 2013. Dr Paul Rowland was appointed to the position of Executive Director, Strategy and Quality in March 2012, and took up Interim Pro Vice-Chancellor (Engagement, Strategy and Quality) responsibilities from May 2013.

Dr Rowland joined the Higher Education sector in 2000 after a lengthy career in the Australian Public Service (APS). Since joining the sector, Dr Rowland has held the following positions: Director, Griffith-QUT Collaboration Program (2001 to 2004); Director, Business and Service Improvement, QUT (2004 to 2007); and Director, Planning and Quality, UWS (2010 to 2011).

**Director•s report**

For the year ended 31 December 2014

Meetings of directors

During the financial year, no meetings of directors (including committees of directors) were held. All business was conducted by circular resolutfon.

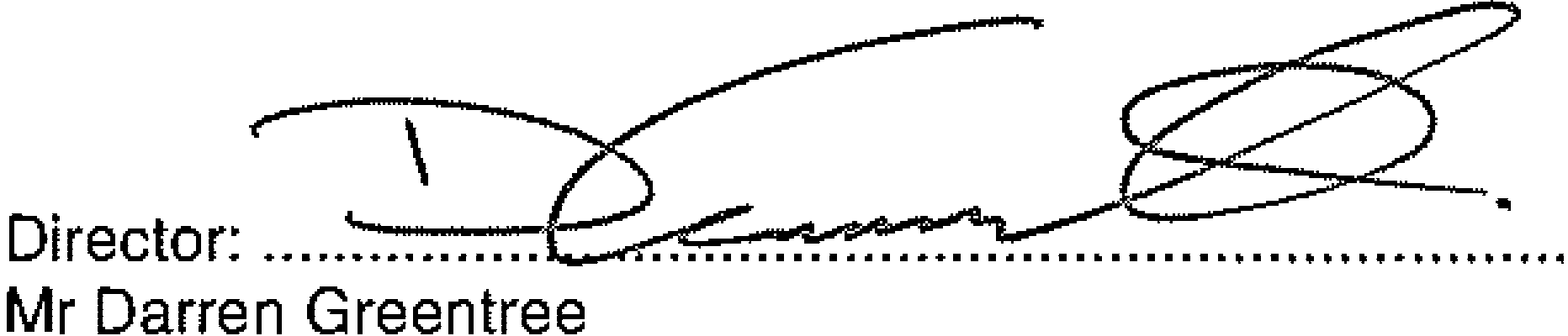
Indemnification of Directors and Officers

University of Western Sydney Foundation Limited is insured externally and in line with the University of Western Sydney poHcies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

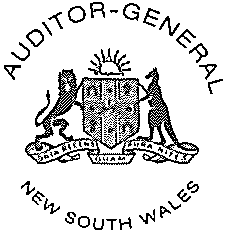
**Proceedings on behalf of company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:



Dated 17 March 2015



To the Directors

University of Western Sydney Foundation Limited

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of the University of Western Sydney Foundation Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



Renee Meimaroglou, CA Director, Financial Audit Services

16 March 2015 SYDNEY

**Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e** [**mail@audit.nsw.gov.au**](mailto:mail@audit.nsw.gov.au) **I audit.nsw.gov.au**

### Statement of comprehensive income

For the year ended 31 December 2014

**Revenue**

**2014**

**$**

**2013**

**$**

Other revenue **-** -

**Total revenue**  **-** -

**Total income**  **-** -

**Expenses**

Finance costs **-** -

**Total expenses**  **-** -

**Surplus/(deficit) for the year**  **-** -

Other comprehensive income for the year **- -**

**Total comprehensive income for the year**  **-** -

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of financial position**  **As at 31 December 2014** |  | |
|  |  | **2014 2013** |
|  | **Note** | **$ $** |
| **Assets Current assets**  Cash and cash equivalents | 4 | **10** 10 |
| **Total current assets** |  | **10** 10 |
| **Total assets** |  | **10** 10 |
| **Liabilities Current liabilities**  Trade and other payables |  | **-** - |
| **Total current liabilities** |  | **-** - |
| **Total liabilities** |  | **-** - |
| **Net assets** |  | **10** 10 |
| **Equity**  Contributed equity |  | **10** 10 |
| Retained earnings |  | **-** - |
| **Total equity** |  | **10** 10 |

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of changes in equity**  **For the year ended 31 December 2014** |  | |
|  | **Contributed equity** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2014** | **10** | **10** |
| Total comprehensive income for the year | **-** | **-** |
| **Balance at 31 December 2014** | **10** | **10** |
|  | **Contributed equity** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2013** | 10 | 10 |
| Total comprehensive income for the year | - | - |
| **Balance at 31 December 2013** | 10 | 10 |

The accompanying notes form part of these financial statements.

### Statement of cash flows

For the year ended 31 December 2014

**Notes**

**2014**

**$**

**2013**

**$**

**Cash flows from operating activities**

**Net cash inflow/(outflow) from operating activities** 11 **-** -

**Cash flows from investing activities**

**Net cash (outflow)/inflow from investing activities**  **-** -

**Cash flows from financing activities**

**Net cash inflow/(outflow) from financing activities**  **-** -

**Net increase (decrease) in cash and cash equivalents**

**held -** -

Cash and cash equivalents at beginning of year 4 **10** 10

**Cash and cash equivalents at end of year 10** 10

The accompanying notes form part of these financial statements.

### Notes to the financial statements

For the year ended 31 December 2014

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements and are prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2010*, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Company comply with Australian Accounting Standards some of which contain requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have not been prepared on a going concern basis following the adoption of the Company's resolution (in its capacity as Trustee of the University of Western Sydney Foundation Trust) made in October 2013 to transfer all the assets and liabilities of the Trust to the Ultimate Parent entity.

The Trust ceased to exist as at 31 December 2014 as it was extinguished through the distribution of all its assets and liabilities to the Ultimate Parent entity. The Company will be deregistered in April 2015.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1. **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. **Income tax exemption**

The Company is exempt from the payment of tax by virtue of section 50 B of the *Income Tax Assessment Act 1997*.

1. **Goods and Services Tax (GST)**

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

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

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

### Notes to the financial statements

For the year ended 31 December 2014

1. **Summary of Significant Accounting Policies (continued)**
2. **Comparative amounts**

Comparative figures have been reclassified and repositioned in the financial statements, where necessary, to conform with the basis of preparation and classification used in the current year.

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. **Critical accounting estimates and judgments**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity or where assumptions and estimates are significant to the financial statements of the University of Western Sydney Foundation Limited.

1. **Financial Risk Management**

The main risks University of Western Sydney Foundation Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Financial assets**

**2014**

**$**

**2013**

**$**

Cash and cash equivalents **10** 10

**10** 10

**Financial liabilities**

Trade and other payables **-** -

**-** -

* 1. **Credit risk**

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated debtor.

### Notes to the financial statements

For the year ended 31 December 2014

**2 Financial Risk Management (continued)**

* 1. **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Company held deposits at call of $10 (2013: $10) that are expected to readily generate cash inflows for managing liquidity risk.

* 1. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

* + 1. *Cash flow and fair value interest rate*

The Company's exposure to interest rate risk is minimal as it has no borrowings.

* + 1. *Summarised sensitivity analysis*

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk. The Company's financial assets and financial liabilities are not subject to foreign exchange risk and other price risk.

**31 December 2014** Carrying

Surplus/

-100bps +100bps

Surplus/

**Financial assets**

amount

$

(deficit)

$

Equity

$

(deficit)

$

Equity

$

Cash and cash equivalents 10 - - - - Total increase/(decrease) in financial assets - - - -

**31 December 2013** Carrying

Surplus/

-100bps +100bps

Surplus/

**Financial assets**

amount

$

(deficit)

$

Equity

$

(deficit)

$

Equity

$

Cash and cash equivalents 10 - - - - Total increase/(decrease) in financial assets - - - -

1. **Remuneration of Auditors**

Audit fees of $1,500 for 2014 (2013: $1,720) will be paid by the ultimate parent entity.

1. **Cash and cash equivalents**

**2014**

**$**

**2013**

**$**

Cash at bank and in hand **10** 10

**10** 10

* 1. **Risk exposure**

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

* 1. **Cash at bank and in hand**

These are non-interest bearing.

* 1. **Fair value**

The carrying amount for cash and cash equivalents equals the fair value.

### Notes to the financial statements

For the year ended 31 December 2014

1. **Commitments**

The Company had no commitments at 31 December 2014 (31 December 2013: nil).

1. **Contingencies**

In the opinion of the Director's, the Company did not have any contingencies at 31 December 2014 (31 December 2013:Nil).

1. **Key Management Personnel Disclosures**

No remuneration has been paid to the key management personnel of the Company during the year (2013: nil).

1. **Related party transactions**
   1. **Parent entity**

The ultimate parent entity of the Company is University of Western Sydney.

* 1. **Transactions with related parties**

There were no transactions with related parties in 2014.

1. **Economic dependency**

The Company is economically dependent on the University of Western Sydney for the provision of office accommodation and support activities.

1. **Events occurring after the reporting date**

The Board of the Company has resolved to transfer the investments of the Trust to the Ultimate Parent entity on the basis they remain as identified funds and investments within the Ultimate Parent entity accounts. Following the transfer of funds during the 2014 year the Trust ceased to exist as it no longer held any assets or liabilities.

No other matters or circumstances have arisen since the end of the financial year that could impact upon the planned deregistration of the Company which will occur in April 2015.

1. **Reconciliation of surplus/(deficit) to net cash inflow from operating activities**

**2014**

**$**

**2013**

**$**

Surplus for the year **-** -

**Changes in operating assets and liabilities:**

- increase/(decrease) in trade and other payables **-** - Net cash inflow/(outflow) from operating activities **-** -

**END OF AUDITED FINANCIAL STATEMENTS**

**Director's declaration**

In the Director's opinion:

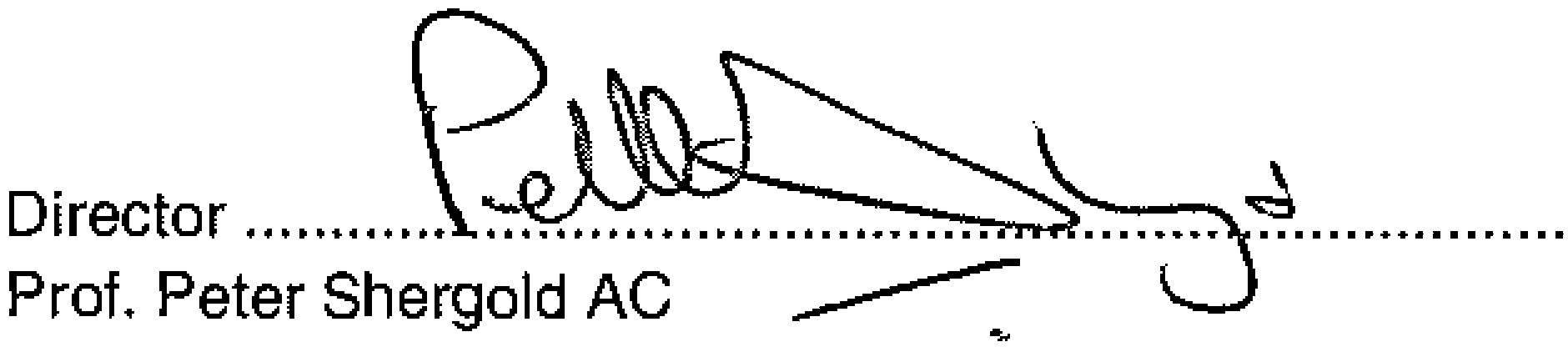
1. The financial statements and notes as set out on pages 6 to13, are in accordance with the *Corporations Act 2001* and:
   1. comply with Australian Accounting Standards and other interpretations, the *Public Finance and Audit Act 1983* the

*Public Finance and Audit Regulation 2010* and other mandatory professional reporting requirements; and

* 1. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the Company.

1. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Dated 17 March 2015

Director ........................................................... ................

Mr Darren Greentree



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INDEPENDENT AUDITOR'S REPORT

**University of Western Sydney Foundation Limited**

To Members of the New South Wales Parliament and Members of University of Western Sydney Foundation Limited

I have audited the accompanying financial statements of University of Western Sydney Foundation Limited (the Company), which comprise the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

**Opinion**

In my opinion, the financial statements:

are in accordance with the *Corporations Act 2001,* including:

give a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date

complying with Australian Accounti ng Standards and the Corporations Regulations 2001 are in accordance with section 416 of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010.

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

**Directors' Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

**Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box** 12, **Sydney NSW 2001 I t 02 9275** 7101 I **f 02 9275 7179 I e** [**ma1l@audit.nsw.gov.au**](mailto:ma1l@audit.nsw.gov.au) **I audit.nsw.gov.au**

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

My opinion does *not* provide assurance:

* about the future viability of the Company

that it has carried out its activities effectively, efficiently and economically

* about the effectiveness of its internal control

about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented

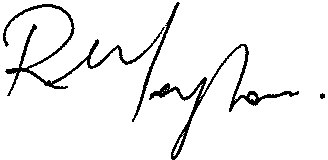
about any other information which may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 16 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Renee Meimaroglou

Director, Financial Audit Services

23 March 2015 SYDNEY

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# University of Western Sydney Foundation Trust

**ABN: 13 921 771 681**

**Financial statements**

**For the year ended 31 December 2014**

These financial statements of the University of Western Sydney Foundation Trust are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the University of Western Sydney Foundation Trust is: University of Western Sydney Foundation Trust

University of Western Sydney Finance Office, Building M16 College Drive

Richmond NSW 2753

Registered postal address is:

University of Western Sydney Foundation Trust Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Trust's operations and its principal activities is included in the Trustees' report which is not part of these financial statements.

These financial statements were authorised for issue by the Trustees' on 17 March 2015. The Trustees have the power to amend and reissue the financial statements.

**Trustees• report**

For the year ended 31 December 2014

The Trustees present their report on University of Western Sydney Foundation Trust (the Trust) for the financial year ended 31 December 2014.

**Information on Trustees**

Prof. Barney Glover

Emeritus Prof.Richard Bawden AM Prof. Peter Shergold AC

Mr Daniel Gilbert AM Mr Darren Greentree Dr Paul Rowland

Appointed **1** January 2014

Appointed 19 August 2013

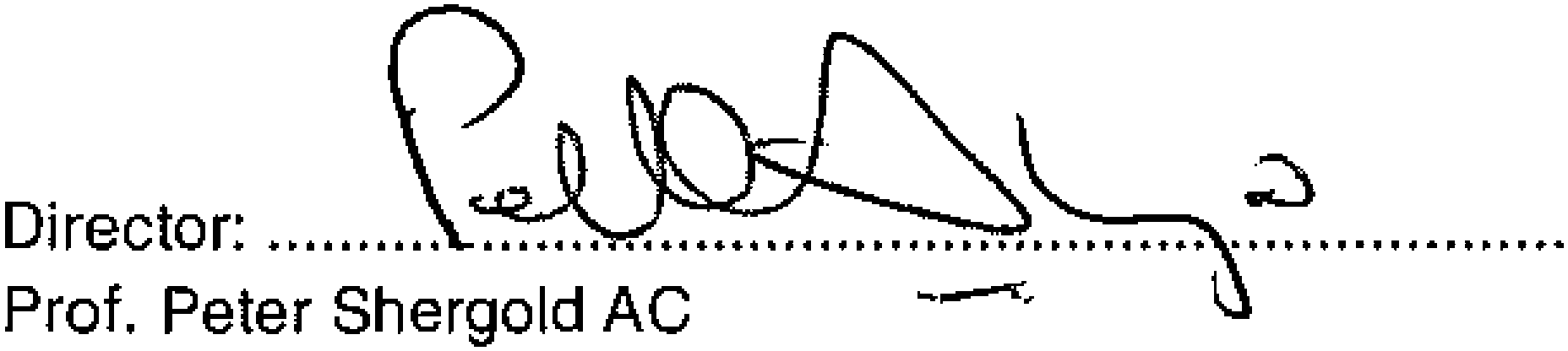
Appointed 19 August 2013

**Principal Activities**

Principal activities of the Trust have been taken over by the University of Western Sydney (the Ultimate Parent entity) and as such the Trust ceased to exist on 31 December 2014 as it no longer held any assets or liabilities.

Prior to this the Trust ceased trading during 2013 with the establishment of the UWS Foundation Council within the Ultimate Parent entity to oversee operations.

This report is made in accordance with a resolution of the Trustee.

Director: .........................................................................



Mr Darren Greentree

Dated 17 March 2015

|  |  |  |
| --- | --- | --- |
| **Statement of comprehensive income**  **For the year ended 31 December 2014** |  | |
|  |  | **2014** 2013 |
|  | **Notes** | **$** $ |
| **Revenue** |  |  |
| Services | 3 | **-** 965,090 |
| Other revenue | 3 | **1,152,474** 3,252,029 |
| **Total revenue** |  | **1,152,474** 4,217,119 |
| Change in fair value of other financial assets |  | **4,038,135** (19,269) |
| **Total income** |  | **5,190,609** 4,197,850 |
| **Distributions and expenses** |  |  |
| Distributions - scholarships and prizes | 4 | **(108,250)** (469,882) |
| Distributions - donations | 15(b) | **(7,500)** (522,726) |
| Distributions - other |  | **(40,466)** (59,884) |
| Distribution of funds to ultimate parent entity | 15(b) | **(39,614,378)** - |
| Other expenses |  | **(26,650)** - |
| **Total distributions and expenses** |  | **(39,797,244)** (1,052,492) |
| **Surplus/(deficit) for the year** |  | **(34,606,635)** 3,145,358 |
| **Other comprehensive income for the year** |  |  |
| Gain/(loss) on value of available-for-sale financial assets | 10 | **(3,749,841)** 2,478,008 |
| **Total other comprehensive income for the year** |  | **(3,749,841)** 2,478,008 |
| **Total comprehensive income for the year** |  | **(38,356,476)** 5,623,366 |

|  |  |
| --- | --- |
| **Comprehensive income for the year attributable to**  The beneficiaries of the foundation | **(38,356,476)** 5,623,366 |
| **Total comprehensive income for the year** | **(38,356,476)** 5,623,366 |

The accompanying notes form part of these financial statements.

**Statement of financial position**

As at 31 December 2014

**ASSETS**

**Current assets**

**Notes**

**2014**

**$**

2013

$

Cash and cash equivalents 7 **-** 7,611,619

|  |  |  |
| --- | --- | --- |
| Trade and other receivables | 8 | **-** 21,069 |
| **Total current assets** |  | - **7,632,688** |
| **Non-current assets**  Other financial assets | 9 | **-** 30,723,788 |
| **Total non-current assets** |  | - **30,723,788** |
| **Total assets** |  | **-** 38,356,476 |
| **LIABILITIES**  **Current liabilities** |  |  |
| **Total current liabilities** |  | **- -** |
| **Total liabilities** |  | - - |
| **Net assets** |  | **-** 38,356,476 |
| **TRUST FUNDS**  Reserves | 10 | **-** 3,749,841 |
| Retained surplus | 11 | **-** 34,606,635 |
| **Total trust funds** |  | **-** 38,356,476 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of changes in equity**  **For the year ended 31 December 2014** |  | | |
|  | **Retained Earnings** | **Reserves** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance as at 1 January 2014** | **34,606,635** | **3,749,841** | **38,356,476** |
| (Deficit) for the year | (34,606,635) | **-** | **(34,606,635)** |
| Other comprehensive income for the year | **-** | (3,749,841) | **(3,749,841)** |
| **Total comprehensive income for the year** | **(34,606,635)** | (3,749,841) | **(38,356,476)** |
| **Balance at 31 December 2014** | **-** | **-** | **-** |
|  | **Retained Earnings** | **Reserves** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance at 1 January 2013** | **31,461,277** | **1,271,833** | **32,733,110** |
| Surplus for the year | 3,145,358 | - | 3,145,358 |
| Other comprehensive income for the year | - | 2,478,008 | 2,478,008 |
| **Total comprehensive income for the year** | **3,145,358** | **2,478,008** | **5,623,366** |
| **Balance at 31 December 2013** | **34,606,635** | **3,749,841** | **38,356,476** |

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of cash flows**  **For the year ended 31 December 2014** |  | |
|  |  | **2014** 2013 |
|  | **Notes** | **$** $ |
| **Cash flows from operating activities**  Scholarships and donations received |  | **252** 1,052,477 |
| Investment income |  | **5,190,609** 3,232,760 |
| Distributions paid to the ultimate parent entity |  | **(39,776,427)** (1,052,492) |
| **Net cash inflow/(outflow) from operating activities** | 18 | **(34,585,566)** 3,232,745 |
| **Cash flows from investing activities** |  |  |
| Proceeds from/(purchase of) available for sale financial assets |  | 26,973,947 (2,666,598) |
| **Net cash inflow/(outflow) from investing activities** |  | **26,973,947** (2,666,598) |
| **Cash flows from financing activities** |  |  |
| **Net cash inflow/(outflow) from financing activities** |  | **-** - |
| **Net increase/(decrease) in cash and cash equivalents** |  | **(7,611,619)** 566,147 |

Cash and cash equivalents at beginning of year **7,611,619** 7,045,472 **Cash and cash equivalents at end of year** 7 **-** 7,611,619

The accompanying notes form part of these financial statements.

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements and are prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2010*, *ACNC Act 2012 and Regulation 2013*, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the University of Western Sydney Foundation Trust comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have not been prepared on a going concern basis following the adoption of the Trustee's resolution CR13:5 dated 1st October 2013. This resulted in the transfer of the Trust's assets and liabilities to the Ultimate Parent entity as at 31 December 2014.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue recognition**

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Trust's activities as described below. The Trust bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

* 1. *Donations, Scholarships and Prizes*

Donations, scholarships and prizes are recognised when they are received.

* 1. *Investment income*

Investment income is recognised as it accrues using the effective interest method. All other material revenue is accounted for on an accrual basis.

1. **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. **Income tax exemption**

The Trust is exempt from the payment of tax by virtue of section 50 B of the *Income Tax Assessment Act 1997*.

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies (continued)**

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in surplus/(deficit) within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in surplus/(deficit).

1. **Other financial assets**
2. **Classification**

The Trust classifies its other financial assets in the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

*Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non current assets.

*Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

1. **Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Trust commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income.

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies (continued)**

1. **Other financial assets (continued)**
2. **Measurement**

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit/(loss) are subsequently carried at fair value.

Changes in the fair value of other monetary and non monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

1. **Fair value**

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

1. **Impairment**

The Trust assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is evidence of impairment for any of the Trust's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

Impairment testing of trade receivables is described in note 1(e).

*Assets classified as available-for-sale*

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income is removed from equity and recognised in the statement of comprehensive income.

Impairment losses on equity instruments that were recognised in the statement of comprehensive income are not reversed through the statement of comprehensive income in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss is reversed through the statement of comprehensive income.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Summary of Significant Accounting Policies (continued)**
2. **Fair value estimation**

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

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

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

1. **Goods and Services Tax (GST)**

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

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

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

1. **Comparative amounts**

Comparative figures have been reclassified and repositioned in the financial statements, where necessary, to conform with the basis of preparation and classification used in the current year.

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

1. **Critical accounting estimates and judgments**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity or where assumptions and estimates are significant to the financial statements of the University of Western Sydney Foundation Trust.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Financial Risk Management**

The main risks the Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk). The Trust's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trust. The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Financial Assets**

**2014**

**$**

**2013**

**$**

Cash and cash equivalents **-** 7,611,619

Trade and other receivables **-** 21,069

Other available-for-sale assets **-** 30,723,788

**-** 38,356,476

**Financial Liabilities**

Trade and other payables **-** -

**-** -

* 1. **Credit risk**

The credit risk on financial assets of the Trust which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations, resulting in financial loss to the Trust. The Trust does not have any significant exposure to any unrelated debtor.

The following table details the Trust's trade and other receivables exposure to credit risk with ageing analysis.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014** | 2013 |  |
| **$** | $ |
| Up to 3 months |  | **-** | 252 |
| 3 to 6 months |  | **-** | - |

Over 6 months **-** 20,817

**Total**  **-** 21,069

### Notes to the financial statements

For the Year Ended 31 December 2014

**2 Financial Risk Management (continued)**

* 1. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

* + 1. *Cash flow and fair value interest rate*

The Trust's exposure to interest rate risk is minimal as it has no borrowings and the amounts held in the Acadian investments portfolio are strictly monitored.

ii. Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's financial assets and financial liabilities to interest rate risk. The Trust's financial assets and financial liabilities are not subject to foreign exchange risk and other price risk.

**31 December 2014** Carrying

Surplus/

-100bps +100bps

Surplus/

**Financial assets**

amount

$

(deficit)

$

Trust funds

$

(deficit)

$

Trust funds

$

Cash and cash equivalents - - - - -

Trade receivables - - - - - Other financial assets - - - - - **Total increase/(decrease) in financial assets**  **- - - -**

**31 December 2013** Carrying

Surplus/

-100bps +100bps

Surplus/

**Financial assets**

amount

$

(deficit)

$

Trust funds

$

(deficit)

$

Trust funds

$

Cash and cash equivalents 7,611,619 (76,116) (76,116) 76,116 76,116 Trade receivables 21,069 - - - -

|  |  |  |
| --- | --- | --- |
|  | Other financial assets | 30,723,788 (307,238) (307,238) 307,238 307,238 |
| **Total increase/(decrease) in financial assets** | **(383,354) (383,354) 383,354 383,354** |
| **3** | **Revenue** | **2014** 2013 |
|  | **Services** | **$** $ |
|  | - Student scholarships and prizes | **-** 247,903 |
|  | - Donations | **-** 717,187 |
|  | **Total services** | - 965,090 |
|  | **Other revenue**  - Interest | **(60)** 2,489 |
|  | - Dividends | **412,542** 318,195 |
|  | - Distributions from managed funds | **739,992** 2,931,345 |
|  | **Total other revenue** | **1,152,474** 3,252,029 |
|  | **Total revenue** | **1,152,474** 4,217,119 |
| **4** | **Distributions - scholarships and prizes** | **2014** 2013 |
|  | Undergraduate scholarships | **$** $  96,750 344,332 |
|  | Student prizes | 11,500 125,550 |
|  | **Total distributions - scholarships and prizes** | **108,250** 469,882 |

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Remuneration of Auditors**

Audit fees of $6,000 for 2014 (2013: $6,880) will be paid by the ultimate parent entity.

1. **Fair Value Measurement**
   1. **Fair value hierarchy**

University of Western Sydney Foundation Trust categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements as follows:

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

Level 2 inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

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

* + 1. Recognised fair value measurements

The Following table presents the Trust’s assets measured and recognised at fair value at 31 December 2014.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **31 December 2014** | **2014**  **$** | **Level 1**  **$** | **Level 2**  **$** | **Level 3**  **$** |  |
| **Financial assets**  Other available-for-sale assets |  | **-** | **-** | **-** | **-** |
| **Total assets** |  | **-** | **-** | **-** | **-** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2013**  **$** | **Level 1**  **$** | **Level 2**  **$** | **Level 3**  **$** |
| **31 December 2013 Financial assets** |  |  |  |  |
| Other available-for-sale assets | 30,723,788 | 30,723,788 |  | - - |
| **Total assets** | **30,723,788** | **30,723,788** |  | **- -** |

The Trust's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

### Notes to the financial statements

For the Year Ended 31 December 2014

* + 1. Disclosed fair values

The fair value of assets traded in active markets (such as publicly traded derivatives, and trading and available- for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (level 1). This is the most representative of fair value in the circumstances.

* 1. **Fair value measurements**

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

Due to the short-term nature of the current receivables their carrying value is assumed to approximate their fair value and based on credit history it is expected that, the receivables that are neither past due nor impaired will be received when due.

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

**Carrying Amount Fair Value**

**2014**

**$**

**2013**

**$**

**2014**

**$**

**2013**

**$**

|  |  |  |
| --- | --- | --- |
| **Financial assets**  Cash and cash equivalents | **-** 7,611,619 | **-** 7,611,619 |
| Trade and other receivables | **-** 21,069 | **-** 21,069 |
| Other financial assets | **-** 30,723,788 | **-** 30,723,788 |
| **Total financial assets** | **-** 38,356,476 | **-** 38,356,476 |

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

* Available-for-sale financial assets

1. **Cash and cash equivalents**

**2014**

**$**

2013

$

Cash at bank and on hand - 7,611,619

**Total cash and cash equivalents**  **-** 7,611,619

* 1. **Risk exposure**

The Trust's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

* 1. **Fair value**

The carrying amount for cash and cash equivalents equals the fair value.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Trade and other receivables**

**2014**

**$**

2013

$

Trade receivables - 21,069

**Total current trade and other receivables**  - 21,069

Trade and other receivables are non-interest bearing.

* 1. **Fair value and credit risk**

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. The fair value of securities held for certain trade receivables is insignificant as is the fair value of any collateral sold or re-pledged. Refer to note 2 for more information on the risk management policy of the Trust and the credit quality of the entity's trade receivables.

