

Annual Report 2010
Financial Statements



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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of Western Sydney and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of Western Sydney (the University), which comprises the statements of financial position as at 31 December 2010, 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. 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.

Auditor's 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 2010, and of the financial performance 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2010 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*

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

Board of Trustees Responsibility for the Financial Statements

The Board of Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of the financial statements 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 the 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 University's preparation and fair presentation of the financial statements 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 University'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 that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

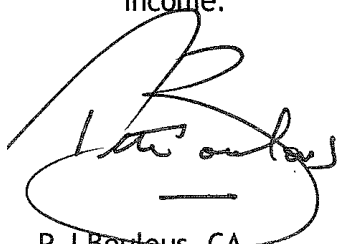
My opinion does *not* provide assurance:

- 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 their 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 role by the possibility of losing clients or income.



P J Boulous, CA
Director, Financial Audit Services

13 April 2011
SYDNEY

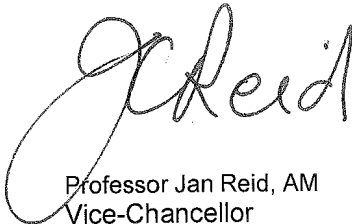
Statement by the members of the Board of Trustees

In accordance with a resolution of the Board of Trustees of University of Western Sydney dated 4th February 1991 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 presents a true and fair view of the financial position of the Group at 31 December 2010 and the Income Statement and Statement of Comprehensive Income of the Group for the year then ended.
2. The financial statements has been prepared in accordance with the provisions of the *New South Wales Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Financial Statement Guidelines for Australian Higher Education Providers for 2010 Reporting Period issued by the Australian Government Department of Education, Employment and Workplace Relations.
3. The financial statements have been prepared in accordance with applicable Australian Accounting Standards and other mandatory authoritative pronouncements and interpretations of the Austalian Accounting Standards Board.
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.



Professor Peter Shergold, AC
Chancellor



Professor Jan Reid, AM
Vice-Chancellor

Sydney
13 April 2011

Certifications Statement

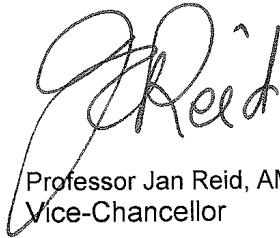
Australian Government financial assistance

The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and

The University of Western Sydney has complied in full with applicable legislation, contracts, agreements and program guidelines in making expenditure.



Professor Peter Shergold, AC
Chancellor



Professor Jan Reid, AM
Vice-Chancellor

Sydney
13 April 2011

START OF AUDITED FINANCIAL STATEMENTS
University of Western Sydney
Income Statement
For the year ended 31 December 2010

| | | Consolidated | | Parent entity | |
|---|-------|----------------|----------------|----------------|----------------|
| | Notes | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Income from continuing operations | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 2 | 259,054 | 254,162 | 258,950 | 254,031 |
| HECS-HELP - Australian Government payments | 2 | 135,276 | 120,368 | 135,276 | 120,368 |
| FEE-HELP | 2 | 11,032 | 10,088 | 10,010 | 9,219 |
| State and Local Government financial assistance | 3 | 19 | - | 19 | - |
| HECS-HELP - Student payments | | 17,151 | 15,537 | 17,151 | 15,537 |
| Fees and charges | 4 | 85,892 | 77,418 | 69,892 | 59,977 |
| Investment revenue | 5 | 4,282 | 2,794 | 2,746 | 1,606 |
| Royalties, trademarks and licences | 6 | 155 | 209 | 168 | 209 |
| Consultancy and contracts | 7 | 10,234 | 11,304 | 10,232 | 11,292 |
| Other revenue and income | 8 | 40,068 | 39,468 | 19,968 | 26,365 |
| Total revenue from continuing operations | | 563,163 | 531,348 | 524,412 | 498,604 |
| Net gains/(losses) on disposal of assets | 9 | (674) | (538) | (678) | (530) |
| Other investment income | 5 | (176) | 4,282 | (50) | 3,690 |
| Total income from continuing operations | | 562,313 | 535,092 | 523,684 | 501,764 |
| Expenses from continuing operations | | | | | |
| Employee related expenses | 10 | 308,652 | 286,098 | 283,029 | 265,707 |
| Deferred superannuation expense | 10 | 139 | 2,270 | 139 | 2,270 |
| Depreciation and amortisation | 11 | 31,182 | 27,821 | 30,421 | 27,319 |
| Repairs and maintenance | 12 | 22,449 | 17,746 | 21,877 | 17,381 |
| Impairment of assets | 13 | 1,163 | 7,408 | 987 | 8,864 |
| Other expenses | 14 | 133,695 | 132,920 | 126,409 | 129,371 |
| Total expenses from continuing operations | | 497,280 | 474,263 | 462,862 | 450,912 |
| Operating result attributable to members of University of Western Sydney | | | | | |
| | | 65,033 | 60,829 | 60,822 | 50,852 |