1. **Other financial assets**

**Non-current**

Other available-for-sale assets

**2014**

**$**

2013

$

- Acadian Australian equity high yield fund **-** 30,723,788

Total non-current other financial assets **-** 30,723,788

**Total other financial assets**  **-** 30,723,788

1. **Reserves**

**Investment revaluation reserve**

**2014**

**$**

2013

$

Opening balance **3,749,841** 1,271,833

Gain/(loss) on value of available-for-sale financial assets **(3,749,841)** 2,478,008

**Closing balance**  - 3,749,841

**Total reserves**  **-** 3,749,841

1. **Retained surplus**

Movements in retained surplus were as follows:

**2014**

**$**

2013

$

Balance as at 1 January **34,606,635** 31,461,277

Surplus/(deficit) for the year **(34,606,635)** 3,145,358

**Balance as at 31 December**  **-** 34,606,635

Accumulated funds of Nil in 2014 ($33,383,566 in 2013) were from donations and fundraising for specific purposes. These funds were held by the Trust for such purposes.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Commitments**

The Trust had no commitments at 31 December 2014 (31 December 2013: nil).

1. **Contingencies**

The Trust had no contingent liabilities at 31 December 2014 (31 December 2013: nil).

1. **Key Management Personnel Disclosures**

No remuneration has been paid to the key management personnel of University of Western Sydney Foundation Trust during the year (2013: nil).

1. **Related party transactions**
   1. **Parent entity**

The ultimate parent entity of the Trust is University of Western Sydney.

* 1. **Transactions with related parties**

The following transactions occurred with related parties:

**2014**

**$**

2013

$

Distribution of funds to the ultimate parent entity **39,614,378** - Payments to the ultimate parent entity **7,500** 522,726

**39,621,878** 522,726

Upon winding up the Foundation a distribution of funds to the University of Western Sydney totalling $39,614,378 was made and a final donation distribution.

1. **Economic dependency**

The Trust is economically dependent on the University of Western Sydney for the provision of office accommodation and support activities.

1. **Events occurring after the reporting date**

The Board of the Trustee has resolved to transfer all the assets and liabilities of the Trust to the Ultimate Parent entity on the basis they remain as identified funds and investments within the Ultimate Parent entity accounts. Following the transfer of funds during the 2014 financial year the Trust ceased to exist as it no longer held any assets or liabilities.

No other matters or circumstances have arisen since the end of the financial year except for the planned deregistration of the Trustee company which is due to occur in April 2015.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Reconciliation of surplus/(deficit) to net cash inflow from operating activities**

**2014**

**$**

2013

$

Surplus/(deficit) for the year (34,606,635) 3,145,358

**Changes in operating assets and liabilities:**

- (increase)/decrease in trade and other receivables 21,069 87,387

**Net cash inflow/(outflow) from operating activities**  **(34,585,566)** 3,232,745

**END OF AUDITED FINANCIAL STATEMENTS.**

**Trustees' declaration**

ln the Trustees' opinion:

1. The financial statements and notes, as set out on pages 2 to 16:
   1. comply with Australian Accounting Standards and other interpretations, the *Public Finance and Audit Act 1983*

the *Public Finance and Audit Regulation 2010* and other mandatory professional reporting requirements; and

* 1. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the Trust.

1. There are reasonable grounds to believe that the Trust 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 Trustee Company, the University of Western Sydney Foundation Limited.

Director ................................................................:...........

Mr Darren Greentree

Dated 17 March 2015

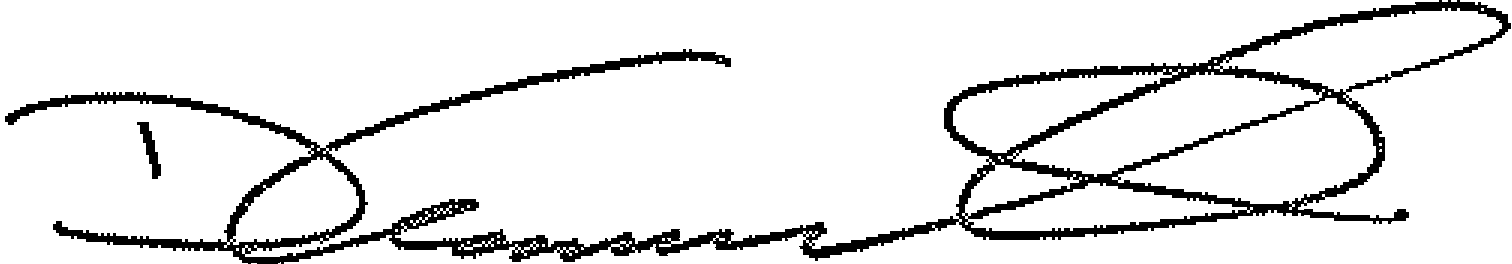
**Responsible entities declaration**

*per section 60. 15 of the Australian Charities and Not-for-profits Commission Regulation 2013*

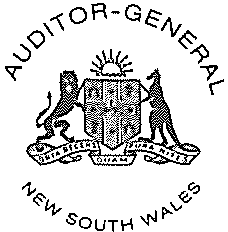
The responsible entities declare that in the responsible entities' opinion:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the AustralianCharities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Director ............................................................................

Mr Darren Greentree Dated 17 March 2015



INDEPENDENT AUDITOR'S REPORT

**University of Western Sydney Foundation Trust**

To Members of the New South Wales Parliament and Trustees of University of Western Sydney Foundation Trust

I have audited the accompanying financial statements of University of Western Sydney Foundation Trust (the Trust), which comprise the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration and the responsible entities declaration.

**Opinion**

In my opinion, the financial statements:

give a true and fair view of the financial position of the Trust, as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards

are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010 and

* + have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

**Trustees' Responsibility for the Financial Statements**

The Directors of the Trust are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Australian Charities and Not-for-profits Commission Act 2012,* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

**Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I *t* 02 9275 7101 I f 02 9275 7179 I e mail@audit.nsw.gov,au I audit.nsw.gov,au**

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

My opinion does *not* provide assurance: about the future viability of the Trust

that it carried out its activities effectively, efficiently and economically about the effectiveness of the internal control

about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented

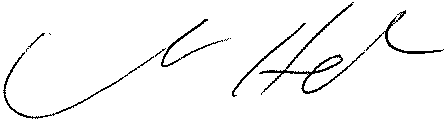
about any other information which may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

providing that only Parliament, and not the executive government, can remove an Auditor-General

mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Grant Hehir Auditor-General

23 March 2015 SYDNEY

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# UWS Enterprises Pty Limited Trading as UWSCollege

**ABN: 44 003 474 468**

**Financial Statements**

**For the Year Ended 31 December 2014**

These financial statements are of UWS Enterprises Pty Limited as an individual entity. The financial statements are presented in the Australian currency.

UWS Enterprises Pty Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

158 - 160 Hawkesbury Road

Westmead NSW 2145.

A description of the nature of the Company's operations and its principal activities is included in the directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 24th February 2015. The directors have the power to amend and reissue the financial statements.

**Directors' Report**

31 December 2014

The directors present their report on the Company for the financial year ended 31 December 2014.

1. **General information Information on directors**

The name and qualification of each person who has been a director during the year and to the date of this report are:

Ms Rhonda Hawkins BSc, MPP, FAICD (Resignation 29 January 2015)

Professor Craig Ellis BBus, BComms (Hons), PhD, SA Fin.

Ms Mara Moustafine BA (Hons), MA, MAICD

Professor Kerri-Lee Krause BEd, MA, PhD (Resignation 9 October 2014) Mr Angelo Kourtis BA

Mr Peter Graham A/Dip Bus, MAICD, PMD HBS

Mr Ramy Aziz B.Bus, CPA, FGIA

Ms Jackie Kelly B.Law (Appointed 19 August 2014)

Professor Denise Kirkpatrick Doctor of Philosophy (PhD), Education (Appointed 17 February 2015) Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. **Principal activities and significant changes in nature of activities**

The principal activities of the Company during the financial year were:

* + Provision of educational services

There were no significant changes in the nature of the Company's principal activities during the financial year.

### Directors' Report

31 December 2014

1. **Operating results and review of operations for the year** **Operating results**

The surplus of the Company for the year ended 31 December 2014 amounted to $ 490,050 (2013: $2,010,794) which included a royalty payment to the ultimate parent entity of $14,394,061 (2013: $6,870,922). Decrease in the surplus resulted from an increase in Royalty payment to the parent entity as a one off adjustment.

1. **Other items**

**Significant changes in state of affairs**

On 6 November 2014, the name of the Company was changed from UWSCollege Pty Limited to UWS Enterprises Pty Limited. The activities of the Company continue to be educational focused. The change was made to support the Strategic Plans of the organisation and its parent entity.

**Events after the reporting date**

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

**Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Environmental issues**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**Dividends paid or recommended**

No dividend was paid or payable since the commencement of the financial year and up to and including the date of signing the report. (2013 : $nil).

**Company secretary**

Dr Kerry Hudson held the position of CEO and Company Secretary until 28th November 2014. Ms Wendy Barker was formally appointed as the Company Secretary, with effect from 28 November 2014.

**Directorst Report**

**31 December 2014**

**Meetings** of **directors**

During the financial year ended 31 December 2014 , 6 meetings of directors were held. Attendance s by each director during the year were as follows·

**Directors'**

**Meetings**

|  |  |  |
| --- | --- | --- |
|  | **Numbor ollgibht to** | **Number** |
| **attend** | attended |
| Ms Rhonda Hawkins | 6 | 6 |
| Associate Professor Craig Ellis | 6 | 6 |
| Ms Mara Moustaflne | 6 | 5 |
| Professor Kerri- Lee Krause | 5 | 3 |
| Mr Angelo Kourt,s | 6 | **4** |
| Mr Peter Graham | 6 | 5 |
| Mr Ramy Am: | 6 | 5 |
| Jack,e Kelly | 3 | 3 |
| Professor Denise Kirkpatrick |  |  |

lndemnrfication and insurance of officers and auditors

The Company 1s insured externally and 1n llne with the University of Western Sydney pol1c1es for all sign1f1cant areas of risk exposure and accordingly , 1s not a self-insurer and makes no prov1s1on in its financial statements for internal coverage

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or Intervene 1n any proceedings to which the Company 1s a party for the purpose of laking respons1b11tty on behalf of the Company for all or any part of those proceedings

The Company was not a party to any such proceedings during the year Auditor's independence declaration

The auditor's independence declaration In accordance with section 307C of the *Corporations Act 2001,* for the year ended 31 December 2014 has been received and can be found on page 5 of the financial statements

The Audit Office of New South Wales GPO Box 12 Sydney NSW 2001

This report 1s made in accordance w ith a resolution of the Board of Directors.

*rtfl*



.

Director :

*. .. V ..* . . .. Director.

Dated· rx4 *I ..Z. I / ,r*

**Directors' Report**

**31 December 2014**

In the directors' opinion:

1 the financial statements and notes, as set out on pages 6 to 32 , are in accordance with the *Corporations Act 2001 ,*

including

1. complying with Accounting Standards, the *Corporations Regulations 2001, Public Finance and Audit Act 1983,*

*Public Finance and Audit Regulation 2010* and other mandatory professional reporting requirements , and

1. giving a true and fair view of the company's financialposition as at 31 December 2014 and ofits performance for the financial year ended on that date, and;

2. 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 1s made in accordance with a resolution of the Board of Directors.

Director Director



..

Dated

**Responsible Entities Deelaration** - *per section 60. 15 of the Australian Charities and Not-for-profit*

The responsible entities declare that in the responsible entities' opinion

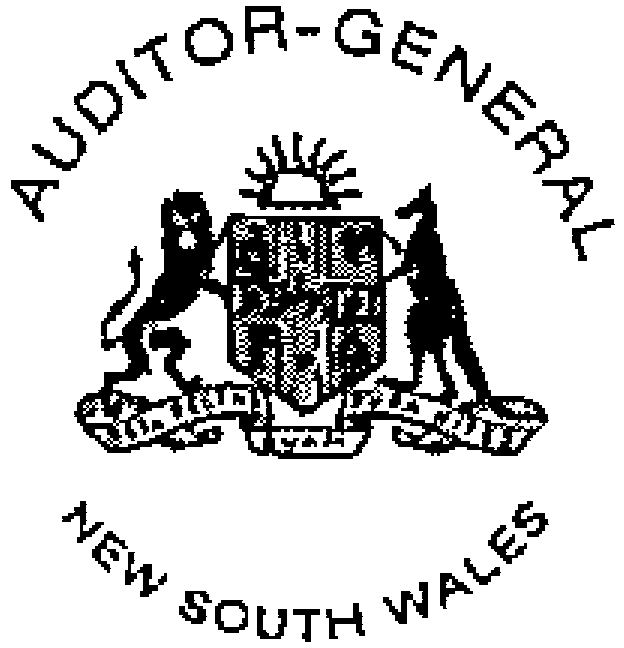
(a} there are resonable founds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

1. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

Signed in accordance with subsection 60. 15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Director Date

.. ..



To the Directors

UWS Enterprises Pty Limited trading as UWSCollege

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of UWS Enterprises Ply Limited trading as UWSCollege for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, t11ere have been no contraventions of:

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



Grant Hehir Auditor-General

24 February 2105

SYDNEY

Lovel 15, 1Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e [mait@aucH.nsw.](mailto:mait@aucH.nsw)gov.Du I audit.nGw.gov. 111.1

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Comprehensive Income**  **For the Year Ended 31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | **Notes** | **$** | **$** |
| **Revenue**  Rendering of services | 12(a) | **48,659,025** | 33,968,339 |
| Interest revenue |  | **281,501** | 247,450 |
| Other revenue | 12(b) | **32,447** | 89,872 |
| **Total revenue** |  | **48,972,973** | 34,305,661 |
| Net loss on disposal of assets |  | **(11,028)** | (8,332) |
| **Expenses**  Employee benefits expense | 13 | **(26,369,548)** | (19,376,346) |
| Fees for service | 13 | **(3,810,277)** | (2,286,720) |
| Occupancy expenses | 13 | **(144,817)** | (126,655) |
| Royalty to UWS parent |  | **(14,394,061)** | (6,870,922) |
| Depreciation and amortisation expense | 13 | **(422,001)** | (927,928) |
| Consumables and supplies |  | **(470,791)** | (447,255) |
| Advertising, marketing and promotional expenses |  | **(387,166)** | (348,121) |
| Student expenses |  | **(594,637)** | (629,929) |
| Other expenses | 13 | **(1,878,597)** | (1,272,659) |
| **Total Expenses** |  | **(48,471,895)** | (32,286,535) |
| **Surplus for the year \*** |  | **490,050** | 2,010,794 |
| Other comprehensive income |  | **-** | - |
| **Total comprehensive income for the year** |  | **490,050** | 2,010,794 |
| **Comprehensive income for the year attributable to**  Non - controlling interest |  | **-** | - |
| The parent | | **490,050** | 2,010,794 |
| **Total comprehensive income for the year** | | **490,050** | 2,010,794 |
| \* The Royalty to UWS includes an one off adjustment of $981,624 to UWS. | |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Financial Position**  **As At 31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | **Notes** | **$** | **$** |
| **ASSETS**  **CURRENT ASSETS** |  |  |  |
| Cash and cash equivalents | 2 | **797,346** | 1,034,510 |
| Loans to UWS |  | **6,906,850** | 5,812,226 |
| Trade and other receivables | 3 | **578,301** | 740,851 |
| Prepayments | 4 | **4,006,779** | 3,004,614 |
| **TOTAL CURRENT ASSETS** |  | **12,289,276** | 10,592,201 |
| **NON-CURRENT ASSETS** |  |  |  |
| Property, plant and equipment | 5 | **549,118** | 1,063,504 |

**TOTAL NON-CURRENT ASSETS 549,118** 1,063,504

|  |  |  |  |
| --- | --- | --- | --- |
| **TOTAL ASSETS** |  | **12,838,394** | 11,655,705 |
| **LIABILITIES CURRENT LIABILITIES** |  |  |  |
| Trade payables |  | **286,877** | 318,106 |
| Tuition fees advance receipts |  | **1,162,317** | 1,373,661 |
| Amounts due to related parties |  | **3,332** | 86,829 |
| Accrued expenses | 6 | **1,698,109** | 1,193,698 |
| Provisions | 7 | **1,683,470** | 1,483,323 |
| Other liabilities | 8 | **545,840** | 399,681 |
| **TOTAL CURRENT LIABILITIES** |  | **5,379,945** | 4,855,298 |
| **NON-CURRENT LIABILITIES** |  |  |  |
| Provisions | 7 | **693,000** | 525,008 |
| **TOTAL NON-CURRENT LIABILITIES** | | **693,000** | 525,008 |
| **TOTAL LIABILITIES** | | **6,072,945** | 5,380,306 |
| **NET ASSETS** |  | **6,765,449** | 6,275,399 |
| **EQUITY**  Issued capital | 9 | **1** | 1 |
| Retained earnings |  | **6,765,448** | 6,275,398 |
| **TOTAL EQUITY** | | **6,765,449** | 6,275,399 |

### Statement of Changes in Equity

For the Year Ended 31 December 2014

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2014** |  | **Issued** | **Retained** |  |
|  |  | **Capital** | **Earnings** | **Total** |
|  | **Note** | **$** | **$** | **$ $** |
| **Balance at 1 January 2014** |  | **1** | **6,275,398** | **- 6,275,399** |
| **Total comprehensive income for the year** |  |  |  |  |
| Surplus for the year |  | **-** | **490,050** | **- 490,050** |
| **Balance at 31 December 2014** |  | **1** | **6,765,448** | **- 6,765,449** |
| **2013** |  |  |  |  |
|  |  | **Issued Capital** | **Retained Earnings** | **Total** |
|  | **Note** | **$** | **$** | **$ $** |
| **Balance at 1 January 2013** |  | 1 | 4,264,604 | - 4,264,605 |
| **Total comprehensive income for the year** |  |  |  |  |
| Surplus for the year |  | - | 2,010,794 | - 2,010,794 |
| **Balance at 31 December 2013** |  | 1 | 6,275,398 | - 6,275,399 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Cash Flows**  **For the Year Ended 31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | **Notes** | **$** | **$** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:**  Receipts from customers |  | **48,613,604** | 33,782,940 |
| Payments to suppliers and employees |  | **(47,093,839)** | (30,786,487) |
| Interest received |  | **29,660** | 20,958 |
| Other receipts / payments |  | **(54,423)** | (192,457) |
| Net cash / (payments) provided by operating activities | 18 | **1,495,002** | 2,824,954 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:**  Proceeds from sale of plant and equipment |  | **113,869** | 120,400 |
| Purchase of property, plant and equipment |  | **(32,510)** | (425,045) |
| CIP - Internal Capital Funding |  | **(970,741)** | (2,713,696) |
| Net cash used in investing activities |  | **(889,382)** | (3,018,341) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:**  (Payment) / Drawdown of loan to ultimate parent entity |  | **(842,783)** | 578,095 |
| Net cash (used) / provided in financing activities |  | **(842,783)** | 578,095 |
| **Net (decrease) / increase in cash and cash equivalents held** |  | **(237,163)** | 384,708 |
| **Cash and cash equivalents at beginning of year** |  | **1,034,509** | 649,802 |

**Cash and cash equivalents at end of financial year** 2 **797,346** 1,034,510

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

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

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the *Corporations Act 2001*, Section 41B(1) of the *Public Finance & Audit Act 1983*, *Public Finance & Audit Regulation 2010*, the ACNC Act 2012 and regulation 2013 and other legislative requirements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions.

The financial statements and notes of the Company comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Foreign currency transactions and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the ultimate parent entity's functional and presentation currency.

1. **Comparative Amounts**

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

1. **Financial assets Classification**

The Company classifies its financial assets as loans and receivables.

* 1. *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 subsequently measured at amortised cost .

Loans and receivables are included in current assets, except for those which are not expected to be realised within 12 months after the end of the reporting period.

### Notes to the Financial Statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies continued**

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The Company's standard terms of trade for trade receivables is 14 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate. The amount of the movement in the provision is recognised in the income statement.

When a trade receivable is uncollectable the amount of the loss is recognised in the income statement within ‘Other Expenses’. Subsequent recoveries of amounts previously written off are credited to ‘other revenue’ in the income statement.

1. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1. **Employee benefits**

The Company's liability for employee benefits arises from services rendered by employees are up to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

1. **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.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current

### Notes to the Financial Statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies continued**

1. **Provisions continued**

market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of comprehensive income.

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

1. **Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability in the statement of financial position with the amounts normally paid within 30 days of recognition of the liability.

1. **Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

1. **Revenue and other income**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of goods and services tax (GST).

**Rendering of services**

Revenue recognition relating to the rendering of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

### Notes to the Financial Statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies continued**

1. **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 Tax 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 statement of financial position are shown inclusive of GST.

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

The Company is grouped with the ultimate parent entity for GST purposes and therefore these amounts are not reflected within these statements.

1. **Critical accounting estimates and judgements**

The below areas involve a high degree of judgement where assumptions and estimates are significant to the financial statement of the Company.

**Key judgements - provision for impairment of receivables**

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

**Key judgements - provision for long service leave**

The value of the provision for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

1. **New and revised accounting standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied to the financial statements. The Company’s assessment of the impact of the new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

### Notes to the Financial Statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies continued**

1. **Property, Plant and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on a cost basis (cost less depreciation and impairment losses). Cost includes expenditure that is directly attributable to the asset.

**Artwork**

Artwork is measured on a cost basis. Cost includes expenditure that is directly attributable to the asset. Art is a non-depreciable asset.

**Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives/depreciation rates used for each class of depreciable assets are:

**Class of Fixed Asset Depreciation Rate / Useful Life**

Computer Equipment 3-4 years

Leasehold improvements 2-6 years

Motor Vehicles 6-7 years

Other Equipment 10-20 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1. **Income Tax**

The Company is exempt from the payment of tax by virtue of section 50-5 of the *Income Tax Assessment Act 1997*. Accordingly, no provision for income tax liability or future income tax benefit has been included in the accounts.

### Notes to the Financial Statements

For the Year Ended 31 December 2014

|  |  |  |  |
| --- | --- | --- | --- |
| **2** | **Cash and cash equivalents** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Cash at bank and in hand | **394,449** | 314,055 |
|  | TCorp Hour-Glass Investment Facility | **402,897** | 720,455 |
|  | Total cash and cash equivalents | **797,346** | 1,034,510 |
|  | **Reconciliation of cash** |  |  |

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

|  |  |  |
| --- | --- | --- |
| Cash and cash equivalents | **2014**  **$ 797,346** | **2013**  **$**  1,034,510 |
| **Balance as per statement of cash flows** | **797,346** | 1,034,510 |
| The Company's exposure to interest rate risk is discussed in Note 11. |  |  |

### Notes to the Financial Statements

For the Year Ended 31 December 2014

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **3** | **Trade and other receivables** |  | **2014** | **2013** |
|  |  | **Note** | **$** | **$** |
|  | Student Receivables |  | **572,566** | 529,393 |
|  | Trade receivables |  | **143,306** | 225,191 |
|  | Provision for doubtful receivables | 3(a) | **(137,882)** | (14,241) |
|  | Accrued Interest |  | **311** | 508 |
|  | **Total current trade and other receivables** |  | **578,301** | 740,851 |
|  | **(a) Provision for impairment of receivables** |  |  |  |
|  | Movement in provision for impairment of receivables is as follows: |  | **2014** | **2013** |
|  |  |  | **$** | **$** |
|  | Opening balance as at 1 January |  | **14,241** | 11,726 |
|  | Provision for impairment recognised during the year |  | **123,641** | 14,241 |
|  | Receivables written off during the year as uncollectable |  | **-** | (8,739) |
|  | Doubtful Debts Recovered |  | **-** | (2,987) |
|  | **Balance as at 31 December** |  | **137,882** | 14,241 |
|  | **Credit risk** |  |  |  |

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company.

On a geographical basis, the Company has credit risk exposures in Australia only as all transactions are conducted in Australian dollars.

The following table details the Company's trade receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

### Notes to the Financial Statements

For the Year Ended 31 December 2014

**3 Trade and other receivables continued**

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

**Past due but not impaired (days overdue)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Current 0-30**  **$ $** | **30-60**  **$** | **60-90**  **$** | **90 - 180**  **$** | **> 180**  **$** | **Total**  **$** |
| **2014** |  |  |  |  |  |  |
| Trade & other receivables | **- 301,561** | **33,896** | **77,081** | **127,611** | **37,841** | **577,990** |
| Total | **- 301,561** | **33,896** | **77,081** | **127,611** | **37,841** | **577,990** |
| **2013** |  |  |  |  |  |  |
| Trade & other receivables | - 442,374 | 49,096 | 50,000 | 175,605 | 23,268 | 740,343 |
| Total | - 442,374 | 49,096 | 50,000 | 175,605 | 23,268 | 740,343 |

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Prepayments** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Prepayments | **322,342** | 290,918 |
|  | CIP - Internal Capital Funding | **3,684,437** | 2,713,696 |
|  | **Total Prepayments** | **4,006,779** | 3,004,614 |
| **5** | **Property, plant and equipment** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | **Plant and equipment**  Property, Plant and Equipment | **592,032** | 750,858 |
|  | Accumulated depreciation | **(392,070)** | (337,849) |
|  | **Total plant and equipment** | **199,962** | 413,009 |
|  | **Leasehold Improvements**  Leasehold improvements | **2,674,834** | 2,674,834 |
|  | Accumulated amortisation | **(2,337,587)** | (2,036,248) |
|  | **Total leasehold improvements** | **337,247** | 638,586 |

### Notes to the Financial Statements

For the Year Ended 31 December 2014

|  |  |  |  |
| --- | --- | --- | --- |
| **5** | **Property, plant and equipment continued**  **Artwork** |  | |
|  | At cost | **11,909** | 11,909 |
|  | **Total artwork** | **11,909** | 11,909 |
|  | **Total property, plant and equipment** | **549,118** | 1,063,504 |

1. **Movements in Carrying Amounts**

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

**Leasehold improvements**

**$**

**Artwork**

**$**

**Property, Plant and Equipment**

**$**

**Total**

**$**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2014**  Balance at the beginning of year | **638,586** | **11,909** | **413,009** | **1,063,504** |
| Additions | **-** | **-** | **32,511** | **32,511** |
| Disposals | **-** | **-** | **(124,896)** | **(124,896)** |
| Depreciation expense **(301,339)** | | **-** | **(120,662)** | **(422,001)** |
| **Balance at 31 December 2014 337,247** | | **11,909** | **199,962** | **549,118** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2013**  Balance at the beginning of year | 1,075,528 | 11,909 607,682 | | 1,695,119 |
| Additions | 247,743 | - 137,129 | | 384,872 |
| Disposals | - | - (128,732) | | (128,732) |
| Transfers | - | - 40,173 | | 40,173 |
| Depreciation expense (684,685) | | - | (243,243) | (927,928) |
| **Balance at 31 December 2013** 638,586 | | 11,909 | 413,009 | 1,063,504 |

|  |  |  |  |
| --- | --- | --- | --- |
| **6** | **Accrued expenses** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | **CURRENT**  Salary accrual | **265,979** | 299,581 |
|  | Payables | **388,589** | 675,700 |
|  | Agents commissions | **1,042,049** | 217,173 |
|  | Other | **1,492** | 1,244 |
|  |  | **1,698,109** | 1,193,698 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

**7 Employee Benefits**

**CURRENT**

**2014**

**$**

**2013**

**$**

Employee benefits - annual leave **1,230,470** 1,236,335

Employee benefits - long service leave **453,000** 246,988

**1,683,470** 1,483,323

**Amounts not expected to be settled within the next 12 months**

The current provision for employee benefits includes accrued annual leave. The entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Leave obligations expected to be settled after 12 months | **2014**  **$ 282,082** | **2013**  **$**  197,814 |
| **NON-CURRENT** |  |  |
| Employee benefits - long service leave | **693,000** | 525,008 |
| **8** | **Other liabilities** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | IELTS clearing \* | **324,149** | 219,780 |
|  | Payroll tax clearing | **115,402** | 90,288 |
|  | Fringe benefits tax clearing | **49,005** | 56,482 |
|  | Student suspense receipts | **29,274** | 18,829 |
|  | Other | **28,010** | 14,302 |
|  |  | **545,840** | 399,681 |
|  | \*Represents IELTS test fees paid in advance. |  |  |
| **9** | **Issued Capital** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Ordinary shares | **1** | 1 |
|  | **Total contributed equity** | **1** | 1 |

### Notes to the Financial Statements

For the Year Ended 31 December 2014

1. **Capital and Leasing Commitments**
   1. **Operating lease commitments**

The Company leases plant and office equipment under non-cancellable operating leases contracted for but not capitalised in the financial statements. The lease has renewal rights whereby the terms of the lease are renegotiated.

|  |  |  |
| --- | --- | --- |
| Payable - minimum lease payments: | **2014**  **$** | **2013**  **$** |
| - no later than 1 year | **248,551** | 113,872 |
| - between 1 year and 5 years | **226,522** | 92,356 |
| - greater than 5 years | **-** | - |

**475,073** 206,228

* 1. **Capital commitments**

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$** | **2013** |
| **Capital expenditure commitments contracted for:**  - no later than 1 year | **196,748** | - |
| - between 1 year and 5 years | **-** | - |
| - greater than 5 years | **-** | - |
|  | **196,748** | - |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

1. **Financial Risk Management**

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

The Company's financial instruments consist mainly of deposits with banks and local money market instruments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$** | **2013**  **$** |
| **Financial Assets**  Loans to ultimate parent entity | **6,906,850** | 5,812,226 |
| Cash and cash equivalents | **797,346** | 1,034,510 |
| Trade and other receivables (1) | **578,301** | 740,851 |
| **Total financial assets** | **8,282,497** | 7,587,587 |
| **Financial Liabilities**  Accrued Expenses (2) | **1,698,109** | 1,130,126 |
| Amounts due to related parties | **3,332** | 86,829 |
| Trade Payables (2) | **286,877** | 318,106 |
| Other Liabilities (2) | **5,904** | 20,538 |
| **Total financial liabilities** | **1,994,222** | 1,555,599 |

**Weighted average**

**interest rate Balance**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Financial Assets | **2014**  **% 2.80** | **2013**  **%**  2.80 | **2014**  **$ 8,282,497** | **2013**  **$**  7,587,587 |
| Financial Liabilities | **-** | - | **(1,994,222)** | (1,555,599) |
|  |  |  | **6,288,275** | 6,031,988 |

Notes:

1. Excludes statutory receivable and prepayments (not within the scope of AASB 7)
2. Excludes statutory payables and unearned revenue (not within the scope of AASB7)

### Notes to the Financial Statements

For the Year Ended 31 December 2014

**11 Financial Risk Management continued Financial risk management policies**

The Board of Directors has overall responsibility for the establishment of the Company’s financial risk management framework.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write or buy options.

Mitigation strategies for specific risks faced are described below:

1. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company and arises principally from the Company's receivables and cash deposits.

Services are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim.

There are no material differences between the carrying amount and fair value of financial assets and liabilities and hence the carry amount represents fair value.

1. **Liquidity risk**

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

* + preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a weekly basis, and reported monthly; and
  + only investing surplus cash with licensed banks covered by Australian Government Deposit Guarantee, NSW - Treasury Corporation or with the parent entity;

The timing of expected outflows is not expected to be materially different from contracted cashflows. The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The table/s below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

UWS Enterprises Pty Limited Trading as UWSCollege

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### Notes to the Financial Statements

For the Year Ended 31 December 2014

**11 Financial Risk Management continued**

*Financial liability maturity analysis - Non-derivative*

**Within 1 Year 1 to 5 Years Over 5 Years Total**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014**  **$** | **2013**  **$** | **2014**  **$** | **2013**  **$** | **2014**  **$** | **2013**  **$** | **2014**  **$** | **2013**  **$** |
| **Financial assets due for** |  |  |  | | | | |  |
| **receipt** |  |  |  | | | | |  |
| Loans to ultimate parent entity | **6,906,850** | 5,812,226 | **-** - **-** - **6,906,850** | | | | | 5,812,226 |
| Cash and Cash Equivalents | **797,346** | 1,034,510 | **-** - **-** - **797,346** | | | | | 1,034,510 |
| Trade and other receivables | **578,301** | 740,851 | **-** - **-** - **578,301** | | | | | 740,851 |
|  | **8,282,497** | 7,587,587 | **-** - **-** - **8,282,497** | | | | | 7,587,587 |
| **Financial liabilities due** |  |  |  | | | | |  |
| **for payment** |  |  |  | | | | |  |
| Accrued Expenses | **1,698,109** | 1,130,126 | **-** - **-** - **1,698,109** | | | | | 1,130,126 |
| Amounts due to related parties | **3,332** | 86,829 | **-** - **-** - **3,332** | | | | | 86,829 |
| Trade payables | **286,877** | 318,106 | **-** - **-** - **286,877** | | | | | 318,106 |
| Other Liabilities | **5,904** | 20,538 | **-** - **-** - **5,904** | | | | | 20,538 |
|  | **1,994,222** | 1,555,599 | **-** - **-** - **1,994,222** | | | | | 1,555,599 |

The timing of expected outflows is not expected to be materially different from contracted cashflows.

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### Notes to the Financial Statements

For the Year Ended 31 December 2014

1. **Financial Risk Management continued**

*Financial assets pledged as collateral*

No financial assets have been pledged as security for any financial liability.

1. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

1. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

1. *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic locations.

*Sensitivity analysis*

The following table illustrates sensitivities to the Company's exposures to changes in the interest rate risk.

**Interest Rate Risk - Sensitivity Analysis**

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 100 basis points would have increased equity and surplus or deficit by the amounts shown below. This analysis assumes that other variables are held constant.

The movements in surplus / (deficit) are due to higher interest costs from variable rate debt and cash balances.

The net exposure at the end of the reporting period is representative of what the Company was and is expecting to be exposed to at the end of the next twelve months. The sensitivity analysis is performed on the same basis as in 2013.

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UWS Enterprises Pty Limited Trading as UWSCollege

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### Notes to the Financial Statements

For the Year Ended 31 December 2014

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **11** | **Financial Risk Management continued**  **Interest Rate Risk - Sensitivity Analysis continued** |  | | | | |
|  |  |  | **Surplus / deficit** | **Surplus / deficit** | **Equity** | **Equity** |
|  |  | **Carrying amount** | **100 basis points increase** | **100 basis points decrease** | **100 basis points increase** | **100 basis points decrease** |
|  |  | **$** | **$** | **$** | **$** | **$** |
|  | **2014** |  |  |  |  |  |
|  | **Financial assets** |  |  |  |  |  |
|  | Loans to ultimate parent entity | 6,906,850 | 69,069 | (69,069) | 69,069 | (69,069) |
|  | Cash and cash equivalents | 797,346 | 7,973 | (7,973) | 7,973 | (7,973) |
|  | **Total increase / (decrease) in financial assets** | 7,704,196 | 77,042 | (77,042) | 77,042 | (77,042) |
|  | **Financial liabilities** |  |  |  |  |  |
|  | Amounts due to related parties | 3,332 | 33 | (33) | 33 | (33) |
|  | **Net increase / (decrease) in financial assets** | 7,707,528 | 77,075 | (77,075) | 77,075 | (77,075) |
|  | **2013** |  |  |  |  |  |
|  | **Financial assets** |  |  |  |  |  |
|  | Loans to ultimate parent entity | 5,812,226 | 58,122 | (58,122) | 58,122 | (58,122) |
|  | Cash and cash equivalents | 1,034,510 | 10,345 | (10,345) | 10,345 | (10,345) |
|  | **Total increase / (decrease) in financial assets** | 6,846,736 | 68,467 | (68,467) | 68,467 | (68,467) |
|  | **Financial liabilities** |  |  |  |  |  |
|  | Amounts due to related parties | 86,829 | 868 | (868) | 868 | (868) |
|  | **Net increase / (decrease) in financial assets** | 6,933,565 | 69,335 | (69,335) | 69,335 | (69,335) |

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### Notes to the Financial Statements

For the Year Ended 31 December 2014

1. **Revenue**

|  |  |  |  |
| --- | --- | --- | --- |
| **(a)** | **Revenue from rendering of services** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Tuition income | **46,109,356** | 32,002,663 |
|  | Student test fees | **2,179,875** | 1,771,355 |
|  | Student charges | **369,794** | 194,321 |
|  | **Total revenue from rendering of services** | **48,659,025** | 33,968,339 |
| **(b)** | **Other revenue** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Consulting income | **-** | 27,273 |
|  | Bad debts recovered | **-** | 2,987 |
|  | Salary Recoveries | **-** | 10,501 |
|  | Other income | **32,447** | 49,111 |
|  | **Total other revenue** | **32,447** | 89,872 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **13** | **Expenses** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | **Depreciation and Amortisation** |  |  |
|  | Leasehold improvements | **301,340** | 684,685 |
|  | Office equipment | **101,035** | 194,026 |
|  | Motor vehicles | **19,626** | 49,217 |
|  | Total depreciation and amortisation | **422,001** | 927,928 |
|  | **Employee benefits expense (including academic and non academic)** |  |  |
|  | Salaries and wages | **21,009,819** | 15,419,276 |
|  | Leave | **1,725,985** | 1,446,001 |
|  | Superannuation | **1,996,096** | 1,397,904 |
|  | Payroll tax | **1,350,640** | 972,729 |
|  | Workers Compensation | **101,255** | 140,436 |
|  | Redundancies | **185,753** | - |
|  | **Fees for service** | **26,369,548** | 19,376,346 |
|  | UWS services | **407,084** | 341,438 |
|  | Agent Commissions | **2,281,875** | 1,079,504 |
|  | Study tours | **175,439** | 256,186 |
|  | Temporary contract staff | **307,887** | 143,052 |
|  | Consultants | **363,109** | 193,981 |
|  | Other | **274,883** | 272,559 |
|  |  | **3,810,277** | 2,286,720 |
|  | **Occupancy expenses** |  |  |
|  | Operating lease repayments | **820** | 10,000 |
|  | Cleaning | **78,761** | 63,095 |
|  | Other | **65,236** | 53,560 |
|  |  | **144,817** | 126,655 |
|  | **Other expenses** |  |  |
|  | Minor equipment | **176,442** | 187,247 |
|  | Staff recruitment | **56,597** | 66,860 |
|  | Training and seminars | **53,022** | 78,126 |
|  | Conference fees | **59,902** | 64,691 |
|  | Other expenses (See (a) below) | **1,532,634** | 875,735 |
|  |  | **1,878,597** | 1,272,659 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **13** | **Expenses continued**  (a) Other Expenses |  | |
|  |  | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Staff Travel | **187,819** | 182,824 |
|  | Motor Vehicles Operating expenses | **193,479** | 128,571 |
|  | Repairs & Maintenance | **12,685** | 7,171 |
|  | FBT on Motor Vehicles | **46,571** | 27,983 |
|  | Postage, Printing, Telephone & Internet | **608,238** | 364,762 |
|  | Furniture | **39,424** | 29,189 |
|  | Equipment Lease | **193,572** | 29,497 |
|  | UAC Fee | **110,951** | 69,300 |
|  | UWS Parking | **-** | 29,653 |
|  | Doubtful Debt Provision | **123,641** | 5,502 |
|  | Sundry Expenses | **16,254** | 1,283 |
|  | **Total other expenses** | **1,532,634** | 875,735 |
| **14** | **Remuneration of Auditors** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | The Audit Office of New South Wales |  |  |
|  | - Audit of financial statements | **37,980** | 34,000 |
|  | **- Total remuneration for audit** | **37,980** | 34,000 |
| **15** | **Contingencies** |  |  |
|  | **Contingent Liabilities** |  |  |
|  | Claims |  |  |

The Directors of the Company are not aware of the existence of any legal claims as at 31 December 2014. Guarantees

The Directors of the Company are not aware of any guarantees that are in place as at 31 December 2014 (2013 NIL). The Directors of the Company are not aware of any further instances.

Invoices not yet received

All commission invoices from the international agents relating to students enrolled in 2014 may not have been received. An amount has been accrued into the financial statements. These will be paid in 2015 upon receipt.

### Notes to the Financial Statements

For the Year Ended 31 December 2014

|  |  |  |
| --- | --- | --- |
| **16** | **Remuneration of the Board**  Total remuneration to external independent Board members of the Company during the year are as follows: |  |
|  | **2014** | **2013** |
|  | **$** | **$** |
|  | Independent Directors fees **37,500** | **35,416** |
|  | **Other key management personnel transactions** |  |

For details of other transactions with key management personnel, refer to Note 17: Related Party Transactions.

**17 Related Parties**

1. **The Company's main related parties are as follows:**
   1. *Entities exercising control over the Company:*

The ultimate parent entity, which exercises control over the Company, is University of Western Sydney which wholly owns the Company.

1. **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

1. **Balances from related parties**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2014**  **$** | **2013**  **$** |
| **Purchase of goods and services**  Purchase of capital works from ultimate parent entity | **970,741** | 2,713,696 |
| Purchase of catering services from other related parties | **50,778** | 44,441 |
|  | **Total** | **1,021,519** | 2,758,137 |

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$** | **2013**  **$** |
| **Other transactions**  Royalty to ultimate parent entity\* | **14,394,061** | 6,870,922 |

\*Royalty was paid for the use of the ultimate parent entity's services, infrustructure and intellectual property during the year.

|  |  |  |
| --- | --- | --- |
| **Notes to the Financial Statements**  **For the Year Ended 31 December 2014** |  | |
| **18 Reconciliation of Surplus to Net Cash Flows From Operating Activities** |
|  | **2014** | **2013** |
|  | **$** | **$** |
| Operating surplus for the year | **490,050** | 2,010,794 |
| Non-cash flows in surplus / (deficit) |  |  |
| Depreciation and amortisation | **422,001** | 927,928 |
| UWS Loan Interest non cash | **(251,841)** | (226,492) |
| Net (gain)/loss on sale of non-current assets | **11,028** | 8,332 |
| Changes in assets and liabilities |  |  |
| (increase)/decrease in trade and other receivables | **(48,794)** | (185,585) |
| (increase)/decrease in prepayments | **(31,424)** | 124,842 |
| (increase)/decrease in inventories | **-** | 14,620 |
| increase/(decrease) in intercompany account balances | **(83,497)** | (282,142) |
| increase/(decrease) in accruals | **504,410** | (9,924) |
| increase/(decrease) in trade and other payables | **89,930** | 83,756 |
| increase/(decrease) in other operating liabilities | **25,000** | (2,636) |
| increase/(decrease) in employee benefits | **368,139** | 361,461 |

Net cash flows from operating activities **1,495,002** 2,824,954

### Notes to the Financial Statements

For the Year Ended 31 December 2014

1. **Events Occurring After the Reporting Date**

No matters or 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.

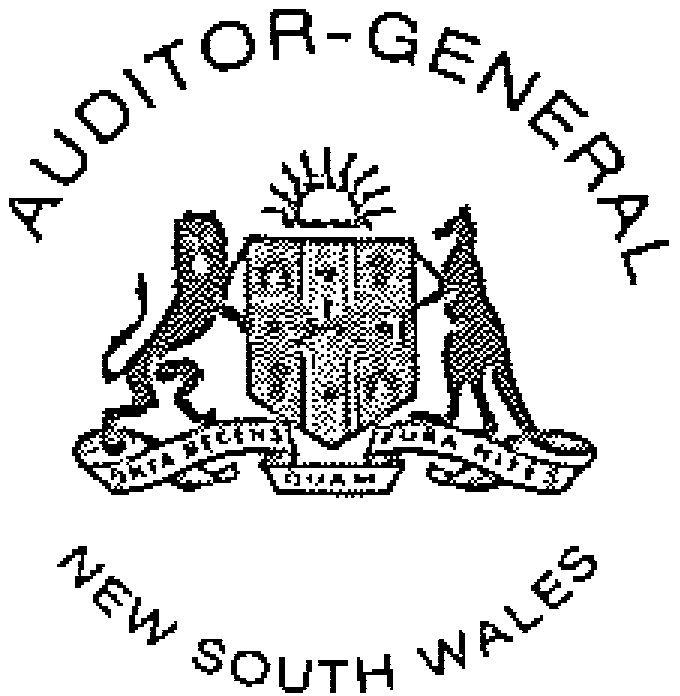
1. **Company Details**

The registered office of the Company

UWS Enterprises Pty Limited Trading as UWSCollege 158-160 Hawkesbury Road

Westmead NSW 2145

End of Audited Financial Statements



INDEPENDENT AUDITOR'S REPORT

UWS Enterprises Pty Limited trading as UWS College

To Members of the New South Wales Parliament and Members of UWS Enterprises Pty Limited trading as UWS College.

I have audited the accompanying financial statements of UWS Enterprises Pty Limited trading as UWS College (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration and the responsible entities declaration.

**Opinion**

In my opinion, the financial statements:

* + are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* + are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 201o
  + have been prepared in accordance wlth Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and for such

,internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and falr view and that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e [rnail@audit.nsw.gov.au](mailto:rnail@audit.nsw.gov.au) I audit.nsw.gov.au

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. ln making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

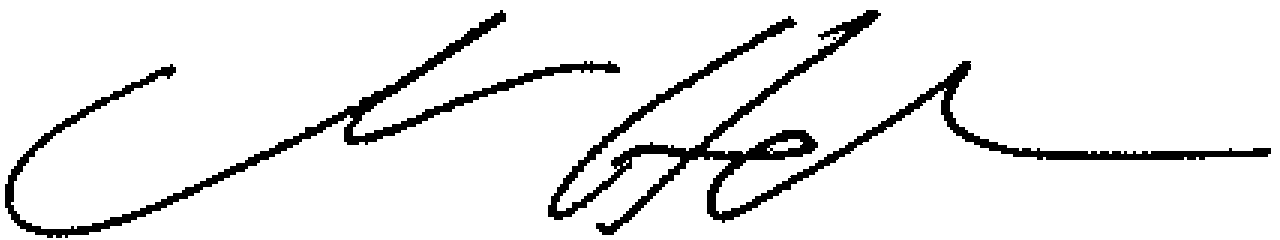
* about the future viabllity of the Company
* that they carried out their activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
* about any other information which may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

* providing that only Parliament, and not the executive government, can remove an Auditor-General
* mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit servlces, thus ensuring the Auditor-General and the Audlt Offlce of New South Wales are not compromlsed in their roles by the possibility of losing clients or income.

l confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 24 February 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Grant Hehir Auditor-General

3 March 2015

SYDNEY

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# uwsconnect Limited

**ABN 45 107 759 197**

**Financial Statements**

**For the Year Ended 31 December 2014**

These financial statements are the individual entity statements of uwsconnect Limited (the Company). The financial statements are presented in the Australian currency.

The Company is limited by guarantee, incorporated and domiciled in Australia. Its registered office is:

University of Western Sydney Great Western Highway Werrington NSW 2747

A description of the nature of the Company's operations and its principal activities is included in the directors' report which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 24 February 2015. The directors have the power to amend and reissue the financial statements.

**Directors' report**

The directors present their report on the Company for the year ended 31 December 2014.

**Directors**

The following persons were directors of the Company during the whole or part of the financial year and up to the date of this report:

Timothy Ferraro Chair (appointed 27 Sep 2005) John Banks (appointed 14 Jan 2011)

Peter Pickering (appointed 13 Aug 2013)

Ellen Brackenreg (appointed 10 Feb 2014)

Bill Parasiris (appointed 10 Feb 2014)

Brent Jones (retired 12 Dec 2014)

Harpreet Singh (retired 12 Dec 2014)

**Short and long term objectives and strategy**

The principal objective of the Company is to provide food and beverage, retail, sporting and campus life facilities and services across all six of the University of Western Sydney campuses.

The Company aims to work collaboratively to build a strong, professional and financially sustainable business that provides equitable and affordable services to meet the needs of the UWS community and residents of Greater Western Sydney.

**Principal activities**

During the 2014 financial year, the Company continued the provision of student services including sports and leisure, retail, food and beverage, and other services consistent with its principal objective.

**Performance measures**

The performance measures of the Company can be separated into financial KPI’s relating to profit and revenue for all trading areas and non-financial KPI’s relating to Student Services, based on participation and compliance.

**Dividends**

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing this report (2013: $nil).

**Review of operations**

The deficit for the year ended 31 December 2014 is $(1,491,642) (2013: $891,791).The increase in the losses was mainly on account of restructure of the company, sales targets not met, operations of Venues being moved to UWS, closure of the Campbelltown Gym, delay in the restructure of finance and administration and additional finance costs.

**Significant changes in the state of affairs**

The Company varied its operations during the year, restructuring its administration and operations, and divesting certain operations including operating the UWS Bus Service and graduation services. From 2015, UWS the parent entity will be operating the bus and graduation services. Also the remainder of the restructure would be completed in 2015.

**Events subsequent to reporting date**

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of the operation, or the state of affairs of the Company in future financial years.

**Likely developments and expected results of operations in future years**

Likely developments in the entity’s operation in future financial years have not been included in this report. The

future developments are not expected to significantly affect the results of the company.

**Environmental regulation**

The Company is not subject to any significant environmental regulations.

**Information on directors**

**Tim Ferraro** Experience & Qualifications: Principal Consultant, GHD. MBA, BAppSc (Hons), Member AIM, Member IPAA, Member Aust. Rangelands Scty, MAICD. Non-executive.

Special responsibilities: Chair - uwsconnect Ltd Board; Chair - uwsconnect Executive Committee; Chair - uwsconnect Audit & Risk Management Committee. Member – UWS / uwsconnect Liaison Committee. Member UWS Board of Trustees.

**John Banks** Experience & Qualifications: Director, Talent2. Member UWS Board of Trustees, Member UWS Foundation Council, Member Committee of Sydney. Non-executive.

Special responsibilities: Member - uwsconnect Executive Committee.

**Brent Jones** Experience and Qualifications: Enrolled UWS student. B.Business & Commerce (Sports management).

Non-executive

**Harpreet Singh** Experience & Qualifications: Enrolled UWS student, Non-executive

**Peter Pickering** Experience & Qualifications: Vice-President (Finance & Resources), University of Western Sydney.

B.Comm (Hons), DipCM, FCPA, FCIS, FAICD. Non-executive.

**Ellen Brackenreg**

Experience and Qualifications: BA (Psych), BSW, MBA, GAICD, NonExecutive Director. Director, Student Support Services at UWS, and non-executive director at UWS Early Learning Limited.

**Bill Parasiris** Experience and Qualifications: MBA (UWS) GAICD Non-executive Director. Senior Manager, Commercial Operations & Assets at UWS.

**Company Secretary**

Anne Waller retired 25/02/2014.

Ian Londish appointed 25/02/2014. Experience and Qualifications: BALLB (Hons) GIA (Cert) Company Secretary (Entities) and Associate Director (Secretariat) UWS

**Meetings of directors**

During the financial year ended 31 December 2014 6 meetings of the directors were held. Attendance by each director during the year was as follows:

**Full meetings of directors 6**

|  |  |  |
| --- | --- | --- |
|  | **Number attended** | **Number eligible to attend** |
| Tim Ferraro | 6 | 6 |
| John Banks | 3 | 6 |
| Peter Pickering | 6 | 6 |
| Ellen Brackenreg | 5 | 6 |
| Bill Parasiris | 6 | 6 |
| Harpreet Singh | 3 | 5 |
| Brent Jones | 4 | 5 |

**Proceedings on behalf of the Company**

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Total amount that members of the Company are liable to contribute if the entity is wound up will not exceed $10.00.

ABN 45 107 759 197

**Directors' Report**

**for the year ended 31 December 2014**

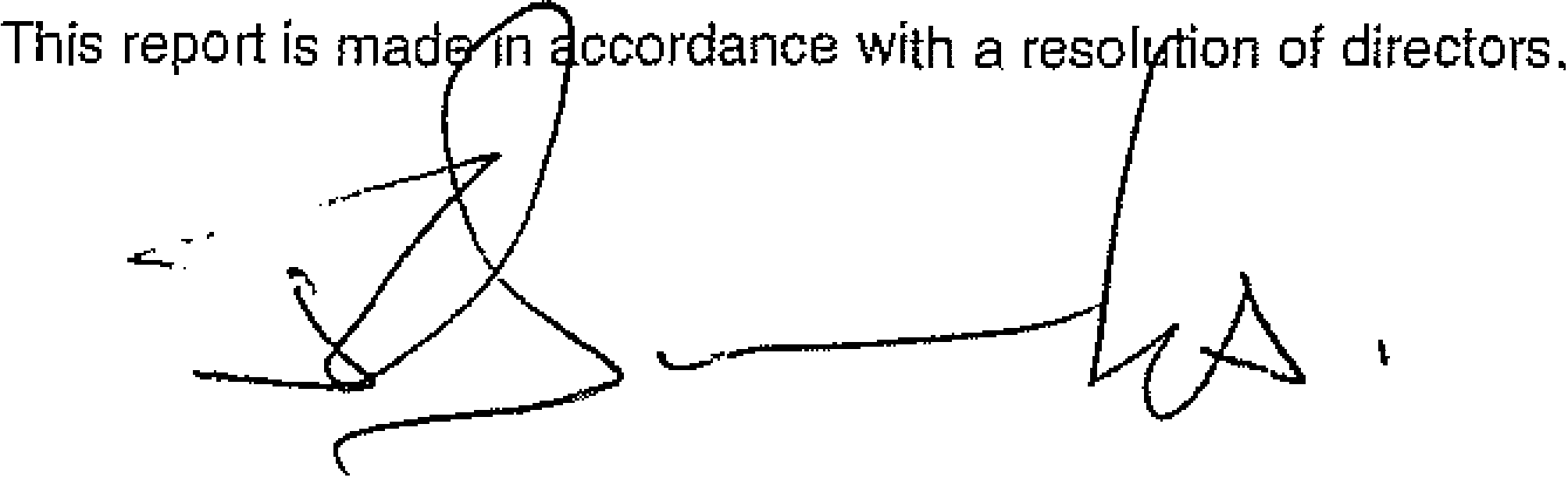
Auditor's Independent declaration

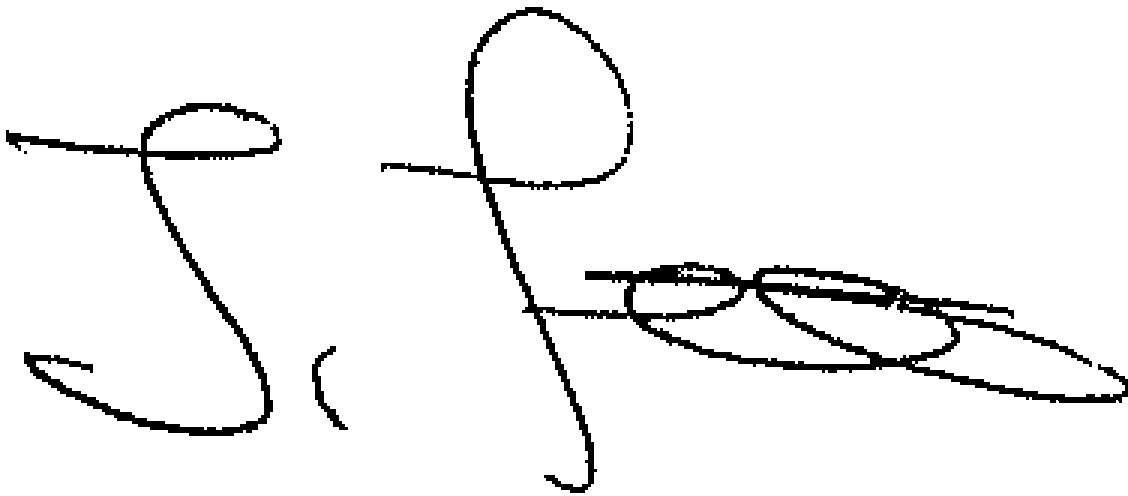
A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 for the year

ended 31 December 2014 is set out on page 4.

Auditor

The Audit Office of New South Wales, GPO BOX 12, Sydney NSW 2001.

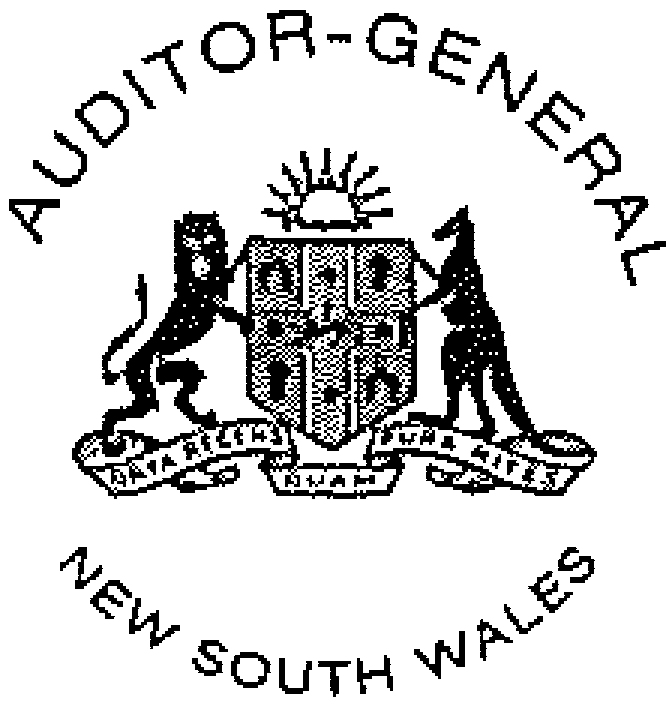


John Banks Director

Tim Ferraro Direclor

Sydney

24 February 2015

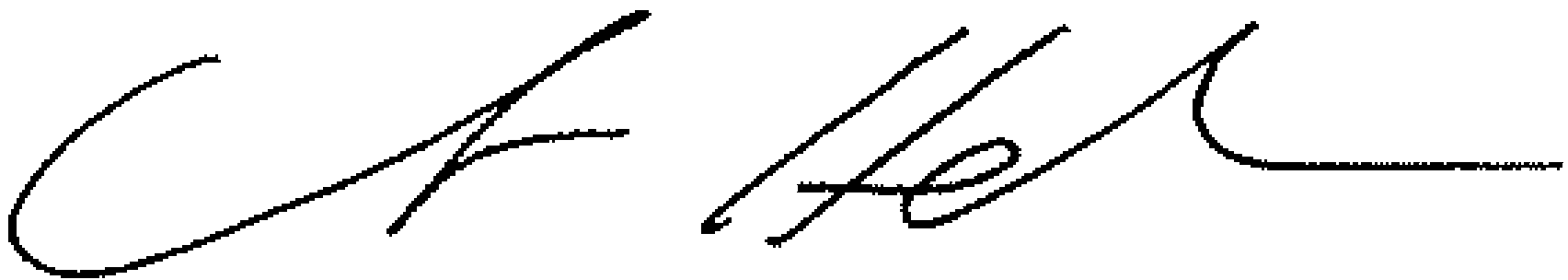


To the Directors uwsconnect Limited

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of uwsconnect Limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Grant Hehir Auditor-General

24 February 2105

SYDNEY

Level 15, 1Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e [mail@audit.nsw.9ov.au](mailto:mail@audit.nsw.9ov.au) I audit.nsw.gov.au

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of comprehensive income**  **For the year ended 31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | Notes | **$** | $ |
| **Revenue** |  |  |  |
| Sale of goods | 3 | **19,794,196** | 20,844,192 |
| Rendering of services | 3 | **1,737,339** | 2,416,354 |
| UWS Funding | 3 | **3,803,301** | 3,349,044 |
| Other revenue | 3 | **829,899** | 505,209 |
| **Total revenue from operations** |  | **26,164,735** | 27,114,799 |
| Net gain (loss) on disposal of assets |  | **(29,086)** | 6,408 |
| **Total income** |  | **26,135,649** | 27,121,207 |
| **Expenses** |  |  |  |
| Raw materials and consumables used |  | **(11,318,094)** | (12,225,482) |
| Employee benefits expense | 4 | **(10,593,232)** | (10,493,037) |
| Depreciation and amortisation expense | 4 | **(175,369)** | (193,991) |
| Occupancy expenses | 4 | **(865,235)** | (1,011,913) |
| Minor equipment |  | **(74,206)** | (105,718) |
| Other expenses | 4 | **(4,474,271)** | (3,928,519) |
| Finance costs |  | **(126,883)** | (54,338) |
| **Total expenses** |  | **(27,627,291)** | (28,012,998) |
| **Deficit for the year** |  | **(1,491,642)** | (891,791) |
| Other comprehensive income for the year |  | **-** | - |
| **Total comprehensive income for the year** |  | **(1,491,642)** | (891,791) |
| **Comprehensive income for the year attributable to**  Non-controlling interests |  | **-** | - |
| The Parent |  | **(1,491,642)** | (891,791) |
| **Total comprehensive income for the year** |  | **(1,491,642)** | (891,791) |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of financial position**  **31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | Notes | **$** | $ |
| **ASSETS** |  |  |  |
| **CURRENT ASSETS**  Cash and cash equivalents | 5 | **406,651** | 614,936 |
| Trade and other receivables | 6 | **1,184,555** | 584,179 |
| Inventories | 7 | **3,895,997** | 5,607,926 |
| **TOTAL CURRENT ASSETS** |  | **5,487,203** | 6,807,041 |
| **NON-CURRENT ASSETS**  Property, plant and equipment | 8 | **487,702** | 742,084 |
| Intangible assets | 9 | **11,692** | 12,442 |

**TOTAL NON-CURRENT ASSETS 499,393** 754,526

|  |  |  |  |
| --- | --- | --- | --- |
| **TOTAL ASSETS** |  | **5,986,596** | 7,561,567 |
| **LIABILITIES** |  |  |  |
| **CURRENT LIABILITIES**  Trade and other payables | 10 | **1,845,051** | 3,409,635 |
| Borrowings from the parent | 11 | **3,532,365** | 2,439,562 |
| Provisions | 12 | **470,993** | 586,326 |
| Other liabilities | 13 | **770,795** | 250,082 |
| **TOTAL CURRENT LIABILITIES** |  | **6,619,203** | 6,685,605 |
| **NON-CURRENT LIABILITIES**  Provisions | 12 | **232,448** | 249,379 |
| **TOTAL NON-CURRENT LIABILITIES** | | **232,448** | 249,379 |
| **TOTAL LIABILITIES** | | **6,851,651** | 6,934,984 |
| **NET ASSETS** | | **(865,059)** | 626,583 |
| **EQUITY**  Retained earnings 14 | | **(865,059)** | 626,583 |
| **TOTAL EQUITY** | | **(865,059)** | 626,583 |

|  |  |  |
| --- | --- | --- |
| **Statement of changes in equity**  **For the year ended 31 December 2014** |  | |
|  | **Retained earnings** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2014** | **626,583** | **626,583** |
| **Total comprehensive income for the year** |  |  |
| Deficit for the year | **(1,491,642)** | **(1,491,642)** |
| **Balance at 31 December 2014** | **(865,059)** | **(865,059)** |
|  | **Retained earnings** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2013** | 1,518,374 | 1,518,374 |
| **Total comprehensive income for the year** |  |  |
| Surplus/(deficit) | (891,791) | (891,791) |
| **Balance at 31 December 2013** | 626,583 | 626,583 |

*The accompanying notes form part of these financial statements.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of cash flows**  **For the year ended 31 December 2014** |  | | |
|  |  | **2014** | 2013 |
|  | Notes | **$** | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES**  Receipts from customers |  | **27,131,419** | 29,123,223 |
| Payments to suppliers and employees |  | **(28,466,908)** | (31,568,089) |
|  |  | **(1,335,489)** | (2,444,866) |
| Interest received |  | **14,391** | 39,479 |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | 21 | **(1,321,099)** | (2,405,387) |
| **CASH FLOWS FROM INVESTING ACTIVITIES**  Payments for property, plant and equipment | 8 | **(24,578)** | (213,260) |
| Proceeds from sale of property, plant and equipment |  | **44,585** | 115,360 |
| **NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES** |  | **20,007** | (97,900) |
| **CASH FLOWS FROM FINANCING ACTIVITES**  Proceeds from borrowings |  | **7,175,000** | 4,609,096 |
| Repayment of borrowings |  | **(6,082,194)** | (3,772,660) |
| **NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES** |  | **1,092,806** | 836,436 |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD** |  | **(208,285)** | (1,666,851) |
| **Cash and cash equivalents at beginning of financial year** |  | **614,936** | 2,281,787 |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR** |  | **406,651** | 614,936 |
| *The accompanying notes form part of these financial statements.* |  |  |  |

**1 Summary of significant accounting policies**

1. **Basis of preparation**

These financial statements are prepared on an accruals basis and in accordance with Australian Accounting Standards, the *Corporations Act 2001*, Section 41B(1) of the *Public Finance & Audit Act 1983, Public Finance and Audit Regulation 2010*, *ACNC Act 2012 and Regulation 2013*, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

The financial statements of the Company comply with Australian Accounting Standards, some of which contain requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(i) **Critical accounting estimates**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

These accounting policies have been consistently applied to all periods in the financial statements. The estimates and assumptions are reviewed on an ongoing basis. Revisions to any estimates are recognised in the period in which the estimate is reviewed, if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue recognition**

The Company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

1. **Sale of goods and rendering of services**

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable. Revenue from rendering of services is recognised when that service has been provided.

1. **Other revenue**

All other material revenue is accounted for on an accrual basis. Funding from the parent entity is received quarterly in advance. Only the revenue pertaining to the month is accounted as revenue with the balance shown as income earned in advance.

**1 Summary of significant accounting policies**

1. **Finance Costs**

Finance costs relating to the University of Western Sydney loan facilities are expensed.

1. **Income tax**

The Company is exempt from the payment of tax by virtue of section 50-B of the *Income Tax Assessment Act 1997*. Accordingly, no provision for income tax liability or future income tax benefit has been included in the accounts.

1. **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank.

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The amount of the provision is recognised in the income statements. This is recognised as the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Collectability of trade receivables is reviewed on an ongoing basis at board level. Individual debts that are known to be uncollectible are written off when identified.

Short term receivables, with no stated interest rates, are measured at the original invoice amount where the effect of discounting is immaterial.

Our primary debtor for the business is the University of Western Sydney. Standard terms for trade receivables are fourteen (14) days.

1. **Inventories**

All inventories are measured at the lower of cost and net realisable value. Textbooks and Retail stock are valued at a weighted average price; other stock is valued at last purchase price.

There is no provision for obsolete stock.

1. **Financial assets Classification**

The Company classifies its investments as loans and receivables.

1. **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non current assets. Loans and receivables are included in trade and other receivables (note 6) in statement of financial position. The assets residual values are reviewed and adjusted if appropriate at each balance sheet date.

**Measurement**

Details on how the fair value of financial instruments is determined are disclosed in note 2.

(ii) **Assets carried at amortised cost**

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If the loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument’s fair value using an observable market price.

**1 Summary of significant accounting policies**

Financial assets

Assets carried at amortised cost

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

Impairment testing of trade receivables is described in note 1(f).

1. **Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation.

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

Depreciation on assets is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Class of Assets Useful Life

* Computing 3-4 years
* Leasehold improvements 2-6 years
* Motor vehicles 6-7 years
* Gym equipment 3-10 years
* Other 10-20 years

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 carrying amount. These are included in the statement of comprehensive income.

1. **Intangible assets**
2. IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that contribute to future period financial benefits through revenue generation and/or cost reduction, are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

1. Franchise Fees

Cost incurred to acquire Subway Franchise fees are amortised over a period of 20 years on a straight line basis.

1. **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to the credit terms agreed with the suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

**1 Summary of significant accounting policies**

1. **Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months after the end of each reporting period are measured at the amounts expected to be paid when the liabilities are settled and recognised in other payables. The liability for annual leave is recognised in the provision for employee benefits.

1. Provisions

The liability for long service leave and annual leave, which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made when the liability is settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discontinued using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outlow.

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

Contributions to the defined fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

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

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1. **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1. **Goods and Services Tax (GST)**

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

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

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

**1 Summary of significant accounting policies**

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. **Comparative amounts**

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

2 **Financial Risk Management**

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk to determine market risk.

|  |  |  |
| --- | --- | --- |
| The Company holds the following financial instruments: | **2014** | **2013** |
|  | **$** | $ |
| **Financial Assets**  Cash and cash equivalents | **406,651** | 614,936 |
| Trade and other receivables | **1,101,746** | 461,917 |
| **Total Financial Assets** | **1,508,397** | 1,076,853 |
| **Financial Liabilities**  Trade and other payables | **1,823,038** | 3,389,692 |
| Borrowings | **3,532,365** | 2,439,562 |
| **Total Financial Liabilities** | **5,355,403** | 5,829,254 |
| Note: Excludes statutory receivables and payables. |  |  |
| (a) Market risk |  |  |
| (i) Cash flow and fair value interest rate risk |  |  |

The Company's main interest rate risk arises from short term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

As at the end of the reporting period, the Company had the following variable rate borrowings:

**31 December 2014** 31 December 2013

**Weighted average**

**interest rate Balance**

Weighted average

interest rate Balance

**% $** % $

Borrowings **5% 3,532,365 5**% **2,439,562**

Market risk

Net exposure to cash flow interest rate risk **3,532,365 2,439,562**

An analysis by maturities is provided in (c) below.

1. Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

**Interest rate risk**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Carrying** | **-1%**  **Surplus /** |  | **+1%**  **Surplus /** |  |
| **31 December 2014** | **amount** | **(Deficit)** | **Equity** | **(Deficit)** | **Equity** |
|  | **$** | **$** | **$** | **$** | **$** |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | **406,651** | **(4,067)** | **(4,067)** | **4,067** | **4,067** |
| Receivables | **1,101,746** | **(11,017)** | **(11,017)** | **11,017** | **11,017** |
| **Financial liabilities** |  |  |  |  |  |
| Borrowings | **(3,532,365)** | **35,324** | **35,324** | **(35,324)** | **(35,324)** |
| Payables | **(1,823,038)** | **18,230** | **18,230** | **(18,230)** | **(18,230)** |
| **Total increase / (decrease)** |  | 38,470 | 38,470 | (38,470) | (38,470) |
|  |  |  | Interest | rate risk |  |
|  |  | -1% |  | +1% |  |
| **31 December 2013** | Carrying amount | Surplus / (Deficit) | Equity | Surplus / (Deficit) | Equity |
|  | $ | $ | $ | $ | $ |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | **614,936** | **(6,149)** | **(6,149)** | **6,149** | **6,149** |
| Receivables | **584,179** | **(5,842)** | **(5,842)** | **5,842** | **5,842** |
| **Financial liabilities** |  |  |  |  |  |
| Borrowings | **(2,439,562)** | **24,396** | **24,396** | **(24,396)** | **(24,396)** |
| Payables | **(3,409,635)** | **34,096** | **34,096** | **(34,096)** | **(34,096)** |
| **Total increase / (decrease)** |  | 46,501 | 46,501 | (46,501) | (46,501) |

1. Credit risk

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated customer.

1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

Liquidity risk

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Contractual maturities of financial assets and liabilities** | **Less than 1** | **Between 1** | **Over 5** |  | **Carrying** | **Average interest** |
|  | **year** | **and 5 years** | **years** | **Non interest** | **amount** | **rate** |
| **2014** | **$** | **$** | **$** | **$** | **$** | **%** |
| **Non derivatives** |  |  |  |  |  |  |
| Cash & Cash equivalents | **406,551** |  |  |  | **406,551** | **2.40** |
| Receivables | **1,101,746** |  |  | **1,101,746** | **1,101,746** |  |
| Payables | **(1,823,038)** |  |  | **(1,823,038)** | **(1,823,038)** |  |
| Borrowings | **(3,532,365)** |  |  |  | **(3,532,365)** | **5.00** |

**Total non derivatives (3,847,106) - - (721,292) (3,847,106)**

Contractual maturities of financial

assets and liabilities Less than 1 year

Between 1

and 5 years

Over 5

years Non interest

Carrying amount

Average interest rate

**2013** $ $ $ $ $ %

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Non derivatives**  Cash & Cash equivalents | **614,936** |  | **614,936** | **2.15** |
| Receivables | **461,917** | **461,917** | **461,917** |  |
| Payables | **(3,389,692)** | **(3,389,692)** | **(3,389,692)** |  |
| Borrowings | **(2,439,562)** |  | **(2,439,562)** | **5.00** |
| **Total non derivatives** | **(4,752,401)** | **- - (2,927,775)** | **(4,752,401)** |  |

1. Fair value measurements

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

As the Company's financial instruments are short term in nature, their carrying values recognised in the statement of financial position approximates their fair value.

The carrying amount and aggregate net fair values of financial assets and financial liabilities at balance date are:

|  |  |  |
| --- | --- | --- |
|  | Carrying amount  $ | Fair value  $ |
| **Financial assets**  Cash | **406,651** | 406,651 |
| Receivables | **1,101,746** | 1,101,746 |
| **Financial liabilities**  Borrowings | **3,532,365** | 3,532,365 |
| Payables | **1,823,038** | 1,823,038 |

|  |  |
| --- | --- |
| 3 **Revenue** | **2014 2013** |
|  | **$** $ |
| **Revenue from operating activities** |  |
| **Sale of goods** |  |
| Books | **9,053,475** 8,513,655 |
| Food and beverage | **9,813,007** 9,735,439 |
| Retail | **927,714** 2,595,098 |
| **Total sale of goods** | **19,794,196** 20,844,192 |
| **Rendering of services**  Sports | **1,276,303** 1,878,498 |
| Graduation | **347,395** 320,617 |
| Venue hire | **113,641** 217,239 |
| **Total rendering of services** | **1,737,339** 2,416,354 |
| **UWS Funding**  UWS Funding - community services | **1,313,277** 1,230,000 |
| UWS Funding - bus services | **2,095,892** 1,669,044 |
| UWS Funding - clubs | **394,132** 250,000 |
| UWS Funding - sport | **-** 200,000 |
| **Total UWS Funding** | **3,803,301** 3,349,044 |
| **Other revenue**  Bank Interest | **14,391** 39,479 |
| Other revenue | **815,508** 465,730 |
| **Total other revenue** | **829,899** 505,209 |
| **Total revenue from operating activities** | **26,164,735** 27,114,799 |

|  |  |  |
| --- | --- | --- |
| 4 **Expenses** | **2014** | **2013** |
|  | **$** | $ |
| **Employee benefits expense**  Salaries and wages | **8,643,760** | 8,729,111 |
| Superannuation | **816,433** | 811,572 |
| Annual leave | **385,177** | 415,193 |
| Long service leave | **100,326** | 175,071 |
| Workers compensation | **201,982** | 198,453 |
| Redundancy payout | **249,994** | - |
| Other | **195,560** | 163,637 |
|  | **10,593,232** | 10,493,037 |
| **Depreciation**  Plant and equipment | **45,485** | 45,958 |
| Furniture and fittings | **66,788** | 67,345 |
| Motor vehicles | **62,092** | 79,938 |
|  | **174,365** | 193,241 |
| **Amortisation**  Franchise fee | **1,004** | 750 |
| **Total depreciation and amortisation** | **175,369** | 193,991 |
| **Occupancy expenses \***  Rental minimum operating lease payments | **107,300** | 263,099 |
| Repairs and maintenance | **467,313** | 434,061 |
| Utilities | **91,928** | 99,036 |
| Cleaning and waste removal | **142,125** | 138,478 |
| Security | **56,569** | 77,239 |
|  | **865,235** | 1,011,913 |
| **Other expenses**  Consultancy, agency and service provider fees | **2,138,368** | 1,485,251 |
| Advertising, promotional and event | **958,518** | 1,128,645 |
| Equipment hire | **362,846** | 348,912 |
| Motor vehicle | **264,775** | 317,059 |
| Consumables and supplies | **132,124** | 124,206 |
| Other | **617,640** | 524,446 |
|  | **4,474,271** | 3,928,519 |

Company exempt from Income Tax refer note 1(d) page 10

\* uwsconnect Limited currently resides in facilities owned by the University (Parent) in which there is no charge, this amount cannot be reliably measured or quantified due to the specialised nature of the premises.

5 **Cash and cash equivalents**

**2014**

**$**

**2013**

$

**Cash and cash equivalents**

**2014**

**$**

**2013**

$

Cash at bank and in hand **406,651** 614,936

**Total 406,651** 614,936

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

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

|  |  |  |
| --- | --- | --- |
| Balances as above | **2014**  **$ 406,651** | **2013**  $ 614,936 |
| Balances per statement of cash flows | **406,651** | 614,936 |

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash at Bank and on hand are interest bearing.

|  |  |  |
| --- | --- | --- |
| 6 **Trade and other receivables** | **2014** | **2013** |
|  | **$** | $ |
| Trade receivables | **1,144,298** | 350,013 |
| Sundry debtors and accruals | **7,963** | 166,579 |
| Less Allowance for impairment |  |  |
| **Prepayments** | **1,152,261** | 516,592 |
| Prepayments | **32,294** | 67,587 |
|  | **1,184,555** | 584,179 |
| Trade and other receivables are non-interest bearing. |  |  |

At 31 December 2014, current receivables of uwsconnect Limited with a nominal value of $ Nil (2013: Nil) were impaired. The amount of the provision was $ Nil (2013: Nil).

**Trade and other receivables**

Movements in the provision for impairment of receivables are as follows:

**Movements in the allowance for impairment**

**2014**

**$**

**2013**

$

At 1 January **-** 65,923

Receivables written off during the year as uncollectible **-** (65,923)

Unused amount reversed **-** -

As at 31 December 2014, trade receivables of $937,490 (2013 $ 344,519) were past due but not impaired. These relate to UWS. The ageing of these receivables is as follows:

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$** | **2013**  $ |
| Up to 3 months | **936,346** | 335,936 |
| 3 to 6 months | **349** | 8,583 |
| Over 6 months | **795** | - |
|  | **937,490** | 344,519 |

The other amounts within receivables do not contain impaired assets that are not past due. Based on credit history, it is expected that these amounts will be received when due.

(a) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Company and the credit quality of the entity's trade receivables.

7 **Inventories**

**2014**

**$**

**2013**

$

|  |  |  |
| --- | --- | --- |
| Finished goods  - at net realisable value | **3,895,997** | 5,607,926 |
|  | **3,895,997** | 5,607,926 |

(a) Provision for impairment

Provision for impairment of inventories to net realisable value recognised as an expense during the year ended 31 December 2014 amounted to Nil (2013: $442,409).

**Inventories**

**Movements in the allowance for impairment**

|  |  |  |
| --- | --- | --- |
| At 1 January | **2014**  **$ 485,985** | **2013**  **$**  50,445 |
| Allowance for stock obsolescence recognised during the year | **-** | 442,409 |
| Stocks written off during the year as unrealisable | **(485,985)** | (6,869) |
| At 31 December 2014 | **-** | 485,985 |

1. **Property, plant and equipment**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Plant and equipment** | **Furniture, fittings and equipment** | **Motor vehicles** | **Total** |
| **$** | **$** | **$** | **$** |
| **Year ended 31 December 2014** |  |  |  |  |
| Opening net book amount | 145,705 | 333,035 | 263,346 | 742,086 |
| Write offs | (18,973) | (11,697) | - | (30,670) |
| Additions | - | - | 24,578 | 24,578 |
| Disposals | - | - | (73,671) | (73,671) |
| Depreciation charge | (45,739) | (66,788) | (62,092) | (174,619) |
| Closing net book amount | 80,993 | 254,550 | 152,161 | 487,704 |
| **At 31 December 2014** |  |  |  |  |
| Cost | 446,010 | 498,390 | 539,610 | 1,484,010 |
| Accumulated depreciation | (365,018) | (243,841) | (387,449) | (996,308) |
| Net book amount | 80,992 | 254,549 | 152,161 | 487,702 |
| **At January 2013** |  |  |  |  |
| Cost | 712,924 | 691,525 | 583,613 | 1,988,062 |
| Accumulated depreciation | (521,262) | (291,146) | (344,645) | (1,157,053) |
| Net book amount | 191,662 | 400,379 | 238,968 | 831,009 |
| **Year ended 31 December 2013**  Opening net book amount | 191,662 | 400,379 | 238,968 | 831,009 |
| Write offs |  |  |  |  |
| Additions |  | - | 213,260 | 213,260 |
| Disposals | - | - | (108,952) | (108,952) |
| Depreciation charge | (45,958) | (67,345) | (79,930) | (193,233) |
| Closing net book amount | 145,704 | 333,034 | 263,346 | 742,084 |
| **At 31 December 2013** |  |  |  |  |
| Cost | 712,924 | 691,525 | 633,644 | 2,038,093 |
| Accumulated depreciation | (567,220) | (358,491) | (370,298) | (1,296,009) |
| Net book amount | 145,704 | 333,034 | 263,346 | 742,084 |

1. **Intangible assets**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Software** | **Franchise fees** | **Total** |
| **$** | **$** | **$** |
| **Year ended 31 December 2014**  Opening net book amount | **-** | 12,442 | 12,442 |
| Additions | **-** | - | - |
| Amortisation charge | **-** | (750) | (750) |
| Closing net book amount | **-** | 11,692 | 11,692 |
| **At 31 December 2014**  Cost | 65,500 | 15,000 | 80,500 |
| Accumulated amortisation | (65,500) | (3,308) | (68,808) |
| Net book amount | **-** | 11,692 | 11,692 |
| **At 1 January 2013**  Cost | 65,500 | 15,000 | 80,500 |
| Accumulated amortisation | (65,500) | (1,808) | (67,308) |
| Net book amount | - | 13,192 | 13,192 |
| **Year ended 31 December 2013**  Opening net book amount | - | 13,193 | 13,192 |
| Additions | - | - | - |
| Amortisation charge | - | (750) | (750) |
| Closing net book amount | - | 12,443 | 12,442 |
| **At 31 December 2013**  Cost | 65,500 | 15,000 | 80,500 |
| Accumulated amortisation | (65,500) | (2,558) | (68,058) |
| Net book amount | - | 12,442 | 12,442 |

10 **Trade and other payables**

|  |  |  |
| --- | --- | --- |
| Trade payables | **2014**  **$ 1,484,647** | **2013**  $ 2,839,308 |
| Accrued expenses | **126,509** | 354,654 |
| Other payables | **233,895** | 215,673 |
|  | **1,845,051** | 3,409,635 |

|  |  |  |
| --- | --- | --- |
| 11 **Borrowings from the Parent**  **Unsecured - current** | **2014**  **$** | **2013**  $ |
| Loans from related parties | **3,532,365** | 2,439,562 |
| **Total current borrowings** | **3,532,365** | 2,439,562 |
| uwsconnect Limited has an unused operating lease facility to the value of $1.89m. |  |  |
| 12 **Provisions** |  |  |
| Current provisions expected to be settled within 12 months. |  |  |
|  | **2014** | **2013** |
|  | **$** | $ |
| Annual leave | **136,699** | 191,454 |
| Long service leave | **110,944** | 109,524 |
|  | **247,643** | 300,978 |
| Current provisions expected to be settled after more than 12 months. |  |  |
|  | **2014** | **2013** |
|  | **$** | $ |
| Annual leave | **95,749** | 134,101 |
| Long service leave | **127,601** | 151,247 |
|  | **223,350** | 285,348 |
| **Provisions Current** | **223,350** |  |
|  | **2014** | **2013** |
| Non-current provisions | **$** | $ |
| Employee benefits - long service leave | **232,448** | 249,379 |
| **Provisions Non-current** | **232,448** | 249,379 |
| 13 **Other liabilities** |  |  |
|  | **2014** | **2013** |
|  | **$** | $ |
| Voucher liability | **293,576** | 77,917 |
| Deposits on hand | **13,509** | 72,165 |
| Unearned income - UWS funding | **463,710** | 100,000 |
|  | **770,795** | 250,082 |
| 14 **Retained earnings** |  |  |
| Movements in retained earnings were as follows: |  |  |

**Retained earnings**

|  |  |  |
| --- | --- | --- |
| Balance 1 January 2014 | **2014**  **$ 626,583** | **2013**  $ 1,518,374 |
| Deficit for the year | **(1,491,642)** | (891,791) |
| Balance 31 December 2014 | **(865,059)** | 626,583 |
| 15 **Remuneration of auditors** |  |  |
|  | **2014** | **2013** |
|  | **$** | $ |
| Audit of financial statements | **33,825** | 39,949 |
| Total remuneration for audit and other assurance services (inclusive of GST) | **33,825** | 39,949 |
| 16 **Contingencies** |  |  |
| The Company had no contingent liabilities at 31 December 2014 (2013: $nil). |  |  |
| 17 **Commitments** |  |  |
| (a) Operating lease commitments |  |  |
|  | **2014** | **2013** |
|  | **$** | $ |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: |  |  |
| Within one year | **79,316** | 99,034 |
| Later than one year | **46,443** | 112,860 |
|  | **125,759** | 211,894 |
| (b) Capital expenditure commitments |  |  |

There are no capital expenditure commitments as at the end of the 2014 reporting period (2013: $nil).

1. **Related party transactions**
2. Parent entities

The ultimate parent entity of the Company is the University of Western Sydney.

1. Transactions with related parties

The following transactions occurred with related parties:

Sales of goods and services

**2014**

**$**

**2013**

$

Sale of goods and services to the ultimate parent entity UWS **2,255,100** 2,064,656

|  |  |  |  |
| --- | --- | --- | --- |
| **Related party transactions** |  | | |
|  | **2014 2013** | | |
|  | **$** $ | | |
| Sale of goods and services to other related parties | **3,821,400** 50,535 | | |
|  | **6,076,500** 2,115,191 | | |
| Purchases of goods and services  Purchases of goods and services from the ultimate parent entity | **163,901** 823,088 | | |
|  | **163,901** 823,088 | | |
| Other Transactions |  | | |
| University funding from the ultimate parent entity | **2014: $3,803,301 2013: $3,349,044** | | |
| (c) Outstanding balances arising from sales or purchases of goods and services |  | | |
| The following balances are outstanding at the end of the reporting period in relation to transactions with related parties: | | | |
|  | | **2014** | **2013** |
| Current receivables | | **$** | $ |
| Ultimate parent entity | | **3,008** | 211,646 |
| Other related parties | | **3,332** | 1,361 |
|  | | **6,340** | 213,007 |
| Current payables Ultimate parent entity | | **3,532,365** | 2,463,794 |
|  | | **3,532,365** | 2,463,794 |
| Non-current payables | |  |  |

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

1. **Economic dependency**

The Company is economically dependent on the University of Western Sydney for the provision of office accommodation and support activities.

The Company, as a 100% owned entity of the University of Western Sydney, received $3,803,301 in direct funding in 2014 for University service and provision of bus services. Funding for 2015 has been approved for

$1,450,000 for University services, with shuttle bus services no longer operated by uwsconnect the company from 1 January 2015.

In addition there is support and funding for community services and clubs from the parent entity UWS (refer to Note 3). Due to the operational restructure the company has budgeted a surplus in 2015.

Further all borrowings are from the Parent Entity as mentioned in Note 18 (c), with funding limited to the purchase of books and day to day working capital.

Therefore the management believes that the company will continue as a going concern entity and a Letter of Support has been provided by the University of Western Sydney.

1. **Events occurring after the reporting period**

There are no events after the balance sheet date of which the Directors are aware that will have a material effect on the Company's operations (2013: $nil).

1. **Reconciliation of operating surplus/(deficit) to net cash flows from operating activities**

|  |  |  |
| --- | --- | --- |
| Operating deficit for the year | **2014**  **$ (1,491,642)** | **2013**  $ (891,791) |
| Depreciation and amortisation | **175,369** | 193,991 |
| Write-off of assets | **30,670** | - |
| Net (gain) loss on sale of non-current assets | **29,086** | (6,408) |
| Change in operating assets and liabilities |  |  |
| (Increase)/decrease in trade debtors | **(794,285)** | 141,847 |
| (Increase)/decrease in inventories | **1,711,929** | (91,435) |
| (Increase)/decrease in other operating assets | **158,323** | (76,847) |
| Increase/(decrease) in trade creditors | **(1,454,660)** | 14,635 |
| Increase/(decrease) in other operating liabilities | **446,376** | (1,734,127) |
| Increase/(decrease) in other provisions | **(132,265)** | 44,748 |

Net cash flows from operating activities **(1,321,099)** (2,405,387)

End of the audited financial statements

ABN 45 107759 197

Directors' Declaration

In the directors' opinion:

{a) the financial statements and notes set out on pages 5 to 26 are in accordance with the Corpora1ions Act 2001, including:

* 1. complying with Accounting Standards, the Corporations Regulations 2001, Public Finance and Audit Act 1983,

Public Finance and Audit Regulation 201O and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its perlormance for the financial year ended on that dale, and

(b) 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 i made i 7ordance with a resoltion of the directors as at 24 February 2015.

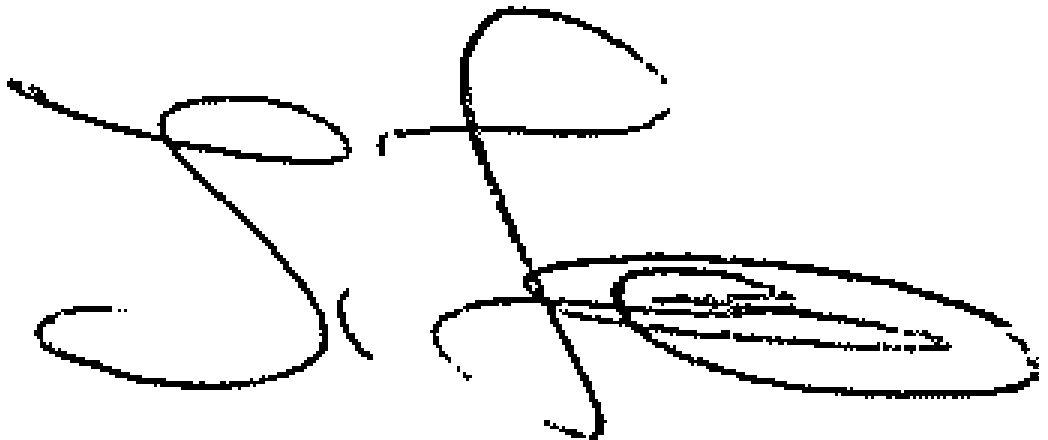
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John Banks Director



Tim Ferraro Director

Sydney

24 February 2015

ABN 45 107 75S 197

**Directors• Declaration**

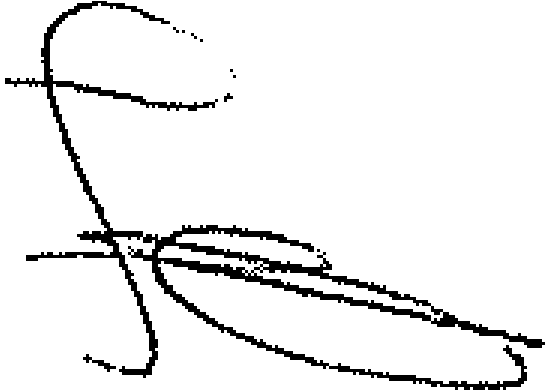
**Responsible entities declaration** - *per section 60. 15 of the Australian Charities and Not-for-profits Commission Regulation 2013*

The responsible entities declare that in the responsible entities opinion:

{a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

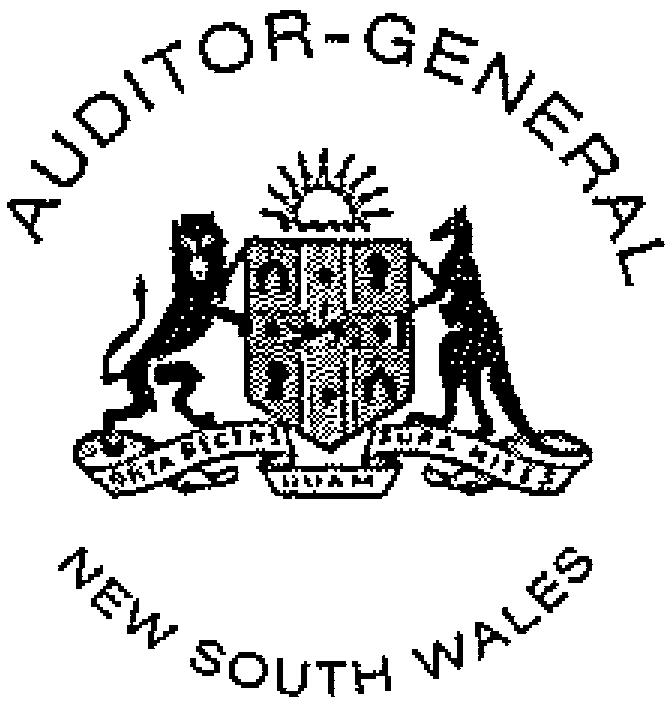
(b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*

( '

Tim Ferra o Director

Dated this 24th day of Feb 2015



INDEPENDENT AUDITOR'S REPORT

**uwsconnect Limited**

To Members of the New South Wales Parliament and Members of uwsconnect Limited.

I have audited the accompanying financial statements of uwsconnect Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration and the responsible entities declaration.

**Opinion**

In my opinion, the financial statements:

* are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010
* have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* includlng complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, the *Australian Chan1ies and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that Icomply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Level 15, **1** Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e mail@audit.nsw.gov.au I audit.nsw.gov.au

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

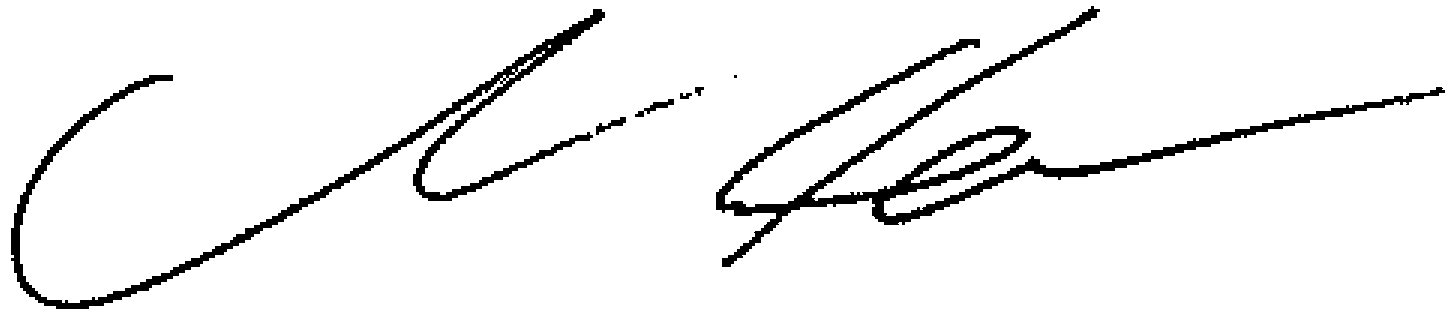
* about the future viability of the Company
* that it carried out lts activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
* about other information that may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 24 February 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Grant Hehir Auditor-General

3 March 2015 SYDNEY

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# UWS Early Learning Limited

**ABN 39155993445**

**Financial Statements**

**For the year ended 31 December 2014**

These financial statements are the individual entity statements of UWS Early Learning Limited (the Company).

The Company is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements are presented in Australian currency.

Its registered office is:

UWS Early Learning Limited

UWS Company Secretary, Entities, Finance Office Building M16 College Drive

Richmond NSW 2753

The principal place of business is: University of Western Sydney Building P18 College Drive Richmond NSW 2753

A description of the nature of the company's operations and its principal activities is included in the Directors report which forms part of these financial statements.

The financial statements were authorised for issue by the Directors on 05 March 2015. The Directors have the power to amend and reissue the financial statements.

Directors' Report

**For the year ended 31 December 2014**

Your Directors present their report on UWS Early Learning Limited (hereafter referred to as the Company) for the financial year from 1 January 2014 to 31 December 2014.

Directors

The following persons were Directors of the Company during the year from 1 January 2014 to 31 December 2014 and up to the date of this report:

**Ms Susan Alison Hudson**, BA(UWS), Grad Cert BA (UQ), MLMEd (U Newcastle), Diploma AICD, JP, Non- Executive Director and Chair

Appointed as an inaugural member of the Board of UWS Early Learning Ltd, as from 2 March 2012. Susan has extensive experience in senior management positions at the University which includes over 15 years key management committee experience. Through her family Susan has been extensively involved with the parents and friends association of her children’s school and has a particular interest in fundraising and developing the physical assets of the school. Susan is is presently the Director HR Strategy and Services at the University of Western Sydney.

**Mr Darren Greentree**, MBA(Exec) AGSM, BBus(Acc), GAICD, CPA, JP, Non Executive Director

Appointed as member of the Board of UWS Early Learning Ltd, as from 14 May 2013. Darren has over 20 years senior management experience within Multi-National, Publically Listed and Private Organisations joining the Education Sector in early 2010. In his role as Director – Financial Operations at the University of Western Sydney, Darren is responsible for the University’s Management Reporting, Forecasting and Budgeting along with the F inancial Systems, Financial Accounting and Client Services Areas. Darren holds a joint Executive MBA from the Univ ersities of Sydney and New South Wales (AGSM), a Bachelor Degree in Business (Accounting), is a Graduate Member of the Australian Institute of Company Directors, a Justice of the P eace and a member of CPA Australia. Darren is a Director of UWSELL and an independent member of the Penrith City Council’s Audit Committee. Darren is an experienced Finance and Accounting practitioner and has been instrumental in leading structural and cultural change throughout his career specialising in integrating Finance functions as strategic partners within organisations.

**Ms Denise Fraser**, BEd Early Childhood, Grad Cert HRM, Non-Executive Director

Appointed as an inaugural member of the Board of UWS Early Learning Ltd, as from 2 March 2012. Denise is a senior educational professional in the provision of Early Childhood Programs as well as course advisor in such programs for the University. She also has extensive experience in the governance of children’s services at both local and state government levels. For the past 8 years Denise has been actively involved as a Board member of a large not for profit provider of child care in Long Day Care, Pre-school and OOSH services as well as a number of other child related activities. Denise is the Chair of the Community Early Learning Partnership Committee.

**Ms Ellen Brackenreg**, BA(Psych), BSW, MBA, GAICD, Non-Executive Director

Appointed as an inaugural member of the Board of UWS Early Learning Ltd, as from 2 March 2012. Ellen has extensive experience in senior management positions in WA Health and at the University which includes over 20 years key management committee experience. Her vast experience extends from her work in children’s services, student support services, allied health services and psychiatric services. Ellen’s professional experience includes child and adolescent services, residential child care, child care management committee and she is a Director of uwsconnect Ltd.

**Ms Susan Benzie**, Teach Cert (Infants & Preschool), Teach Cert (Deaf), Dip Teach, BEd, MLMEd, Grad Cert Ed Stud. (Spec Ed), MACE, MACEL, JP, Non-Executive Director

Appointed as an external Independent Non-Executive member of the Board of UWS Early Learning Limited as from 23 July 2012, Susan is a very senior educational professional. After her retirement as Head of the Royal Institute for Deaf and Blind Children (RIDBC) Early Childhood Services, Susan’s very extensive experience spans roles in the provision of Early Childhood services in preschool, infants and more recently at RIDBC. Susan’s extensive skill set covers such roles as program and staff management, policy development and review, budget control and performance management, event planning and family support. Susan served as a senior member on a number of professional committees with emphasis on special and mainstream early Childhood education.

Directors' Report

**For the year ended 31 December 2014**

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Company Secretary

The following person held the position of UWS Early Learning Limited Secretary at the end of the financial year:

**Mr Ian Gregory Londish,** BALLB (Hons) appointed 1 August 2013 Principal activities

The Company was incorporated in the state of NSW on 2 March 2012. The principal activity of the Company during the financial year was to provide affordable, high quality early childhood care and education for the children of UWS staff, students and the local community.

Short-term objectives

The Company's short-term objectives have been to:

 Consolidate the management of the operations of Hawkesbury, Blacktown, Penrith, Campbelltown, Bankstown and Parramatta into coherent operation with consistent operational practices and policies;

 Ensure that all services are actively reviewing quality improvement plans in line with National Quality Standards;

 Standardise all accounting, banking and ancillary systems.

 Increase occupancy at all services;

 Increase proportional usage by UWS students and staff at all services;

 Promote occasional care places that exist in all of the UWSELL services for students to assist in catering for UWS student needs.

 Continue to review ways to optimise student accessibility and affordability when utilising UWS Early childhood facilities.

Long-term objectives

The Company's long-term objectives are to:

 Achieve optimal usage at all services whilst addressing the needs of UWS students and staff ;

 Improve the standard of operation of all services such that they are all exceeding National Quality Standard;

 Develop a viable occasional care system for UWS students and staff;

 Become financially self-sufficient whilst acknowledging the specific needs of UWS students and staff;

 Ensure that the company maintains best practice governance standards;

 Ensure that the company meets the expectations of the University in achieving the strategic purpose determined by the University for the company.

The Company’s activity changed through the development of a Head Office management Structure with centralised administration and accounting processes being implemented, together with the opening of the new Services at Parramatta during the financial year.

Directors' Report

**For the year ended 31 December 2014**

Performance measures

The Company measures its performance by the use of financial, quantitative and qualitative metrics. The Company uses the following key performance indicators to measure its performance:

 Reporting actual operating results for each centre against approved annual budgets.

 Reporting actual occupancy rates for each age group for each centre against approved licenced places.

 Maintaining sufficient working capital to meet ongoing employee entitlements and related liabilities as and when due for payment.

 Monitoring retention rates, maintaining family satisfaction surveys and evaluating feedback.

 Managing occupational health and safety risk management practices for both children under care and staff interaction where sickness may severely impact the operations of each centre.

 Maintaining appropriate levels of children/teacher ratios as prescribed by regulation. Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year from 1 January 2014 to 31 December 2014, and the numbers of meetings attended by each Director were:

|  |  |  |
| --- | --- | --- |
| Susan Hudson | **A**  6 | **B**  6 |
| Darren J Greentree | 6 | 6 |
| Denise Fraser | 6 | 6 |
| Ellen M Brackenreg | 6 | 6 |
| Susan M Benzie | 4 | 6 |
| A = Num ber of meetings attended |  |  |
| B = Number of meeting held during the time the Director held office |  |  |
| Members |  |  |

The following were members of the Company during the year from 1 January 2014 to 31 December 2014 and up to the date of this report:

 University of Western Sydney.

 Any parent, relative or guardian of a child currently enrolled in a centre who has completed an application form for membership. New membership is no longer available for this category.

Members' guarantee

The Liability of members of the company is limited. If the company is wound up during the time of a member's membership or within one year afterwards, each member of the company is liable to contribute an amount not greater than $2.00.

Directors' Report

**For the year ended 31 December 2014**

Review of operations

The total revenue for the year from 1 January 2014 to 31 December 2014 is $4.8 Million, compared with $4.0 Million in 2013. The net deficit for 2014 is ($363,769), compared with an operating surplus of $93,008 in 2013. The deficit in 2014 is mainly due to UWS Early Learning adoption of the new child/teacher ratio requirements resulting in increased staffing and costs across all centres. There was also an increase in non-operating expenses, including the set up costs associated with a new child care centre at Parramatta ($130,000) and consultancy fees associated with the payroll consolidation project ($26,000). In 2014, child care centres had an average 92% occupancy rate.

Dividends paid or recommended

No dividend was paid or is payable since the commencement of the financial year and up to and including the date of signing of this report. (2013: $Nil).

**Significant changes in state of affairs**

On 28 July 2014, UWS Early Learning Parramatta Centre commenced operations.

On 12 September 2014, the Vice-Chancellor and President Barney Glover officially open UWS Early Learning Parramatta.

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

No matters or 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.

**Environmental regulation**

The Company is not subject to any significant environmental regulations.

**Insurance of officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company. Indemnity insurance is provided for by the University of Western Sydney (parent).

**Proceeding on behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**Auditor's independence declaration**

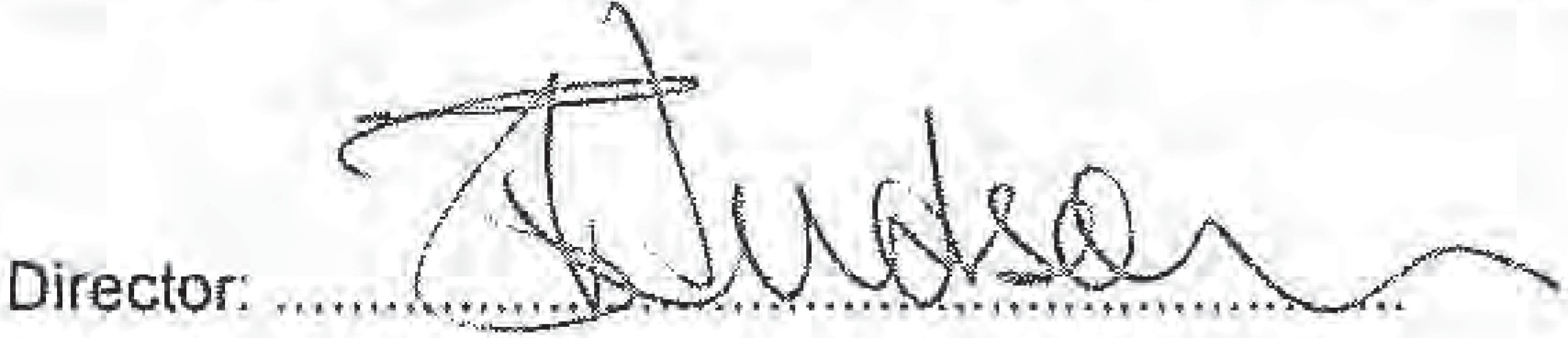
The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year from 1 January 2014 to 31 December 2014 has been received and can be found on page 6 of the financial report.

UWS Early Learning Limited

ABN 39155993445

Directors' Report

For the year ended 31 December 2014

This report is made in accordance with a resolution of the Board of Directors:

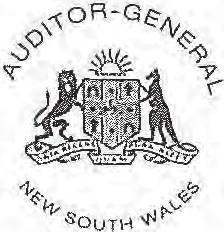
Director:.. ---

Susan Hudson Director and Chair

Dated:05 March 2015

Darren Greentree Director

Dated:05 March 2015



To the Directors

UWS Early Learning Limited

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of UWS Early Learning limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

* any applicable code of professional conduct in relation to the audit.



Grant Hehir Auditor-GeneraI

3 March 2015

**SYDNEY**

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Statement of Comprehensive Income For the year ended 31 December 2014

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2014**  **$** | **2013**  **$** |
| **Revenue**  Child Care Services | 2 | **4,744,012** | 3,932,330 |
| Fundraising Revenue | 16 | **-** | 19,115 |
| **Total Revenue** |  | **4,744,012** | 3,951,445 |
| **Other Revenue**  Interest |  | **31,625** | 23,582 |
| Other Income | 2(a) | **77,809** | 14,351 |
| **Total Other Revenue** |  | **109,434** | 37,933 |

**Total Revenue 4,853,446** 3,989,378

**Expenses**

|  |  |  |  |
| --- | --- | --- | --- |
| Employee Benefits Expense | 3 | **(4,427,043)** | (3,421,671) |
| Fundraising Expense | 16 | **-** | (9,791) |
| Bad Debt Written Off |  | **-** | (217) |
| Provision For Doubtful Debts |  | **(2,000)** | - |
| Other Expenses | 3 | **(788,172)** | (464,691) |
| **Total Expenses** |  | **(5,217,215)** | (3,896,370) |
| **Surplus/(Deficit) for the year** |  | **(363,769)** | 93,008 |
| **Other Comprehensive Income for the year -** - | | | |
| **Total Comprehensive Income for the year** | | **(363,769)** | 93,008 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Financial Position As at 31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | **Notes** | **$** | **$** |
| **ASSETS** |  |  |  |
| **Current Assets**  Cash and Cash Equivalents | 4 | **304,675** | 1,717,793 |
| Receivables | 5 | **143,717** | 110,332 |
| Prepayment |  | **35,890** | - |
| **Total Current Assets** |  | **484,282** | 1,828,125 |
| **Non-Current Assets**  UWS Loan Receivable | 5 | **974,898** | - |
| **Total Non-Current Assets** |  | **974,898** | - |
| **Total Assets** |  | **1,459,180** | 1,828,125 |
| **LIABILITIES** |  |  |  |
| **Current Liabilities**  Trade and Other Payables | 6 | **354,205** | 325,012 |
| Deferred Income |  | **64,772** | 47,043 |
| Income Received in Advance |  | **22,718** | 186,211 |
| Provisions | 7 | **318,629** | 166,731 |
| **Total Current Liabilities** |  | **760,324** | 724,997 |
| **Non-Current Liabilities**  Provisions | 7 | **94,376** | 134,879 |
| Total Non-Current Liabilities |  | **94,376** | 134,879 |
| **Total Liabilities** |  | **854,700** | 859,876 |
| **Net Assets** |  | **604,480** | 968,249 |
| **EQUITY**  Retained earnings | 8 | **604,480** | 968,249 |
| **Total Equity** |  | **604,480** | 968,249 |

**Statement of Changes in Equity**

**For the year ended 31 December 2014**

**Retained earnings**

**$**

**Total equity**

**$**

**Balance at 1 January 2014 968,249 968,249**

**Comprehensive income for the year**

Deficit for the year **(363,769) (363,769)**

Total other comprehensive income **- -**

**Total comprehensive income for the year (363,769) (363,769)**

**Balance at 31 December 2014 604,480 604,480**

**Retained earnings**

**$**

**Total equity**

**$**

**Balance at 1 January 2013** 875,241 875,241

**Comprehensive income for the year**

Surplus for the year 93,008 93,008

Total other comprehensive income - -

**Total comprehensive income for the year** 93,008 93,008

**Balance at 31 December 2013** 968,249 968,249

Statement of Cash Flows

**For the year ended 31 December 2014**

**Notes**

**2014**

**$**

**2013**

**$**

|  |  |  |
| --- | --- | --- |
| **CASH FLOWS FROM OPERATING ACTIVITIES**  Receipts from fees, fundraising and others | **2,342,310** | 1,888,234 |
| Payments to suppliers and employees | **(5,302,168)** | (3,574,316) |
| Receipts from Australian Government child care benefits | **1,874,595** | 1,601,412 |
| Subsidies received | **615,418** | 438,950 |
| Interest received | **31,625** | 23,582 |

**Net cash flows from operating activities** 14 **(438,220)** 377,862

|  |  |  |
| --- | --- | --- |
| **CASH FLOWS FROM INVESTING ACTIVITIES**  Loans to Parent (UWS) | **(974,898)** | - |
| **Net cash provided by / (used in) investing activities** | **(974,898)** | - |
| **Net increase / (decrease) in cash and cash equivalents held** | **(1,413,118)** | 377,862 |
| **Cash and cash equivalents at the beginning of financial year** | **1,717,793** | 1,339,931 |

**Cash and cash equivalents at the end of financial year** 4 **304,675** 1,717,793

Notes to the Financial Statements

**For the year ended 31 December 2014**

**1 Summary of significant accounting policies**

UWS Early Learning Limited (the Company) is a not-for-profit company limited by guarantee incorporated on 2nd March 2012 and domiciled in Australia.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years reported, unless otherwise stated**.**

The financial statements for the year ended are authorised for issue in accordance with a resolution of the Board of Directors on 05 March 2015

1. **Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001, Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010, ACNC Act 2012 and Regulation 2013, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations.

The material accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

UWS Early Learning is not-for profit entity and these statements have been prepared on th at basis. The preparation of fin ancial statements requires the u se of c ertain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements of the Company.

1. **Functional and presentation currency**

The financial statements are presented in Australian dollars.

1. **Revenue recognition**

The Company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as discussed below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

Notes to the Financial Statements

**For the year ended 31 December 2014**

**1 Summary of significant accounting policies continued**

1. **Revenue Recognition-(Continued)**
   1. Child care services

Revenue from child care services is recognised when services have been provided to the customer, the customer has accepted the services and collectability of the related receivables is probable.

* 1. Government grants

UWS Early Learning Limited treats operating grants received from Australian Government entities as income in the year of receipt.

Grants from the government are recognised at their fair value where the UWS Early Learning Limited obtains control of the right to receive the grant, it is probable that economic benefits will flow to the UWS Early Learning Limited and it can be reliably measured.

(ii) Fundraising income

Fundraising income is recognised as income in the period of receipt.

(ii) Investment income

Interest income is recognised using the effective interest method.

1. **Income tax exemption**

The Company is exempt from the payment of tax by virtue of section 50-B of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax liability or future income tax benefit has been included in the financial statements.

1. **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and on hand.

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of movement in the impairment allowance is recognised in the statement of comprehensive income.

Notes to the Financial Statements

**For the year ended 31 December 2014**

**1 Summary of significant accounting policies continued**

1. **Financial assets**

UWS Early Learning Limited did not hold financial assets at fair value through profit or loss either in the current or comparative financial years.

* 1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Impairment

(i) Ass ets carried at amortised cost.

For loans and receivables, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. The loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instruments fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

1. **Trade and other payables**

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

1. **Employee benefits**

Provision is made for UWS Early Learning Limited's liability for employee benefits arising from services rendered by employees as at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

Employee benefits are presented as current liabilities in the statement of financial position if UWS Early Learning Limited does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119

Notes to the Financial Statements

**For the year ended 31 December 2014**

1. **Summary of significant accounting policies continued**
2. **Goods and Services Tax (GST)**

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

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

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

1. **New and Revised Accounting Standards**

Certain new accounting standards and Interpretations have been published that are not mandatory for

31 December 2014 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. **Revenue**

**Child care services**

**2014**

**$**

**2013**

**$**

|  |  |  |  |
| --- | --- | --- | --- |
| Family fee income | | **2,298,454** | 2,106,756 |
| Australian Government Childcare Benefits | | **1,830,140** | 1,596,625 |
| Subsidies | | **615,418** | 228,949 |
| **Total child care services** | | **4,744,012** | 3,932,230 |
| **(a)** | **Other revenue** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | - Australian Government Traineeship Reimbursements | **35,227** | 14,351 |
|  | - DEEWR Long Day Care Professional Development Grant | **24,773** | - |
|  | - Other Income | **17,809** | - |
|  |  | **77,809** | 14,351 |

**Notes to the Financial Statements**

**For the year ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **3** | **Expenses**  The result for the period includes the following specific expenses: |  | |
|  |  | **2014** | **2013** |
|  |  | **$** | **$** |
|  | **Employee benefits expense**  Salaries and wages | **3,889,725** | 3,029,327 |
|  | Superannuation expense | **341,455** | 259,835 |
|  | Annual and Long Service Leave | **108,759** | 47,896 |
|  | Worker's compensation | **63,669** | 71,825 |
|  | Other | **23,435** | 12,788 |

**Total employee benefits expense 4,427,043** 3,421,671

**2014**

**$**

**2013**

**$**

**Other expenses**

|  |  |  |
| --- | --- | --- |
| Catering | **144,666** | 111,931 |
| Cleaning | **101,938** | 92,344 |
| Consultancy Expenses | **71,825** | - |
| Non-capitalised equipment | **209,265** | 44,885 |
| Centre resources and supplies | **81,625** | 29,463 |
| Repairs and maintenance | **16,203** | 30,420 |
| Staff development | **30,960** | 31,794 |
| Printing | **24,778** | 15,920 |
| Other expenses | **106,912** | 107,934 |

**Total other expenses 788,172** 464,691

**Notes to the Financial Statements**

**For the year ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Cash and cash equivalents** | **2014**  **$** | **2013**  **$** |
|  | Cash on hand | **-** | 361 |
|  | Cash at bank | **304,675** | 1,717,432 |
|  | Balance as per statement of cash flows | **304,675** | 1,717,793 |

* 1. **Cash at bank and on hand**

The Company's exposure to interest rate risk is discussed in note 15. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. Cash at bank is interest bearing.

|  |  |  |  |
| --- | --- | --- | --- |
| **5** | **Trade and other receivables** | **2014** | **2013** |
|  |  | **$** | **$** |
|  | **CURRENT**  Trade Receivables | **32,113** | 21,311 |
|  | Receivables from Parent | **83,669** | 50,000 |
|  | Less: Provision for impaired receivable | **(2,000)** | - |
|  |  | **113,782** | 71,311 |
|  | GST receivable | **26,159** | 15,268 |
|  | Other Receivables | **3,776** | 23,753 |
|  | Total Current Receivable | **143,717** | 110,332 |
|  | **NON-CURRENT**  UWS Loan Receivable | **974,898** |  |
|  | **Total trade and other receivables** | **1,118,615** | 110,332 |

Notes to the Financial Statements

**For the year ended 31 December 2014**

**5 Trade and other receivables (continued)**

1. **Trade and other receivable**

As at 31 December 2014, trade receivable of $32,113, receivable from Parent of $83,669 and other receivable of $3,776 The ageing of these receivable is as follows:

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$** | **2013**  **$** |
| Up to 3 months | **114,645** | 95,064 |
| 3 to 6 months | **1,278** | 0 |
| Over 6 months | **3,635** | 0 |
|  | **119,558** | 95,064 |

1. **Credit risk**

The Company has no significant concentration of credit risk with respect to any single counter party or group or counterparties. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Company.

The amounts within receivables do not contain impaired assets and are not significantly overdue. Based on credit history, it is expected that these amounts will be received in a timely manner and do not represent any material risk.

Notes to the Financial Statements

**For the year ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **6** | **Trade and other payables** | **2014**  **$** | **2013**  **$** |
|  | **CURRENT**  Trade Payables | **15,745** | 12,126 |
|  | Payables to Parent | **1,251** | 6,057 |
|  | Enrolment deposits | **177,019** | 158,354 |
|  | Accrued Expenses | **11,044** | 15,000 |
|  | Other Payables | **149,146** | 133,475 |
|  | **Total Trade and Other Payables** | **354,205** | 325,012 |
| **7** | **Provisions** |  |  |
|  |  | **2014** | **2013** |
|  |  | **$** | **$** |
|  | **Current** |  |  |
|  | **Employee benefits** |  |  |

Annual Leave **231,354** 166,731

Long Service Leave **87,275** 92,261

**318,629** 258,992

**Non-current Employee benefits**

Long Service Leave

**2014**

**$**

|  |  |
| --- | --- |
| **94,376** | 42,618 |
| **94,376** | 42,618 |

**2013**

**$**

|  |  |  |  |
| --- | --- | --- | --- |
| **8** | **Retained earnings**  Movements in retained earnings were as follows: |  | |
|  |  | **2014** | **2013** |
|  |  | **$** | **$** |
|  | Retained Earnings at 1 January | **968,249** | 875,241 |
|  | Surplus/(Deficit) for the Year | **(363,769)** | 93,008 |
|  | **Balance at 31 December** | **604,480** | 968,249 |

**Notes to the Financial Statements**

**For the year ended 31 December 2014**

1. **Key management personnel disclosures**
   1. **Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of UWS Early Learning Limited during the financial year.

Responsible Persons:

Mrs Angie Atkinson - General Manager

All responsible persons and executive officers are employees of UWS Early Learning Ltd and are remunerated directly by the entity.

* 1. **Remuneration of Board Members**

No Board Member is remunerated for their services.

1. **Remuneration of auditors**

During the period, the following fees were paid for services provided by the auditor of UWS Early Learning Limited:

**2014**

**$**

**2013**

**$**

Audit and review of the financial statements **24,000** 24,200

**Total Fees Paid to Auditors 24,000** 24,200

1. **Contingencies**

The Company had no contingent liabilities at 31 December 2014.

1. **Commitments**

The Company had no commitments at 31 December 2014.

Notes to the Financial Statements

**For the year ended 31 December 2014**

1. **Related Parties**
   1. **Entities exercising control over the Company**

The ultimate parent entity of the Company is the University of Western Sydney.

* 1. **Transactions with related parties**

The following transactions occurred with related parties:

Subsidies

**2014**

**$**

**2013**

**$**

-The University of Western Sydney **615,418** 228,949

**Total Subsidies Received 615,418** 228,949

|  |  |  |  |
| --- | --- | --- | --- |
|  | | **2014**  **$** | **2013**  **$** |
| Accruals for Receivables  - Subsidy Receivable |  | **62,241** | 50,000 |
| - GM Wage Reimbursement Receivable |  | **21,428** | 20,000 |
| - UWS Loan Receivable |  | **974,898** |  |
| - Total Related Party Receivables | 5 | **1,058,567** | 70,000 |

**Notes to the Financial Statements For the year ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
| **14** | **Reconciliation of operating surplus to net cash provided by / (used in) operating activities** | **2014**  **$** | **2013**  **$** |
|  | Surplus (Deficit) for the year | **(363,769)** | 93,008 |
|  | **Change in operating assets and liabilities:**  (Increase) / decrease in trade debtors | **(7,226)** | (8,502) |
|  | Increase/(decrease) in income in advance | **17,729** | - |
|  | Increase / (decrease) in trade creditors | **(35,890)** | 36,133 |
|  | Increase / (decrease) in other operating liabilities | **(160,459)** | 206,874 |
|  | Increase / (decrease) in other provisions | **111,396** | 50,349 |
|  | **Net cash provided by / (used in) operating activities** | **(438,220)** | 377,862 |
| **15** | **Financial risk management** |  |  |

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk to determine market risk.

The Company holds the following financial instruments:\*

\*Note: Excludes GST receivable, prepayment, deferred income, income in advance and provision payable (Not within scope of AASB 7)

|  |  |  |
| --- | --- | --- |
| **Non-derivatives** | **2014**  **$** | **2013**  **$** |
| **Financial Assets**  Cash and Cash Equivalents | **304,675** | 1,717,793 |
| Receivables | **117,557** | 95,064 |
| UWS Loan Receivable | **974,898** |  |
| **Total financial assets** | **1,397,131** | 1,812,857 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Non-derivatives** |  | **2014**  **$** | **2013**  **$** |
| **Financial Liabilities**  Trade and Other Payable | 6 | **177,186** | 141,742 |
| **Total financial liabilities** |  | **177,186** | 141,742 |

Notes to the Financial Statements For the year ended 31 December 2014

1. **Market risk**
   1. Cash flow and fair value interest rate risk

The Company's exposure to interest rate risk is minimal as it has no borrowings.

* 1. Sum marised sensitivity analysis

The following table summarises the sensitivity of the Company's financial assets to interest rate risk.

**Interest rate risk**

**Carrying**

**amount -1.54% 1.54%**

**2014 Result Equity Result Equity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Assets:**  Cash and cash equivalents | **304,675** | (4,692) | (4, 692) | 4,692 | 4,692 |
| UWS Loan Receivable | **974,898** | (15,013) | (15,0 13) | 15,073 | 15,0 73 |
| Total increase/(decrease) |  | **(19,705)** | **(19,705)** | **19,705** | **19,705** |

**Interest rate risk**

**Carrying**

**amount -1% 1%**

**2013 Result Equity Result Equity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Assets:**  Cash and cash equivalents | 1,717,793 | (17,178) | (17,1 78) | 17,178 | 1 7,178 |
| Total increase(decrease) |  | (17,178) | (17,1 78) | 17,178 | 17, 178 |

None of the Company's financial liabilities are subject to interest rate risk.

Notes to the Financial Statements

**For the year ended 31 December 2014**

**15 Financial risk management continued**

1. **Credit risk**

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated customer.

1. **Liquidity risk**

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

 preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;

 obtaining funding from a variety of sources;

 maintaining a reputable credit profile;

 managing credit risk related to financial assets;

 only investing surplus cash with major financial institutions; and

 comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days. Therefore the liquidity risk is considered to be minimal.

The following tables summarise the maturity of the Company's financial assets and financial liabilities.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Less than 12 months** | **Between 1 to 5 Years** | **Over 5 Years** | **Total** |
| **2014** | **2014** | **2014** | **2014** | **2014** |
| **Non-derivatives** | **$** | **$** | **$** | **$** |
| **Financial assets**  Receivables | **117,557** | **974,898** | **-** | **1,092,456** |
| **Total financial assets** | **117,557** | **974,898** | **-** | **1,092,456** |

|  |  |  |
| --- | --- | --- |
| **Financial liabilities**  Trade and other payable | **177,186** | **- - 177,186** |
| **Total financial liabilities** | **177,186** | **- - 177,186** |

Notes to the Financial Statements

**For the year ended 31 December 2014**

**15 Financial risk management continued**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Less than 12 months** | **Between 1 to 5 Years** | **Over 5 Years** | **Total** |
| **2013** | **2013** | **2013** | **2013** | **2013** |
| **Non-derivatives** | **$** | **$** | **$** | **$** |
| **Financial assets** |  |  |  |  |
| Receivables | **95,064** | **- - 95,064** | | |
| **Total financial assets** | **95,064** | **- - 95,064** | | |

|  |  |  |
| --- | --- | --- |
| **Financial liabilities**  Trade and other payable | **141,742** | **- - 141,742** |
| **Total financial assets** | **141,742** | **- - 141,742** |

**Notes to the Financial Statements**

**For the year ended 31 December 2014**

1. **Financial risk management continued**
2. **Fair value estimation**

The fair v alue of financial assets and financial liabilities must be estimated for re cognition and measurement or for disclosure purposes.

Due to the Company's financial instruments short-term nature, the carrying value of all financial instruments recognised in the statement of financial position approximates their fair value.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2014**  **Carrying** |  | **2013**  **Carrying** |  |
| **amount** | **Fair value** | **amount** | **Fair value** |
| **$** | **$** | **$** | **$** |
| **Financial assets** |  |  |  |  |
| Cash and cash equivalents | **304,675** | **304,675** | 1,717,793 | 1,717,793 |
| Receivables | **117,558** | **117,558** | 95,064 | 95,064 |
| UWS Loan receivables | **974,898** | **974,898** | - | - |
| **Total financial assets** | **1,397,131** | **1,397,131** | 1,812,857 | 1,812,857 |
| **Financial liabilities** |  |  |  |  |
| Trade and Other Payables | **177,186** | **177,186** | 141,742 | 141,742 |
| **Total financial liabilities** | **177,186** | **177,186** | 141,742 | 141,742 |

Notes to the Financial Statements

**For the year ended 31 December 2014**

1. **Fundraising activities**

The Company holds fundraising authority CFN 22492 under section 13A of the Charitable Fundraising Act 1991.

**2014**

**$**

**2013**

**$**

Fundraising income **-** 19,115

Fundraising expenses **-** (9,791)

**Net surplus from fundraising appeals -** 9,324

1. **Economic dependency**

The Company is economically dependent on the University of Western Sydney for the provision of accommodation for each centre and operational support activities.

1. **Events occurring after the reporting date**

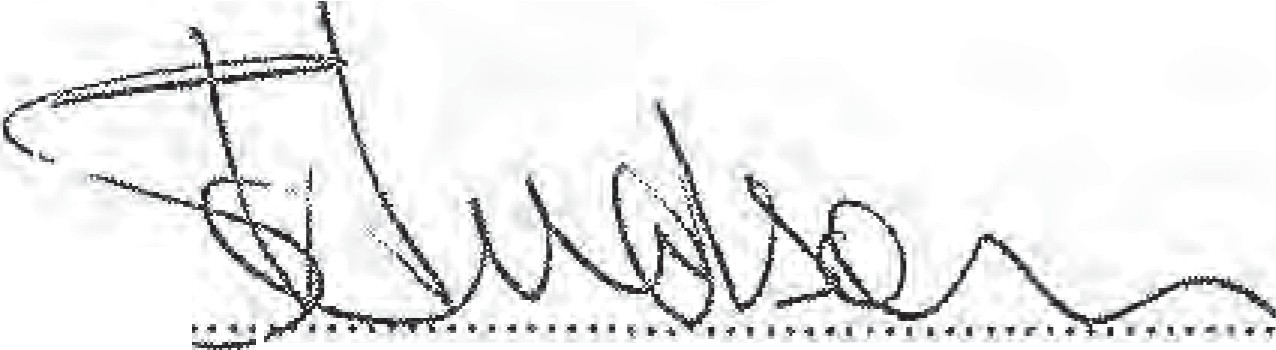
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Directors' Declaration**

The Directors of the Company declare that

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
   1. comply with Australian Accounting Standards,the Public Finance and Audit Act 1983,the Public Finance and Audit Regulation 2010 and the mandatory professional reporting requirements; and
   2. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the period ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as ?nd when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: ......\....

D.irector: ..........,.....................................................

Susan Hudson Darren Greentree

Director and Chair Director

Dated: 5\3\\S Dated: ,5/.3/*2* C' *IS*

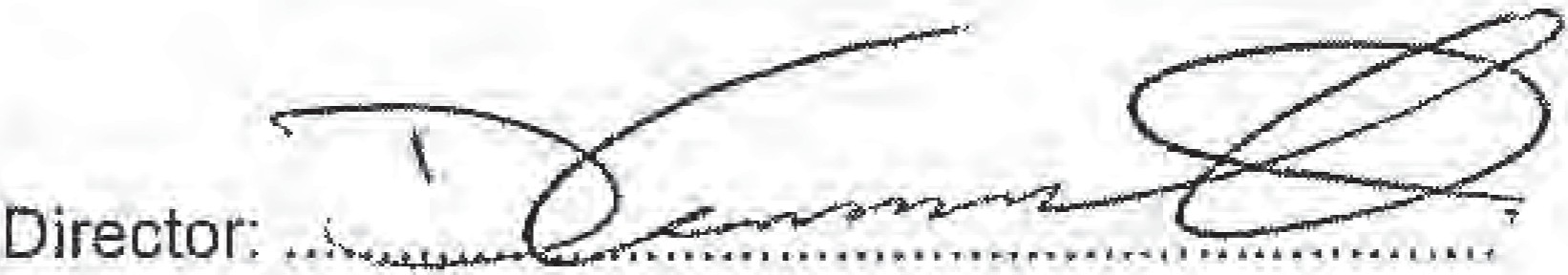
**Directors' Declaration**

**Directors' Declaration in Respect of Fundraising Appeals**

The Directors of the Company declare that:

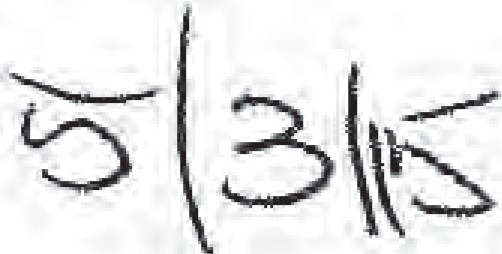
1. the statement of comprehensive income for the financial year ended 31 December 2014 gives a true and fair view of all income and expenditure of UWS Early Learning Ltd with respect to fundraising appeals: and
2. the statement of financial position as at 31 December 2014 gives a true and fair view of the state of affairs of UWS Early Learning Ltd with respect to fundralsing appeal conducted by UWS Early Learning Ltd; and
3. the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with by UWS Early Learning Ltd; and
4. the internal controls exercised by UWS Early Learning Ltd are appropriate and effective in accounting for all income received and applied by UWS Early Learning Ltd from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.

Di'rector: ......... ...... 

Susan Hudson Darren Greentree

Director and Chair Director

Dated;  Dated: 5/J/*J,.015:*

Directors' Declaration

**Responsible entities declaration-per section 60.15 of Australian Charities and Not-for-profits Commission Regulation 2013.**

The responsible entities declare that in the responsible entities' opinion:

* 1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts,as and then they become due and payable; and
  2. the financial statements and notes satisfy the requirements of Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

. .,

.

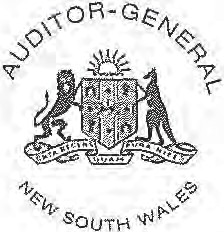
'

Director ...*.'·:: ...* ........................... ........

Darren Greentree

Director

05 March 2015



**INDEPENDENT AUDITOR'S REPORT**

**UWS Early Learning Limited**

To Members of the New South Wales Parliament and Members of UWS Early Learning Limited.

Ihave audited the accompanying financial statements of UWS Early Learning Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration, and the responsible entities declaration.

**Opinion**

In my opinion the financial statements:

* + - are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 20 14 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&;\ Act) and the Public Finance and Audit Regulation 2010

* + - have been prepared in accordance with Division 60 of the *Australian Charities and*

*Not-for-profits Act 2012* including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, *the Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit I conducted my audit in accordance with Australian Auditing Standards,Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Level15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 71O I I f 02 9275 7179 J e [nia,l@auditnsw.gov au](mailto:nia%2Cl@auditnsw.govau) I audit.nsw.gov.au

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether dlue to fraud or error. ln making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances,but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes eivaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

* about the future viability of the Company
* that it carried out its activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented

-- about other information that may have been hyperlinked to/from the financial statements .

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements . The PF&A Act further promotes independence by:

* providing that only Parliament , and not the executive government, can remove an Auditor-General
* mandating the Auditor-General as auditor of public sector agencies, but precludin9 the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of

New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of UWS Early Learning Limited on 3 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Grant Hehir Auditor-General

12 March 2015

**SYDNEY**

# Whitlam Institute within the University of Western Sydney Limited

**ABN: 50 100 342 309**

**Financial statements**

**For the year ended 31 December 2014**

These financial statements of the Whitlam Institute Within the University of Western Sydney Limited (the Company) are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Company is:

Whitlam Institute Within the University of Western Sydney Limited University of Western Sydney

Building EZ, Parramatta Campus Cnr James Ruse Dr & Victoria Rd Rydalmere NSW 2116

Registered postal address is:

Whitlam Institute Within the University of Western Sydney Limited Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Company's operations and it principal activities is included in the director's report which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 20 February 2015. The directors have the power to amend and reissue the financial statements.

**Director's report**

For the year ended 31 December 2014

Your directors present their report on the Company for the financial year ended 31 December 2014.

**Directors**

The names of each person who has been a director during the year and to the date of this report are: Senator The Hon. John Faulkner

Ms Patricia Amphlett OAM Prof. Barney Glover

Mr Geoffrey Roberson Dr Kerry Schott

Ms Gabrielle Trainor Mr John Wells

Mr Nicholas Whitlam Mr Talal Yassine OAM

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company secretary**

Ms Sandra Stevenson held the position of Company Secretary for the whole of the financial year and to the date of this report.

**Principal activities**

The principal activity of the Company is to manage the Company and to act as Trustee of the Trust. The main function of the Company is fundraising in support of the University, and the effective management control of all Trust funds held within the Whitlam Institute Trust account.

The Whitlam Institute works as an educator, policy influencer and research institute. The Institute bridges the historical legacy of the late Gough Whtilam's years in public life and the contemporary relevance of the Whitlam Program to public discourse and policy. It links policies with people - connecting communities with the decisions and policies that affect their lives. The Whitlam Institute is guided by the 'three great aims' that drove the Whitlam Program of 1972. They are to promote equality, to involve the people of Australia in the decision-making processes of our land, and to liberate the talents and uplift the horizons of the Australian people.

The Whitlam Institute supports University of Western Sydney development by working with schools to bring knowledge to life in the community. In a range of practical ways we make scholarship relevant to everyday lives. We are inspired by the E.G Whitlam Prime Ministerial Collection which represents the life's work of an Australian statesmen who has pursued his convictions with a constant commitment to community engagement and a determination to put words into action.

No significant changes in the nature of the Company's activity occurred during the financial year.

**Review of operations**

The surplus of the Company amounted to $ NIL (2013: $ NIL).

**Dividends**

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing this report (2013: $nil).

**Events after the reporting date**

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

**Future developments**

Future developments are not expected to significantly affect the future operations of the Company.

**Environmental matters**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

### Director's report

For the year ended 31 December 2014

**Auditors independence declaration**

The Audit Office of New South Wales continues in office in accordance with section 327 of the *Corporations Act 2001*.

The lead auditors independence declaration for the year ended 31 December 2014 has been received and can be found on page 7 of the financial statements.

**Information on directors**

Senator The Hon. John Faulkner BA, DipEd (Macquarie). Chair.

Experience Appointed as Director 8 March 2011. Senator the Hon. John Faulkner is a Labor Senator for New South Wales. Since his election to the Senate in 1989, Senator Faulkner has held a number of ministries, serving as Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for the Environment, Sport and Territories, Cabinet Secretary, Special Minister of State and Minister for Defence. He served as Leader of the Opposition in the Senate from 1996 to 2004. He has also held a range of senior positions within the Australian Labor Party, including National President of the party, twenty years as a member of its National Executive and nine years as Assistant General Secretary of the New South Wales Branch. Senator Faulkner is well versed in, and passionate about the history of the Australian Labor Party. Prior to his political career, Senator Faulkner worked as a teacher of children with severe disabilities.

Ms Patricia Amphlett OAM Non-Executive

Experience Appointed as Director 29 June 2010. Ms Patricia Amphlett OAM is the Federal President of the Media, Entertainment and Arts Alliance, a position she has held since 2002. With a succession of hits and as a long standing member of the Bandstand Family, she established herself as a prominent force in the Australian music industry. Her musical talents are credited with many industry awards including Best Female Singer, Most Popular Female Performer, TV Logie for Best Teenage Personality and a succession of Gold Records. A definite 'all rounder' in the music and entertainment industry, Ms Amphlett’s talent spans a broad spectrum from writing, producing and performing shows for children, and hosting charity and corporate events.

She maintains a high profile in the music industry, with many live performances at Festivals, Corporate Events, Clubs and Television shows. Ms Amphlett has a strong commitment to music education. She is a consultant for the NSW Government’s Talent Development Project. She is a member of the Board of the National Film & Sound Archives.

### Director's report

For the year ended 31 December 2014

**Information on directors (continued)**

Prof. Barney Glover PhD (Applied Mathematics), MSc, BSc (Honours), Dip Ed (Melbourne),

MAICD. Non-Executive.

Experience Appointed as Director 1 Jan 2014. Professor Barney Glover has been the Vice-Chancellor and President of the University of Western Sydney since he commenced in this role on 1 January 2014. Professor Glover is an accomplished academic leader and experienced Vice-Chancellor. Previously Vice-Chancellor at Charles Darwin University from 2009 to 2013, he has a long record of success in university management and leadership, particularly in research, intellectual property management and major capital development projects.Before relocating to the Northern Territory in 2009 Professor Glover was the Deputy Vice-Chancellor, Research at the University of Newcastle. Prior to this, he held several positions at Perth's Curtin University of Technology including Pro Vice-Chancellor, Research and Development. He has a strong research publication record and has co- authored four texts in mathematics education. Before his appointment at Curtin Professor Glover held a number of positions at the University of Ballarat in Victoria. Professor Glover holds a PhD in Applied Mathematics and has worked on both the east and west coasts of Australia.

Mr Geoffrey Roberson HonDLitt (UWS). Non-Executive.

Experience Appointed as Director 26 April 2002. Mr Geoffrey Roberson is a solicitor, an Accredited Specialist in Commercial Litigation and Chairman of Champion Legal Pty Limited, a Sydney-based law firm. He chairs and serves on a number of company Boards.

Dr Kerry Schott BA (Hons) (UNE), MA (British Columbia), DPhil (Oxon). Non-Executive.

Experience Appointed as Director 11 September 2009. Dr Kerry Schott is Chairman of the Moorebank Intermodal Company Ltd, a Director of NBN Co, a Director of the TCorp Board in NSW, a member of the Infrastructure Australia Board, Patron and Board member of Infrastructure Partnerships Australia and a member of the Whitlam Institute Board. Dr Schott is the Project Director for the NSW Treasury managing the current sales of the government owned electricity generating plants. She was previously the Project Director of the successful sale and lease of the Sydney desalination plant. She completed her role as CEO of the Commission of Audit for the NSW Government early in 2012. Previously she was Managing Director and CEO of Sydney Water from 2006 to 2011. Dr Schott spent 15 years as an investment banker, including as Managing Director of Deutsche Bank and Executive Vice President of Bankers Trust Australia. During this time she specialised in privatisation, restructuring, and infrastructure provision. Dr Schott holds a doctorate from Oxford University (Nuffield College), a Master of Arts from the University of British Columbia, Vancouver and a Bachelor of Arts (first class Honours) from the University of New England.

### Director's report

For the year ended 31 December 2014

**Information on directors (continued)**

Ms Gabrielle Trainor LLB (Melb). Non-Executive.

Experience Appointed as Director 29 June 2010. Ms Gabrielle Trainor is a non-executive director and advisor. Her chair and director roles have spanned organisations in urban development, transport, education, public interest law, tourism, culture and sport. She was a founding partner and co-owner of specialist consultancy John Connolly & Partners and over 25 years advised large listed companies on the management of major transactions and significant issues across stakeholder groups including in capital markets, government, NGO’s and other influencers. Ms Trainor is a member of the board of Leighton Contractors (advisory board), a director of the Barangaroo Delivery Authority, Business Events Sydney, Cape York Group, the Aurora Education Foundation and is a trustee of the Charlie Perkins Education Trust. She is a member of the board of trustees of the University of Western Sydney. She is Chair of the National Film and Sound Archive and Chair of Barnardo’s Australia. She co-chaired the 2012 Federal Government review of the Australia Council for the Arts. She has had a long term involvement in indigenous affairs, including as director of Cape York Partnerships and a member of the Victorian Government’s Aboriginal Economic Development Group which reported in 2010. Ms Trainor was educated as Ll.B at the University of Melbourne and was awarded a 1986 Churchill Fellowship. She studied in the USA and UK, including as a visiting scholar at Stanford University. She is an Honorary Associate in the Graduate School of Government at Sydney University and a Fellow of the Australian Institute of Company Directors.

Mr John Wells Non-Executive.

Experience Appointed as Director 15 June 2005. Mr John Wells is Chairman of Wells Haslem Pty Ltd. His career has embraced journalism at the most senior levels in Australia and overseas, senior media involvement in newspapers, television and radio, policy advice to Federal political leaders and public affairs consulting. His major interests are in government and media and the operational elements of strategic communication campaigns. He works for all of Wells Haslem’s major clients in these and many other roles.

Mr Nicholas Whitlam AB (Hons) (Harv), MSc (Lon), Hon D. Univ (UNSW). Non-Executive. Experience Appointed as Director 2 October 2003. Mr Nicholas Whitlam is chairman of

Port Kembla Port Corporation, Newcastle Port Corporation and Sydney Ports Corporation. In a career that has embraced most aspects of banking and finance, he was CEO of the State Bank of New South Wales from 1981 to 1987, and was joint CEO of the investment bank Whitlam Turnbull from 1987 to 1990. He is a former President of the NRMA; in 2000, as chairman of NRMA Insurance/IAG, he supervised its demutualization and listing on the ASX. Mr Whitlam was the inaugural Chairman of the Whitlam Institute between 2000 and 2002. He holds degrees from Harvard College (AB cum laude, 1967) and London Business School (MSc, 1969), and an honorary doctorate (Hon DUniv) from The University of New South Wales.

### Director's report

For the year ended 31 December 2014

**Information on directors (continued)**

Mr Talal Yassine OAM BA Lib (Macquarie), Master of Laws (Sydney), MBA (Deakin). Non-

Executive.

Experience Appointed as Director 8 October 2010. Mr Talal Yassine is an experienced lawyer, banker and Non-Executive Director. After 10 years at PricewaterhouseCoopers as a Director and strategist, he joined investment firm Babcock & Brown Ltd in the Corporate Finance Group and later in the Technical Real Estate Division. Later he held leadership positions in Better Place Australia and is currently the Managing Director of Crescent Wealth. Mr Yassine currently serves on the Board of Australia Post, Sydney Ports, the Whitlam Institute, The Australian Multicultural Council and as Deputy Chairman of the Gulf Australia Business Council. He has also served on the Board of Macquarie University; and as the Deputy Chairman of a government regulator, and as Chairman as Platinum Sound Pty Ltd. Mr Yassine holds a Master of Laws, a Master of Business Administration which was focused on international business strategy, as well as holding degrees in law and diplomas from the AICD and UNE in directorship. In November 2012, he was appointed as a Professorial Fellow at the Crawford School of Public Policy, at the Australian National University. On Australia Day 2010, he was awarded a Medal of the Order of Australia (OAM) for his service to business and to the community through a range of education.

**Meetings of directors**

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Directors' Meetings** | |
| **Number eligible to attend** | **Number attended** |
| Senator The Hon. John Faulkner | 4 | 3 |
| Ms Patricia Amphlett OAM | 4 | 4 |
| Prof. Barney Glover | 4 | 4 |
| Mr Geoffrey Roberson | 4 | 4 |
| Dr Kerry Schott | 4 | 2 |
| Ms Gabrielle Trainor | 4 | 2 |
| Mr John Wells | 4 | 3 |
| Mr Nicholas Whitlam | 4 | 4 |
| Mr Talal Yassine OAM | 4 | 3 |

**Indemnification of Directors and Officers**

Whitlam Institute within the University of Western Sydney Limited is insured externally and in line with the University of Western Sydney policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

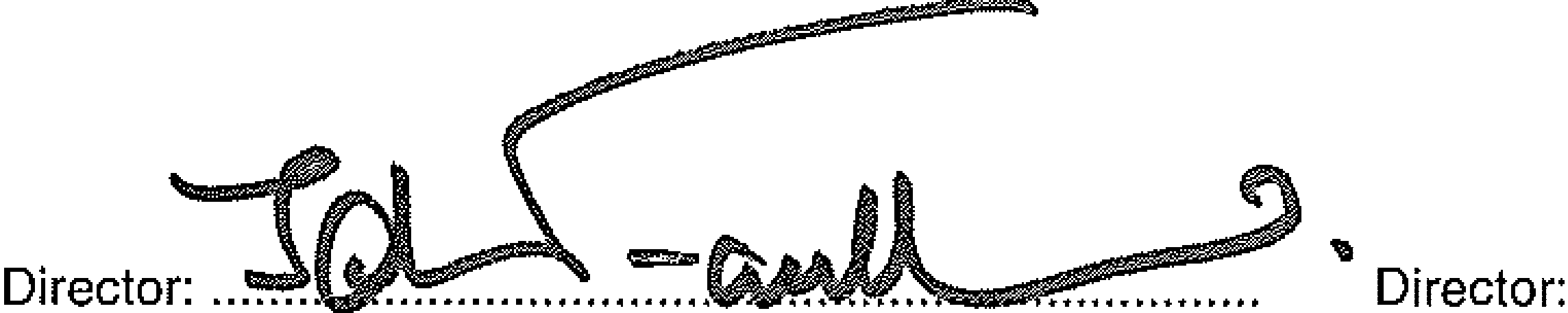
**Proceedings on behalf of company**

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

**Director• s report**

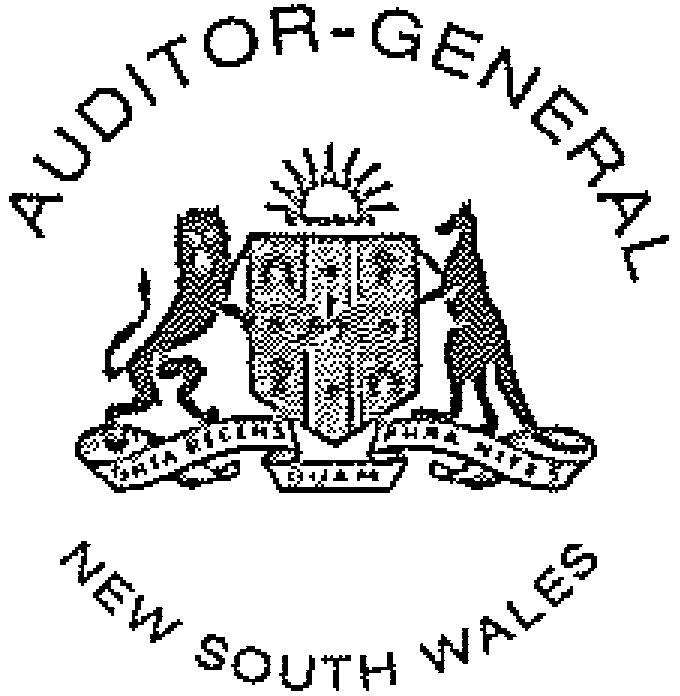
For the year ended 31 December 2014

Signed in accordance with a resolution of the Board of Directors'.



Senator The Hon. John Faulkner Mr Geoffrey Roberson

Dated 20 February 2015



To the Directors

Whitlam Institute within the University of Western Sydney Limited

**Auditorfs Independence Declaration**

As auditor for the audit of the financial statements of Whitlam Institute within the University of Western Sydney Limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Renee Meimaroglou, CA Director, Financlal Audit Services

19 February 2015

**SYDNEY**

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f02 9275 7179 I e [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au) I audit.nsw.gov.au

### Statement of comprehensive income

For the year ended 31 December 2014

**Revenue**

**2014**

**$**

**2013**

**$**

Other revenue **-** -

**Total revenue**  **-** -

**Total income**  **-** -

**Expenses**

Finance costs **-** -

**Total expenses**  **-** -

**Surplus/(deficit) for the year**  **-** -

Other comprehensive income for the year **-** -

**Total comprehensive income for the year**  **-** -

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of financial position**  **As at 31 December 2014** |  | |
|  |  | **2014 2013** |
|  | **Note** | **$ $** |
| **ASSETS**  **Current assets**  Cash and cash equivalents | 6 | **1** 1 |
| Total current assets |  | **1** 1 |
| **Total assets** |  | **1** 1 |
| **LIABILITIES**  **Current liabilities**  Trade and other payables |  | **-** - |
| Total current liabilities |  | **-** - |
| **Total liabilities** |  | **-** - |
| **Net assets** |  | **1** 1 |
| **EQUITY**  Contributed equity |  | **1** 1 |
| Retained earnings  **Total equity** |  | **-** -  **1** 1 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of changes in equity**  **For the year ended 31 December 2014** |  | | |
|  | **Contributed equity** | **Retained Earnings** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance at 1 January 2014** | **1** |  | **- 1** |
| Total comprehensive income for the year | **-** |  | **- -** |
| **Balance at 31 December 2014** | **1** |  | **- 1** |
|  | **Contributed equity** | **Retained Earnings** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance at 1 January 2013** | 1 |  | - 1 |
| Total comprehensive income for the year | - |  | - - |
| **Balance at 31 December 2013** | 1 |  | - 1 |

The accompanying notes form part of these financial statements.

|  |  |  |
| --- | --- | --- |
| **Statement of cash flows**  **For the year ended 31 December 2014** |  | |
|  |  | **2014 2013** |
|  | **Note** | **$ $** |
| **Cash flows from operating activities**  Payments to suppliers and employees |  | **-** - |
| **Net cash inflow/(outflow) from operating activities** | 14 | **-** - |
| **Cash flows from investing activities** |  |  |
| **Net cash (outflow)/inflow from investing activities** |  | **-** - |
| **Cash flows from financing activities** |  |  |
| **Net cash inflow/(outflow) from financing activities** |  | **-** - |
| **Net increase/(decrease) in cash and cash equivalents**  Cash and cash equivalents at beginning of year |  | **-** -  **1** 1 |
| **Cash and cash equivalents at end of year** | 6 | **1** 1 |

The accompanying notes form part of these financial statements.

### Notes to the financial statements

For the year ended 31 December 2014

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2010*, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Company comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1. **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. **Income tax exemption**

The Company is exempt from the payment of tax by virtue of section 50 B of the *Income Tax Assessment Act 1997*.

1. **Foreign currency transactions and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the ultimate parent entity's functional and presentation currency.

1. **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

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

### Notes to the financial statements

For the year ended 31 December 2014

1. **Summary of Significant Accounting Policies (continued)**
2. **Comparative amounts**

Comparative figures have been reclassified and repositioned in the financial statements, where necessary, to conform with the basis of preparation and classification used in the current year.

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. **Critical accounting estimates and judgments**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity or where assumptions and estimates are significant to the financial statements of the Company.

1. **Financial Risk Management**

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Financial Assets**

**2014**

**$**

**2013**

**$**

Cash and cash equivalents **1** 1

**1** 1

**Financial Liabilities**

Trade and other payables **-** -

**-** -

* 1. **Credit risk**

The credit risk on financial assets of the Company (which have been recognised in the statement of financial position) is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated debtor.

* 1. **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Company held deposits at call of $1 (2013: $1) that are expected to readily generate cash inflows for managing liquidity risk.

### Notes to the financial statements

For the year ended 31 December 2014

1. **Financial Risk Management (continued)**
   1. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

* + 1. *Cash flow and fair value interest rate*

The Company's exposure to interest rate risk is minimal as it has no borrowings.

1. **Expenses**

Administration expenses for 2014 totaling $1,128 (2013: $6,600) was paid by the ultimate parent entity.

1. **Remuneration of Auditors**

Audit fees of $1,848 for 2014 (2013: $1,902) will be paid by the ultimate parent entity.

1. **Fair Value Measurement**

Fair value measurements of balance sheet items are not categorised given the lack of any assets or liabilities as at 31 December 2014.

1. **Cash and cash equivalents**

**2014**

**$**

**2013**

**$**

Cash at bank and in hand **1** 1

**1** 1

* 1. **Risk exposure**

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

* 1. **Cash at bank and on hand**

These are non-interest bearing.

* 1. **Fair value**

The carrying amount for cash and cash equivalents equals the fair value.

### Notes to the financial statements

For the year ended 31 December 2014

1. **Contributed equity**

**Shares Total**

**Ordinary shares**

**2014**

**$**

**2013**

**$**

**2014**

**$**

**2013**

**$**

Fully paid **1** 1 **1** 1

**Total contributed equity**  **1** 1 **1** 1

* 1. **Movements in ordinary share capital**

There were no movements in contributed equity during the financial year.

1. **Commitments**

The Company had no commitments at 31 December 2014 (31 December 2013: nil).

1. **Contingencies**

In the opinion of the Directors, the Company did not have any contingencies as at 31 December 2014 (31 December 2013: nil).

1. **Key Management Personnel Disclosures**

No remuneration has been paid to the key management personnel of Whitlam Institute within the University of Western Sydney Limited during the year (2013: nil).

1. **Related party transactions**
   1. **Parent entity**

The ultimate parent entity of the Trust is University of Western Sydney.

* 1. **Transactions with related parties**

There were no transactions with related parties in 2014.

1. **Economic dependency**

The Company is economically dependent on the University of Western Sydney for the provision of office accommodation and support activities.

1. **Events occurring after the reporting date**

No matters or 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 (2013: nil).

### Notes to the financial statements

For the year ended 31 December 2014

1. **Reconciliation of surplus/(deficit) to net cash inflow from operating activities**

**2014**

**$**

**2013**

**$**

Surplus for the year **-** -

**Changes in assets and liabilities:**

* (increase)/decrease in trade and other receivables **-** -
* (increase)/decrease in assets **-** -
* increase/(decrease) in trade and other payables **-** - Cashflow from operating activities **-** -

**END OF AUDITED FINANCIAL STATEMENTS**

**Director• s declaration**

In the Director's opinion:

1. The financial statements and notes are ln accordance with the *Corporations Act 2001* and:

a\_ comply with Australian Accounting Standards and other interpretations, the *Corporations Regulations 2001, Public Finance and Audit Act 1983 the Public Finance and Audit Regulation 2010* and other mandatory professional reportlng requirements; and

b. give a true and fair view of the financial position as at 31 December 2014 and of the pertormance for the year ended on that date of the Company\_

1. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable\_

This declaration is made in accordance with a resolution of the Directors.

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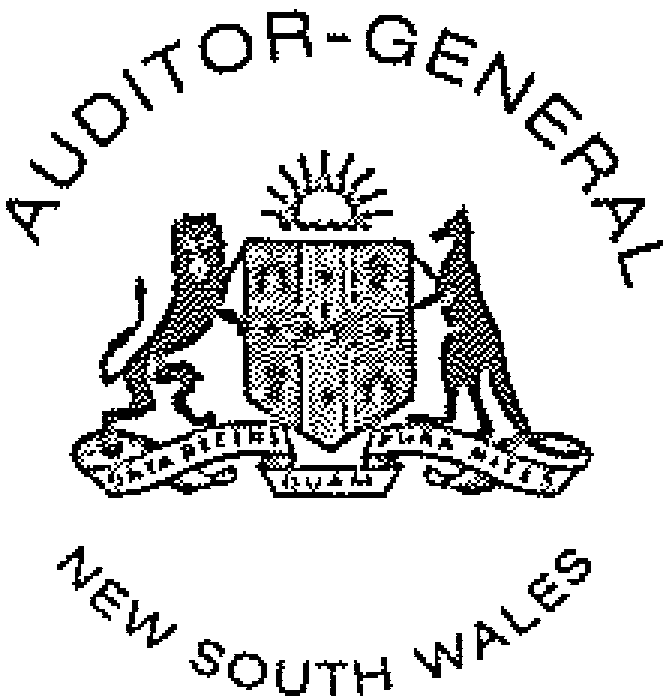
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Senator The Hon\_ John Faulkner Mr Geoffrey Roberson

Dated 20 February 2015



INDEPENDENT AUDITOR'S REPORT

**Whitlam Institute within the University of Western Sydney Limited**

To Members of the New South Wales Parliament and Members of Whitlam Institute within the University of Western Sydney Limited

I have audited the accompanying financial statements of Whitlam Institute within the University of Western Sydney Limited (the Company}, which comprise the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

**Opinion**

In my opinion, the financial statements:

* + are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* + are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010

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

**Directors' Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that t comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements. whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

* about the future viability of the Company
* that they carried out their activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented

about any other information which may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the Corporations Act 2001 and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

providing that only Parliament, and not the executive government, can remove an Auditor-General

* mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 19 February 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Renee Meimaroglou, CA Director Financial Audit Services

24 February 2015 SYDNEY

# Whitlam Institute Within the University of Western Sydney Trust

**ABN: 42 247 216 279**

**Financial Statements**

**For the Year Ended 31 December 2014**

These financial statements of the Whitlam Institute Within the University of Western Sydney Trust are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Whitlam Institute Within the University of Western Sydney Trust is:

Whitlam Institute Within the University of Western Sydney Trust University of Western Sydney

Building EZ, Parramatta Campus Cnr James Ruse Dr & Victoria Rd Rydalmere NSW 2116 Registered postal address is:

Whitlam Institute Within the University of Western Sydney Trust Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Trust's operations and it principal activities is included in the Trustees' report which is not part of these financial statements.

These financial statements were authorised for issue by the Trustees' on 20 February 2015. The Trustees have the power to amend and reissue the financial statements.

**Trustees' report**

For the year ended 31 December 2014

The Trustees present their report on Whitlam Institute Within the University of Western Sydney Trust for the financial year ended 31 December 2014.

Trustees

The Whitlam Institute Within the University of Western Sydney Limited (referred to hereafter as the Trustee Company) has been appointed as the Trustee of the Trust. The following persons have been directors of the Trustee Company during the whole of the financial year and to the date of this report:

Senator The Hon. John Faulkner Ms Patricia Amphlett OAM

Prof. Barney Glover Mr Geoffrey Roberson Dr Kerry Schott

Ms Gabrielle Trainor Mr John Wells

Mr Nicholas Whitlam Mr Talal Yassine OAM

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal Activities**

There were no significant changes in the nature of the Trust's activities during the year.

The Whitlam Institute Within the University of Western Sydney Trust exists to support (through the provision of money, property or benefits) the University of Western Sydney, specifically the work of the Whitlam Institute with respect to the Whitlam Prime Ministerial Collection and the Institute's research, educational and policy activity.

**Trustees' report**

For the year ended 31 December 2014

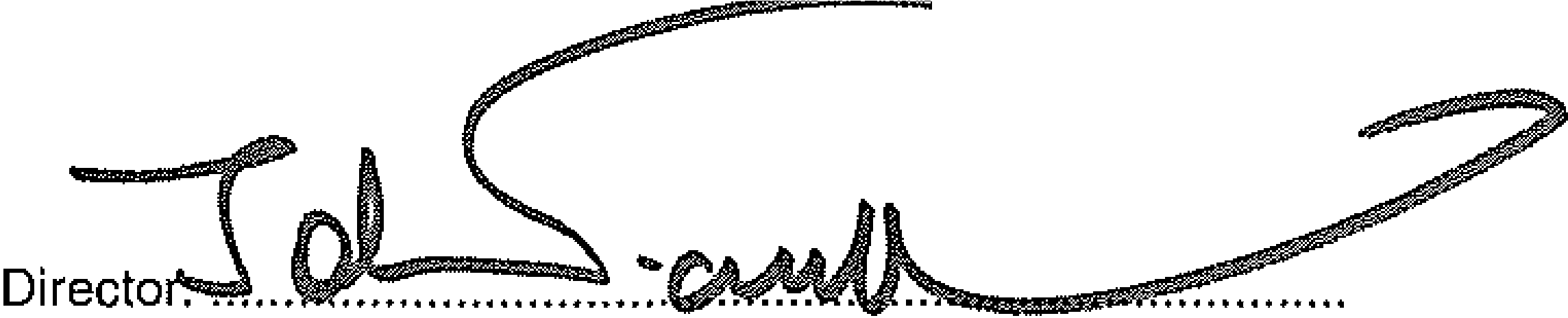
**Meetings of trustees**

During the financial year, 4 meetings of trustees (including committees of trustees) were held. Attendances by each trustee during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Trustees Meetings** | |
| **Number** ellglble to **atte11d** | **Number**  **atte11ded** |
| Senator The Hon. John Faulkner | 4 | 3 |
| **Ms** Patricia Amphlett OAM | 4 | 4 |
| Prof. Barney Glover | 4 | 4 |
| Mr Geoffrey Roberson | 4 | 4 |
| Dr Kerry Scholl | 4 | 2 |
| Ms Gabrielle Trainor | 4 | 2 |
| Mr John Wells | 4 | 3 |
| Mr Nicholas Whltlam | 4 | 4 |
| Mr Talal Yassine OAM | 4 | 3 |

This report is made in accordance with a resolution of the Trustee .

..



Senator The Hon.John Faulkner

. -

Director: ........................................................... ...................

•

Mr Geoffrey Roberson

Dated 20 February 2014

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of comprehensive income**  **For the Year Ended 31 December 2014** |  | | |
|  |  | **2014** | **2013** |
|  | **Notes** | **$** | **$** |
| **Revenue** |  |  |  |
| Services | 3 | **61,908** | 14,012 |
| Other revenue | 3 | **11,323** | 12,211 |
| Contribution of assets |  | **99,815** | 55,138 |
| **Total revenue** |  | **173,046** | 81,361 |
| **Expenses** |  |  |  |
| Contribution to Ultimate Parent Entity | 4 | **(40,000)** | - |
| Distributions | 4 | **-** | (16,000) |
| Employee benefits expense | 4 | **-** | (25,000) |
| Bank charges | 4 | **(223)** | (226) |
| **Total expenses** |  | **(40,223)** | (41,226) |
| **Surplus for the year** |  | **132,823** | 40,135 |
| Other comprehensive income for the year  **Total Comprehensive Income for the year** |  | **- 132,823** | - 40,135 |

|  |  |  |
| --- | --- | --- |
| **Comprehensive income for the year attributable to**  Non - controlling interest | **-** | - |
| The parent | **132,823** | 40,135 |
| **Total comprehensive income for the year** | **132,823** | 40,135 |

The accompanying notes form part of these financial statements.

**Statement of financial position**

As at 31 December 2014

**ASSETS**

**Current assets**

**Notes**

**2014**

**$**

**2013**

**$**

Cash and cash equivalents 7 **436,501** 402,683

|  |  |  |  |
| --- | --- | --- | --- |
| Trade and other receivables | 8 | **-** 210 | |
| Total current assets |  | **436,501** 402,893 | |
| **Non-current assets**  Property, plant and equipment | 9 | **778,827** 546,890 | |
| Total non-current assets |  | **778,827** 546,890 | |
| **Total assets** |  | **1,215,328** 949,783 | |
| **LIABILITIES**  **Current liabilities** |  |  |  |
| Other liabilities |  | **600** | - |
| Total current liabilities |  | **600** | - |
| **Total liabilities** |  | **600** | - |
| **Net assets** |  | **1,214,728** | 949,783 |
| **TRUST FUNDS**  Settled fund |  | **1** | 1 |
| Reserves | 10 | **175,207** | 43,085 |
| Retained earnings | 11 | **1,039,520** 906,697 | |
| **Total trust funds** |  | **1,214,728** 949,783 | |

The accompanying notes form part of these financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of changes in equity**  **For the Year Ended 31 December 2014** |  | | | |
|  | **Settled fund** | **Retained Earnings** | **Reserves** | **Total Equity** |
|  | **$** | **$** | **$** | **$** |
| **Balance at 1 January 2014** | 1 | 906,697 | 43,085 | **949,783** |
| Revaluation of property, plant and equipment | **-** | **-** | 132,122 | **132,122** |
| Total comprehensive income for the year | **-** | 132,823 | **-** | **132,823** |
| **Balance at 31 December 2014** | **1** | **1,039,520** | **175,207** | **1,214,728** |
|  | **Settled fund** | **Retained Earnings** | **Reserves** | **Total Equity** |
|  | **$** | **$** | **$** | **$** |
| **Balance at 1 January 2013** | 1 | 866,562 | 13,136 | **879,699** |
| Revaluation of property, plant and equipment | - | - | 29,949 | **29,949** |
| Total comprehensive income for the year | - | 40,135 | - | **40,135** |
| **Balance at 31 December 2013** | **1** | **906,697** | **43,085** | **949,783** |

The accompanying notes form part of these financial statements.

### Statement of cash flows

For the Year Ended 31 December 2014

**Notes**

**2014**

**$**

**2013**

**$**

**Cash flows from operating activities**

Receipts from customers **62,718** 18,928

Payments to suppliers and employees **(40,223)** (41,226)

Investment income **11,323** 12,211

**Net cash inflow/(outflow) from operating activities** 17 **33,818** (10,087)

**Cash flows from investing activities**

**Net cash inflow/(outflow) from investing activities -** -

**Cash flows from financing activities**

**Net cash inflow/(outflow) from financing activities -** -

**Net increase/(decrease) in cash and cash equivalents 33,818** (10,087)

Cash and cash equivalents at beginning of year **402,683** 412,770

**Cash and cash equivalents at end of year** 7 **436,501** 402,683

The accompanying notes form part of these financial statements.

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2010*, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Whitlam Institute within the University of Western Sydney Trust comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue recognition**

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Trust's activities as described below. The Trust bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

* 1. Donations, Scholarships and Prizes

Donations, scholarships and prizes are recognised when they are received.

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable.

* 1. Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

* 1. Event income

Event income is only recognised when the economic benefits associated with the transaction flows to the entity.

* 1. Investment income

Investment income is recognised as it accrues using the effective interest method. All other material revenue is accounted for on an accrual basis.

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies (continued)**

1. **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. **Income tax exemption**

The Trust is exempt from the payment of tax by virtue of section 50 B of the Income Tax Assessment Act 1997. Accordingly no provision for income tax liability or future income tax benefit has been included in the accounts.

1. **Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Trust will comply with all attached conditions.

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

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in surplus/(deficit) within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in surplus/(deficit).

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies (continued)**

1. **Other financial assets**
2. **Classification**

Receivables

Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non current assets.

1. **Measurement**

Receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

1. **Fair value**

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

1. **Impairment**

The Trust assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is evidence of impairment for any of the Trust's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

### Notes to the financial statements

For the Year Ended 31 December 2014

**1 Summary of Significant Accounting Policies (continued)**

1. **Other financial assets (continued)**

**(iv) Impairment (continued)**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Impairment testing of trade receivables is described in note 1(f).

1. **Fair value estimation**

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

1. **Property, plant and equipment**

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. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Whitlam Collection

Assets comprising the Whitlam Collection have been donated to the Trust. Market valuations have been obtained following the passing of the Hon Gough Whitlam AC QC in order to determine the fair value of the contribution in accordance with AASB116 "Property, Plant & Equipment". Previously the Whitlam Collection was revalued at the end of 2013.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Summary of Significant Accounting Policies (continued)**
2. **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

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

1. **Comparative amounts**

Comparative figures have been reclassified and repositioned in the financial statements, where necessary, to conform with the basis of preparation and classification used in the current year.

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial report. The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

1. **Critical accounting estimates and judgments**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

The valuation of assets and the estimate of useful life uses estimates and judgments.

The valuation of the Whitlam Collection within Property Plant and Equipment has been assessed by an independent expert valuer McWilliam & Associates Pty Ltd on the basis of a fair value for accounting purposes.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Financial Risk Management**

The main risks Whitlam Institute Within the University of Western Sydney Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk). The Trust's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trust. The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Financial Assets**

**Notes**

**2014**

**$**

**2013**

**$**

Cash and cash equivalents 7 **436,501** 402,683

Trade and other receivables 8 **-** 210

**436,501** 402,893

**Financial Liabilities**

Other liabilities **600** -

**600** -

* 1. **Credit risk**

The credit risk on financial assets of the Trust which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations, resulting in financial loss to the Trust. The Trust does not have any significant exposure to any unrelated debtor.

The following table details the Trust's trade and other receivables exposure to credit risk with ageing analysis.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014** | **2013** |  |
| **$** | **$** |
| Up to 3 months |  | **-** | 210 |
| 3 to 6 months |  | **-** | - |

Over 6 months **-** -

**Total**  **-** 210

* 1. **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Trust held deposits at call of $436,501 (2013: $402,683) that are expected to readily generate cash inflows for managing liquidity risk.

### Notes to the financial statements

For the Year Ended 31 December 2014

**2 Financial Risk Management (continued)**

* 1. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

* + 1. Cash flow and fair value interest rate

The Trust's exposure to interest rate risk is minimal as it has no borrowings.

* + 1. Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's financial assets and financial liabilities to interest rate risk. The Trust's financial assets and financial liabilities are not subject to foreign exchange risk and other price risk.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Carrying | -100bps  Surplus/ |  | +100bps  Surplus/ |  |
| amount | (deficit) | Trust funds | (deficit) | Trust funds |
| $ | $ | $ | $ | $ |

**31 December 2014**

**Financial assets**

Cash and cash equivalents 436,501 (4,365) (4,365) 4,365 4,365

|  |  |
| --- | --- |
| Trade receivables (a)  Total increase/(decrease) in financial assets | - - - - -  (4,365) (4,365) 4,365 4,365 |
| **Financial liabilities**  Other liabilities (a) | 600 (6) (6) 6 6 |
| Total increase/(decrease) in financial |  |
| liabilities | (6) (6) 6 6 |
| Total increase/(decrease) | (4,371) (4,371) 4,371 4,371 |

**31 December 2013**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Carrying | -100bps  Surplus/ |  | +100bps  Surplus/ |  |
| amount | (deficit) | Trust funds | (deficit) | Trust funds |
| $ | $ | $ | $ | $ |

**Financial assets**

Cash and cash equivalents 402,683 (4,027) (4,027) 4,027 4,027 Trade receivables (a) 210 - - - - Total increase/(decrease) in financial assets (4,027) (4,027) 4,027 4,027

**Financial liabilities**

Other liabilities (a) - - - - -

Total increase/(decrease) in financial

liabilities - - - - Total increase/(decrease) (4,027) (4,027) 4,027 4,027

(a) These amounts exclude all statutory payables and receivables

### Notes to the financial statements

For the Year Ended 31 December 2014

|  |  |  |
| --- | --- | --- |
| **3** | **Revenue** | **2014 2013** |
|  |  | **$ $** |
|  | **Services**  Donations (a) | **61,263** 12,750 |
|  | Fundraising | **645** 1,262 |
|  | Total services | **61,908** 14,012 |
|  | **Other revenue** |  |
|  | Interest | **788** 1,237 |
|  | Distributions from managed funds | **10,535** 10,974 |
|  | **Total other revenue** | **11,323** 12,211 |
|  | **Total revenue** | **73,231** 26,223 |
|  | **(a) Donations** |  |
|  | In 2014 the Trust received donations (including general donations, merchandise | sales and ticket sales) of |
|  | $61,263. This has increased significantly from 2013 with the passing of the Hon | Gough Whitlam AC QC . |
| **4** | **Expenses** |  |
|  |  | **2014** 2013 |
|  |  | **$** $ |
|  | Contribution to Ultimate Parent Entity | **40,000** - |
|  | Distributions - government grants | **-** 16,000 |
|  | Employee benefits expense | **-** 25,000 |
|  | Bank charges | **223** 226 |
|  | **Total expenses** | **40,223** 41,226 |
| **5** | **Remuneration of Auditors** |  |
|  | Audit fees of $7,392 for 2014 (2013: $7,610) will be paid by the ultimate parent entity. |  |

**Notes to the financial statements**

**For the Year Ended 31 December 2014**

**6 Fair Value Measurement Fair value hierarchy**

Whitlam Institute Within the University of Western Sydney Trust categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Trust.

**31 December 2014 Financial assets:**

**Level 1**

**$**

**Level 2**

**$**

**Level 3**

**$**

**Total**

**$**

Cash and cash equivalents - 436,501 - 436,501

Trade and other receivables - - - -

**Total Financial assets** - 436,501 - 436,501

|  |  |  |
| --- | --- | --- |
| **Non-Financial assets:**  Property, plant and equipment | 13,575 | 765,252 - 778,827 |
| **Total non-financial assets** | 13,575 | 765,252 - 778,827 |
|  |  |  |
| **Total assets** | 13,575 | 1,201,753 - 1,215,328 |

### Notes to the financial statements

For the Year Ended 31 December 2014

**6 Fair Value Measurement (continued)**

1. **Fair value measurements**

Due to the short-term nature of the current receivable their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivable that are neither past due nor impaired will be received when due.

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

**Carrying Amount Fair Value**

**2014**

**$**

**2013**

**$**

**2014**

**$**

**2013**

**$**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial assets**  Cash and cash equivalents | **436,501** | 402,683 | **436,501** | 402,683 |
| Trade and other receivables | **-** | 210 | **-** | 210 |
| **Total financial assets** | **436,501** | 402,893 | **436,501** | 402,893 |
| **Financial Liabilities**  Other liabilities | **600** | - | **600** | - |
| **Total financial liabilities** | **600** | - | **600** | - |

The Trust measure and recognises the following assets and liabilities at fair value on a recurring basis:

* + Property, plant and equipment

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Fair Value Measurement (continued)**
2. **Valuation techniques used to derive level 1, level 2 and level 3 fair values**
3. Recurring fair value measurements

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

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

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Due to the short-term nature of the current receivable their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivable that are neither past due nor impaired will be received when due

Property, plant and equipment is valued using current observable market values. All of the resulting fair value estimates are included in level 1 and level 2.

1. Non-recurring fair value measurement

The Trust does not hold assets that use non-recurring fair value measurements during the current or prior periods.

1. **Cash and cash equivalents**

**2014**

**$**

**2013**

**$**

Cash at bank and on hand **46,174** 62,891

T-Corp Investments **390,327** 339,792

**436,501** 402,683

* 1. **Risk exposure**

The Trust's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

* 1. **Cash at bank and on hand**

These are non-interest bearing.

* 1. **Fair value**

The carrying amount for cash and cash equivalents equals the fair value.

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Trade and other receivables**

**2014**

**$**

**2013**

**$**

Trade receivables **-** 210

**Total current trade and other receivables**  **-** 210

Trade and other receivables are non-interest bearing.

* 1. **Fair value and Credit risk**

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. The fair value of securities held for certain trade receivables is insignificant as is the fair value of any collateral sold or re-pledged. Refer to note 2 for more information on the risk management policy of the Trust and the credit quality of the entity's trade receivables.

1. **Property, plant and equipment**

**At 1 January 2013**

**Library**

**$**

**Total**

**$**

|  |  |
| --- | --- |
| Valuation | 461,803 461,803 |
| Net book amount | 461,803 461,803 |
| **Year ended 31 December 2013**  Opening net book amount | 461,803 461,803 |
| Revaluation | 29,949 29,949 |
| Additions | 55,138 55,138 |
| Closing net book amount | 546,890 546,890 |
| **At 31 December 2013**  Valuation | 546,890 546,890 |
| Net book amount | 546,890 546,890 |
| **Year ended 31 December 2014** |  |
| Opening net book amount | 546,890 546,890 |
| Revaluation | 132,122 132,122 |
| Additions | 99,815 99,815 |
| Closing net book amount | 778,827 778,827 |
| **At 31 December 2014**  Valuation | 778,827 778,827 |
| Net book amount | 778,827 778,827 |

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Reserves**

**2014**

**$**

**2013**

**$**

Revaluation surplus - property, plant and equipment **175,207** 43,085

**175,207** 43,085

**Movements**

Revaluation surplus - property, plant and equipment

**2014**

**$**

**2013**

**$**

Balance 1 January **43,085** 13,136

Revaluation - gross **132,122** 29,949

Balance 31 December **175,207** 43,085

* 1. **Nature and purpose of reserves**
     1. Revaluation surplus - property, plant and equipment

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(i).

1. **Retained surplus**

Movements in retained surplus were as follows:

**2014**

**$**

**2013**

**$**

Balance as at 1 January **906,697** 866,562

Surplus for the year **132,823** 40,135

Trust distributions for the year **-** -

Balance as at 31 December **1,039,520** 906,697

1. **Commitments**

The Trust had no commitments at 31 December 2014 (31 December 2013: nil).

1. **Contingencies**

The Trust did not have any contingencies at 31 December 2014 (31 December 2013:nil).

1. **Key Management Personnel Disclosures**

No remuneration has been paid to the key management personnel of Whitlam Institute Within the University of Western Sydney Trust during the year (2013: nil).

### Notes to the financial statements

For the Year Ended 31 December 2014

1. **Related party transactions**
   1. **Parent entity**

The ultimate parent entity of the Trust is the University of Western Sydney.

* 1. **Transactions with related parties**

There was a solitary payment of $40,000 made to the ultimate parent entity during the 2014 year (2013: nil).

1. **Economic dependency**

The Trust is economically dependent on the University of Western Sydney for the provision of office accommodation and support activities.

1. **Reconciliation of surplus/(deficit) to net cash inflow from operating activities**

Reconciliation of net income to net cash provided by operating activities:

**2014**

**2013**

|  |  |  |
| --- | --- | --- |
| Surplus for the year | **$**  **132,823** | **$**  40,135 |
| **Changes in assets and liabilities:**  - (increase)/decrease in trade and other receivables | **210** | 4,916 |
| - (increase)/decrease in assets | **(99,815)** | (55,138) |
| - increase/(decrease) in other liabilities | **600** | - |
| Cashflow from operations | **33,818** | (10,087) |

1. **Events occurring after the reporting date**

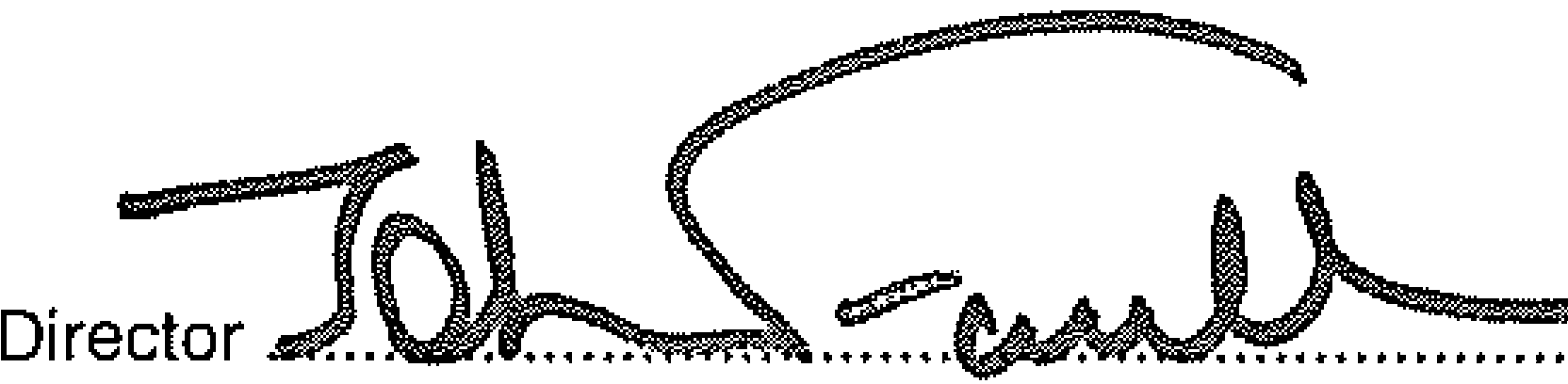
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years (2013: nil).

END OF AUDITED FINANCIAL STATEMENTS

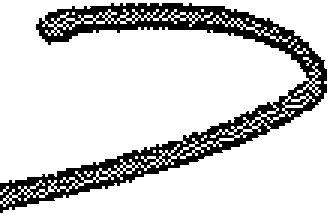
**Trustees• declaration**

In the Trustee's opinion:

1. the financial statements and notes, as set out on pages 2 to 20:
   1. comply with Australian Accounting Standards and other interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010 and other mandatory professional reporting requirements: and
   2. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the Trust:
2. There are reasonable grounds to believe that the Trust 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 Trustee Company, the Whitlam Institute within the University of Western Sydney Limited.

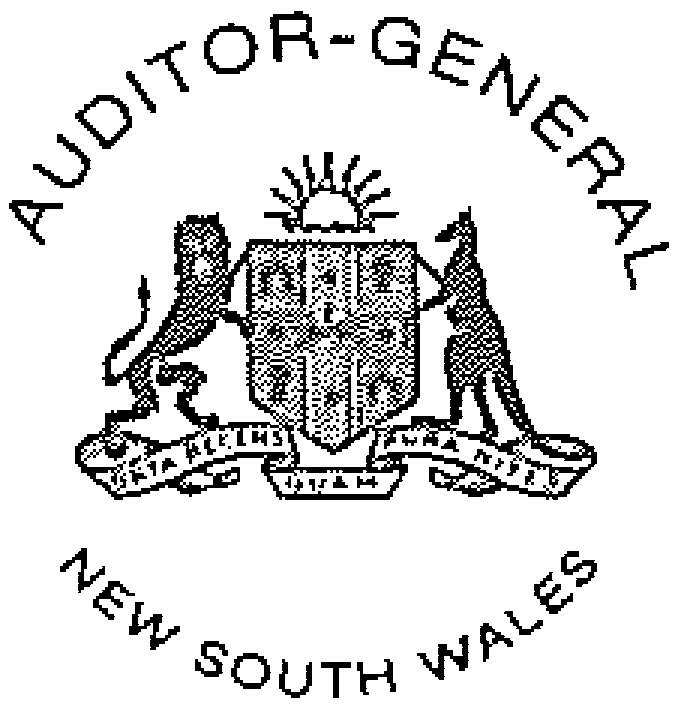
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Director ..................................................................

Senator The Hon. John Faulkner Mr Geoffrey Roberson

Dated 20 February 2015



INDEPENDENT AUDITOR'S REPORT

**Whitlam Institute within the University** of **Western Sydney Trust**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Whitlam Institute within the University of Western Sydney Trust (the Trust), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

**Opinion**

In my opinion, the financial statements:

* give a true and fair view of the financial position of the Trust as at 31 December 2014, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
* are in accordance with section 418 of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

**The Directors' Responsibility for the Financial Statements**

The Directors of the Trust are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f02 9275 7179 I e [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au) I audit.nsw.gov.au

My opinion does *not* provide assurance:

* about the future viability of the Trust
* that they carried out their activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls *over* the electronic publication of the audited financial statements on any website where they may be presented
* about any other information which may have been hyperlinked to/from the financial statements.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



Renee Meimaroglou, CA Director Financial Audit Services

24 February 2015 SYDNEY

**University of Western Sydney and Controlled Entities**

**Budget and Performance Indicators**

**Budget and Performance Indicators**

**2014 Actual to Budget Comparative Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **2014** | **2014** | ***2014*** | ***2014*** |
| **BUDGET** | **ACTUAL** | ***VARIANCE*** | ***VARIANCE*** |
| **$'000** | **$'000** | ***$'000*** | % |

**INCOME FROM CONTINUING OPERATIONS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **GOVERNMENT**  **ACADEMIC ACTIVITIES** |  | **545,153** | **536,651** | ***(8,502)*** | **-1.6%** |
| International Onshore |  | 57,433 | 67,995 | ***10,562*** | **18.4%** |
| International Offshore |  | 637 | 571 | ***(66)*** | **-10.4%** |
| Local fee-paying |  | 12,836 | 12,971 | ***135*** | **1.1%** |
| External Research Grants |  | 23,770 | 24,520 | ***750*** | **3.2%** |
| Consulting, Contracting & Royalties |  | 1,857 | 1,646 | ***(211)*** | **-11.4%** |
| Other Academic |  | 34,604 | 32,815 | ***(1,789)*** | **-5.2%** |
|  | **Sub Total** | **131,137** | **140,518** | ***9,381*** | **7.2%** |
| **OTHER INCOME ACTIVITIES** |  |  |  |  |  |
| Leases & Other Commercial |  | 3,907 | 3,453 | ***(454)*** | **-11.6%** |
| Investment Income |  | 6,995 | 6,904 | ***(91)*** | **-1.3%** |
| Land/Property Development Projects |  | 0 | 829 | *829* |  |
| Other Incidental |  | 9,871 | 13,475 | ***3,604*** | **36.5%** |
|  | **Sub Total** | **20,773** | **24,661** | ***3,888*** | **18.7%** |
| **UWS ENTITIES** |  |  |  |  |  |
| UWS College | | 53,409 | 49,087 | ***(4,322)*** | **-8.1%** |
| UWS Foundation | | 0 | 5,189 | ***5,189*** |  |
| Whitlam Institute | | 71 | 174 | ***103*** | **145.1%** |
| UWSELL | | 3,670 | 4,853 | ***1,183*** | **32.2%** |
| Television Sydney (TVS) | | 762 | 6,823 | ***6,061*** | **795.4%** |
| uwsconnect | | 27,625 | 26,227 | ***(1,398)*** | **-5.1%** |
| UWS Foundation Transfer | |  |  | ***0*** |  |
| Adjustments on Consolidation | |  | (5,292) | ***(5,292)*** |  |
| **Sub Total** | | **85,537** | **87,061** | ***1,524*** | **1.8%** |
| **TOTAL SELF-GENERATED INCOME** | | **237,447** | **252,240** | ***14,793*** | **6.2%** |
| **TOTAL INCOME** | | **782,600** | **788,891** | ***6,291*** | **0.8%** |
| **EXPENSES FROM CONTINUING OPERATIONS**  Schools 203,923 | | | 190,737 | ***13,186*** | **6.5%** |
| Research | 83,251 | | 75,786 | ***7,465*** | **9.0%** |
| Divisions | 160,252 | | 151,425 | ***8,827*** | **5.5%** |
| UWS Entities | 84,349 | | 87,144 | ***(2,795)*** | **-3.3%** |
| UWS Wide | 111,920 | | 104,780 | ***7,140*** | **6.4%** |
| Strategic Initiatives | 46,489 | | 44,959 | ***1,530*** | **3.3%** |
| Minor Works (Expensed) | 7,000 | | 7,616 | ***(616)*** | **-8.8%** |
| External Trust & Tied Grants | 30,535 | | 24,299 | ***6,236*** | **20.4%** |
| Depreciation | 34,392 | | 35,913 | ***(1,521)*** | **-4.4%** |
| Land Development Projects | 2,443 | |  | ***2,443*** | **100.0%** |
| UWS Foundation Transfer |  | |  | ***0*** |  |
| Adjustments on Consolidation |  | |  | ***0*** |  |

**TOTAL EXPENDITURE 764,554 722,659 *41,895* 5.5%**

**NET OPERATING RESULT 18,046 66,232 *48,186* 267.0%**

**Budget and Performance Indicators**

|  |  |
| --- | --- |
| **University of Western Sydney 2015 Budget** | **2015** |
|  | **BUDGET** |
|  | **$'000** |
| **INCOME FROM CONTINUING OPERATIONS** |  |
| **GOVERNMENT** | **548,552** |
| **ACADEMIC ACTIVITIES** |  |
| International Onshore | 76,023 |
| International Offshore | 729 |
| Local fee-paying | 13,897 |
| External Research Grants | 26,793 |
| Consulting, Contracting & Royalties | 3,020 |
| Other | 35,733 |
| **Sub Total** | **156,195** |
| **OTHER INCOME ACTIVITIES** |  |
| Leases & Other Commercial | 3,748 |
| Investment Income | 6,791 |
| Land/Property Development Projects | 48,406 |
| Other Incidental | 11,426 |
| **Sub Total** | **70,371** |
| **UWS ENTITIES** |  |
| UWS College | 52,835 |
| Whitlam Institute | 57 |
| UWS Early Learning | 5,782 |
| uwsconnect | 19,780 |
| TVS | 687 |
| **Sub Total** | **79,141** |
| **TOTAL SELF-GENERATED INCOME** | **305,707** |
| **TOTAL INCOME** | **854,259** |

**EXPENSES FROM CONTINUING OPERATIONS**

|  |  |
| --- | --- |
| Schools | 218,483 |
| Research | 83,154 |
| Divisions | 156,344 |
| UWS Entities | 77,784 |
| UWS Wide | 114,042 |
| Strategic Initiatives | 50,000 |
| Minor Works (Expensed) | 7,000 |
| External Trust & Tied Grants | 26,424 |
| Depreciation | 36,000 |
| Land Development Projects | 41,112 |

**TOTAL EXPENDITURE 810,343**

**NET REPORTED RESULT 43,916**

**Budget and Performance Indicators**

**Accounts Payable Performance Indicators - 2014**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **First Quarter**  **$** | **Second Quarter**  **$** | **Third Quarter**  **$** | **Fourth Quarter**  **$** |
| **1. Schedule of Accounts Payable** |  |  |  |  |
| Paid within 30 days | 67,010,542 | 68,347,772 | 77,418,853 | 101,198,304 |
| Paid between 31-60 days | 31,162,838 | 27,295,845 | 38,518,229 | 37,737,180 |
| Paid between 61-90 days | 2,258,355 | 1,586,099 | 3,937,819 | 2,251,975 |
| Paid between 91-120 days | 531,541 | 727,023 | 949,133 | 771,123 |
| Paid more than 120 days | 718,549 | 795,480 | 399,755 | 863,332 |
| **Total** | **101,681,825** | **98,752,218** | **121,223,788** | **142,821,914** |
| **2. Accounts Paid on Time** |  |  |  |  |
| Target percentage of accounts paid on time | 100.0% | 100.0% | 100.0% | 100.0% |
| Actual percentage of accounts paid on time# | 65.9% | 69.2% | 63.9% | 70.9% |
| Total dollar amount of accounts paid on time | 67,010,542 | 68,347,772 | 77,418,853 | 101,198,304 |
| **Total dollar amount of accounts paid** | **101,681,825** | **98,752,218** | **121,223,788** | **142,821,914** |
| # based on invoice date, not date received in Accounts Payable. |  |  |  |  |

**Investment Performance**

The University of Western Sydney invests its surplus funds and investment funds with New South Wales Treasury Corporation Ltd (TCorp), JB Were Limited and Acadian Australian Equity High Yield Fund. A comparison of the performance during 2014 of its surplus and investment funds with the benchmarks determined in accordance with the requirements of the Annual Reporting legislation is set out below:

|  |  |  |
| --- | --- | --- |
| **2014 Investment Performance as an Annual Compound Percentage** | **UWS** | **Benchmark** |
| Tcorp Cash Facility | 2.85% | 2.69% |
| Tcorp Strategic Cash Facility | 3.10% | 2.69% |
| JB Were Fixed Income Portfolio | 4.76% | 2.69% |
| Acadian Australian Equity High Yield Fund | 12.01% | 6.90% |

The investment of funds in different facilities is based upon the underlying nature of the funds available for investment (e.g. Cash Facility – surplus working funds, Acadian Fund – core elements of working funds, including Long Service Leave payments and Endowment funds).

**Television Sydney (TVS) Ltd**

Principal Objectives

Television Sydney (TVS) Ltd is a not-for-profit Community Television Station which seeks to engage community involvement in content production and programming while developing opportunities for students in the areas of media production, design, visual communication and journalism training and internships. In partnership with the University of Western Sydney, TVS showcases the research and engaged learning outcomes of students and academics at UWS.

Principal Activities and Strategic Projects

The principal activities of the company include:

* Maintaining a community television license in Western Sydney and providing programs relevant to the people of the Sydney broadcast area.
* Promoting the provision of programs with Australian content.
* Promoting the provision of culturally relevant programs (including without limitation programs relevant to people of non-English speaking backgrounds and programs relevant to Aborigines and Torres Strait Islanders).
* Providing opportunities for the broadcast of programs produced by community groups and students.
* Providing television industry training opportunities for community groups and students within the Sydney community.

On 25 February 2015 the Board of Trustees of the University of Western Sydney, as a response to the announcement of the Federal Minister for Communications on 10 September 2014, noted that Television Sydney’s broadcast licence will end on 31 December 2015. At this time it is anticipated that Television Sydney’s television broadcast operations may cease. The TVS Board has established a strategy review committee of the Board. The TVS Strategy Committee is reviewing options for presentation to the UWS Executive.

As a controlled entity of the University the company’s mission is:

* To be the strategic resource for UWS academic courses in communication, design, music and convergent media;
* To promote and enhance UWS’s community engagement agenda; and
* To raise awareness of UWS and higher education.

Performance Measures

The performance measures of the company are financial, quantitative and qualitative. The company has adopted the following key performance indicators:

* Financial statements.
* Advertising and sponsorship revenues.
* Audience estimate.
* ACMA feedback and decisions on compliance measures.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2014 Actual*** | ***Annual 2014 Budget*** | ***% Full year achieved*** |
| Revenue | $722,540 | $762,000 | 95% |
| Loan forgiven by Ultimate Parent Entity\* | $6,100,895 | - |  |
| Expenses | $1,336,693 | $1,237,337 | 108% |
| **Operating Surplus/(Deficit)** | **$5,486,742** | **($475,337)** |  |
| Accumulated Retained Earnings | $194,739 |  |  |

* The Parent’s Board of Trustee’s resolved that the University write off the TVS debt subsequent to the reporting date. This decision by the parent may not result in outflows of resources from TVS. Consequently, the amount owing by the company to the University of Western Sydney as at 31 December 2014 was de-recognised.

Audience ratings have continued to improve. Student participation remained high with further production including the panel show Future Forum co-hosted by Harold Mitchell and James Arvanitakis. Student participation in production and broadcast areas, embedded as requirements in a number of HCA courses, is being achieved through their involvement with TVS.

The University of Western Sydney provides ongoing financial support to the company.

Management and Operations

The University of Western Sydney holds 75% of the voting rights in Television Sydney (TVS) Ltd with the remaining 25% being held by Metro Screen Ltd. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a part time Chief Executive Officer provided by the University.

### University of Western Sydney Foundation Ltd and Trust

Principal Objectives

The UWS Foundation is a trustee of the University of Western Sydney Foundation Trust whose objective is to raise funds in support of the University of Western Sydney by developing relationships with community, business and individuals.

The responsibility for this objective has been transferred to the UWS Foundation Council a sub-committee of the University.

Principal Activities and Strategic Projects

In partnership with the local community and the business world, the Foundation Trust delivers educational opportunities by fundraising for scholarships, prizes, research, academic programs, teaching facilities and other special projects.

The activities of the UWS Foundation have been transferred to the UWS Foundation Council. Performance Measures

As the activities of the UWS Foundation have been transferred to the UWS Foundation Council within the University of Western Sydney, the only activities during the year relate to the wind up of the Trust and transfer of assets to the University.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2014 Actual*** | ***Annual 2014 Budget*** | ***% Full year achieved*** |
| Revenue | $5,190,609 | $0 | - |
| Expenses | $0 | $0 | - |
| **Operating Surplus** | **$5,190,609** | **$0** | **-** |
| Expenses | $26,650 | $0 | - |
| Distributions to UWS | $39,770,594 | $0 | - |
| Accumulated Retained Earnings | $0 |  | - |

Management and Operations

Due to the funds of the Trust being transferred to the University, the Trust ceased to exist at 31 December 2014. The University of Western Sydney Foundation Ltd was de-registered on 5th April 2015.

### UWS Enterprises Pty Ltd trading as UWSCollege

Principal Objectives

The principal objective of the company is to provide English and Academic Pathways programs to the University, complemented by other professional and community programs, consistent with the University of Western Sydney imperatives.

Principal Activities and Strategic Projects

The principal activities of the company are structured into the following three key areas:

* + Academic Pathways which provides Foundation Studies and a variety of Diploma programs for students proceeding to an academic degree at the University of Western Sydney.
  + English Programs which enable international students to gain the academic English skills essential for university entrance. This unit also provides a diversity of programmes for international groups including industry visits and cultural immersion, as well is IELTS and other English-language assessment tests.
  + Professional and Community Programs which delivers VET sector courses; acts as the College Registered Training Organisation (RTO), and conducts Property and Trust Management, SKILLMAX and HSC preparation courses.

During the 2014 financial year the company undertook numerous strategic projects in accordance with the company’s overall objectives and principal activities.

Performance Measures

The performance measures of the Company are both financial and non-financial:

* + Revenue and expenditures are lower in line with decreased Academic Pathways enrolments compared to budget.
  + Costs are being well managed and are in line with revenues.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2014 Actual*** | ***Annual 2014 Budget*** | ***% Full year achieved*** |
| Revenue | $48,972,973 | $53,408,945 | 92% |
| Expenses | $48,471,895 | $51,876,181 | 93% |
| **Operating Surplus** | **$490,050** | **$1,532,765** | 32% |
| Accumulated Retained Earnings | $6,765,448 |  |  |

Management and Operations

UWS Enterprises Pty Ltd is a wholly owned entity of the University of Western Sydney. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a full-time Dean, following the retirement of the Chief Executive Officer.

The Board has oversight of the Academic Advisory Committee and the English and Professional and Community Programs Academic Advisory Committee. An Audit Committee of the Board was established in 2010 and has made a significant contribution to financial monitoring and reporting within the organisation.

### uwsconnect Ltd

Principal Objectives

The principal objective of the company is to provide food and beverage, retail, sporting and campus life facilities and services across all six of the University of Western Sydney campuses.

Principal Activities and Strategic Projects

The principal activity of the company during the 2014 financial year was the provision of sports and leisure, retail, food and beverage, and other services to the University of Western Sydney community including students, staff, alumni and residents of greater Western Sydney.

Performance measures

The performance measures of the company are financial and non-financial related to trading in community services.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2014 Actual*** | ***Annual 2014 Budget*** | ***% Full year achieved*** |
| Revenue | $26,135,649 | $27,625,268 | 95% |
| Expenses | $27,627,291 | $27,502,819 | 100% |
| **Operating Surplus/(Deficit)** | **($1,491,642)** | **$122,449** | 0% |
| Accumulated Retained Earnings | ($865,059) |  |  |

Financial KPI’s were not achieved with the budgeted operating surplus not met due to lower sales than budget. Non-financial KPI’s related primarily to the transition of financial systems and inventory reductions.

As a key provider of student services uwsconnect receives some ongoing financial support from the University.

Management and Operations

UWS connect Ltd is a wholly owned entity of the University of Western Sydney. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a full-time General Manager.

### UWS Early Learning Ltd

Principal Objectives

The principal objective of the Company is to provide affordable, high quality early childhood care and education for the children of UWS staff, students and the local community.

Principal Activities and Strategic Projects

To provide affordable, high quality early childhood care and education for the children of UWS staff, students and the local community. The provision of this service is campus based to enable staff, students and the local community the greatest opportunity to balance work and study commitments with childrearing.

Performance Measures

The performance measures of the company are both financial and non-financial. The Company has adopted the following key performance indicators

* + Consolidation of centre support services
  + Ensure all services at least meet National Quality Standards
  + Ensure optimal staff to children ratios are maintained
  + Improvement of optimal utilisation rates across all centres
  + Expand occasional care trials to more centres and utilise the occasional care funding

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2014 Actual*** | ***Annual 2014 Budget*** | ***% Full year achieved*** |
| Revenue | $4,744,012 | $3,670,000 | 129% |
| Expenses | $5,217,215 | $3,659,107 | 143% |
| **Operating Surplus** | **($363,769)** | **$10,893** | 0% |
| Accumulated Retained Earnings | $604,480 |  |  |

Management and Operations

UWS Early Learning Limited is a wholly owned entity of the University of Western Sydney. An independent Board of Directors is responsible for the overall operations of the Company.

### Whitlam Institute within the University of Western Sydney Ltd

Principal Objectives

The Whitlam Institute is a trustee of the Whitlam Institute within the University of Western Sydney Trust which was established by agreement between the University of Western Sydney and the Hon EG Whitlam in 2000. Its spirit is best captured in Gough’s own words when signing the Deed of Gift:

*‘The greatest contribution that I hope to bestow is inspiration. That the work and causes championed in my parliamentary career and the statesman service that followed, will provide the basis for ongoing research and advocacy from this university into the contemporary challenges that confront and can improve the quality of life for all Australians.’[December 2003]*

Principal Activities and Strategic Projects

The Whitlam Institute works as an educator, policy influencer and research institute. It is also home to the Whitlam Prime Ministerial Collection and the Whitlam Reading Room which houses selected books and papers donated by Mr. Whitlam. The collection provides on-line access to papers held both at the Institute and in the National Archives. It maintains an active public education program.

The Institute's strategic program continues to expand in accordance with the intentions outlined in its current Strategic Plan 2013-2015 and subsequently amended in the mid-term review. The strategic priorities focus on:

* + The historical legacy;
  + Contemporary relevance through public policy development;
  + The education and outreach program;
  + Governance; and
  + Organisation.

Performance Measures

The performance measures of the Company are primarily of a non-financial nature and are driven by the philanthropic nature of the trust and the role of the trustee.

The Whitlam Institute is guided by the ‘three great aims’ that drove the Whitlam Program of 1972. They are

* + to promote equality
  + to involve the people of Australia in the decision-making processes of our land, and
  + to liberate the talents and uplift the horizons of the Australian people.

The financial results bear little resemblance to the budget for two reasons: firstly, the greater than expected level of donations as a consequence of the Gough Whitlam Memorial Appeal; and secondly, the significant increase in the value of the Collection due to both substantial new donations and the re-valuation of the Collection as a consequence of Mr Whitlam’s death. There were no transactions for the Whitlam Institute within the University of Western Sydney Limited during the year.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2014 Actual*** | ***Annual 2014 Budget*** | ***% Full year achieved*** |
| Revenue | $173,046 | $71,084 | 243% |
| Expenses | $40,223 | $73,503 | 55% |
| **Operating Surplus** | **$132,823** | **($2,419)** | 100% |
| Accumulated Retained Earnings | $1,039,520 |  |  |

Management and Operations

The Whitlam Institute within the University of Western Sydney Ltd is a wholly owned entity of the University of Western Sydney.

The Whitlam Institute Board is politically bipartisan and consists of leaders in academia, business, and government organisations. The Board participates in the strategic development of the Institute.

The Whitlam Institute is led by its Director Eric Sidoti. Its small secretariat is committed to the highest quality in all its activity whether that might be its policy and research work, outreach activity, public information program or events.

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