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

University of Western Sydney
Statements of Comprehensive Income
For the year ended 31 December 2010

| | Notes | Consolidated | | Parent entity | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Operating result after income tax for the period | | 65,033 | 60,829 | 60,822 | 50,852 |
| Other comprehensive income | | | | | |
| Gain/(loss) on revaluation property, plant and equipment, net of tax | 28(a) | 239,781 | - | 239,768 | - |
| Gain/(loss) on revaluation of livestock, net of tax | 28(a) | 36 | 1 | 36 | 1 |
| Gain/(loss) on value of available for sale financial assets, net of tax | 28(a) | 34 | 5,603 | 34 | 5,603 |
| Gain/(loss) on revaluation of art collection, net of tax | 28(a) | 218 | - | 218 | - |
| Total other comprehensive income | | 240,069 | 5,604 | 240,056 | 5,604 |
| Total comprehensive income attributable to members of University of Western Sydney | | 305,102 | 66,433 | 300,878 | 56,456 |

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

University of Western Sydney
Statement of Financial Position
As at 31 December 2010

| | | Consolidated | | Parent entity | |
|---|-------|------------------|------------------|------------------|------------------|
| | | 2010 | 2009 | 2010 | 2009 |
| | Notes | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 15 | 34,205 | 31,145 | 8,028 | 2,770 |
| Receivables | 16 | 27,689 | 41,735 | 26,911 | 39,576 |
| Inventories | 17 | 3,808 | 4,078 | - | - |
| Non-current assets and disposal groups classified as held for sale | 18 | - | 13,455 | - | 13,455 |
| Other financial assets | 21 | 29,359 | 28,430 | 19,163 | 23,430 |
| Total current assets | | 95,061 | 118,843 | 54,102 | 79,231 |
| Non-current assets | | | | | |
| Receivables | 16 | 143,535 | 124,834 | 143,535 | 124,834 |
| Property, plant and equipment | 19 | 1,260,770 | 935,056 | 1,257,812 | 932,859 |
| Intangible assets | 20 | 236 | 241 | 186 | 241 |
| Other financial assets | 21 | 30,335 | 29,249 | 30,335 | 29,358 |
| Other non-financial assets | 22 | 300 | 220 | 208 | 128 |
| Total non-current assets | | 1,435,176 | 1,089,600 | 1,432,076 | 1,087,420 |
| Total assets | | 1,530,237 | 1,208,443 | 1,486,178 | 1,166,651 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 23 | 33,388 | 51,644 | 32,949 | 47,604 |
| Borrowings | 24 | 9,200 | - | 9,200 | - |
| Provisions | 25 | 55,930 | 48,375 | 54,156 | 46,737 |
| Other liabilities | 26 | 23,821 | 19,970 | 22,044 | 19,840 |
| Total current liabilities | | 122,339 | 119,989 | 118,349 | 114,181 |
| Non-current liabilities | | | | | |
| Provisions | 25 | 151,657 | 136,735 | 151,249 | 136,208 |
| Other liabilities | 26 | 136 | 716 | - | 560 |
| Total non-current liabilities | | 151,793 | 137,451 | 151,249 | 136,768 |
| Total liabilities | | 274,132 | 257,440 | 269,598 | 250,949 |
| Net assets | | 1,256,105 | 951,003 | 1,216,580 | 915,702 |
| EQUITY | | | | | |
| Parent entity interest | | | | | |
| Reserves | 28(a) | 533,908 | 309,366 | 533,895 | 309,366 |
| Retained earnings | 28(b) | 722,197 | 641,637 | 682,685 | 606,336 |
| Total equity | | 1,256,105 | 951,003 | 1,216,580 | 915,702 |

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

University of Western Sydney
Statement of Changes in Equity
For the year ended 31 December 2010

| | Consolidated | | | | Parent entity | | | |
|--|----------------------------|--------------------|-----------------------------|------------------|----------------------------|--------------------|-----------------------------|------------------|
| | Restricted funds \$'000 | Reserves \$'000 | Retained earnings \$'000 | Total \$'000 | Restricted funds \$'000 | Reserves \$'000 | Retained earnings \$'000 | Total \$'000 |
| Balance at 1 January 2009 | 47,167 | 303,762 | 533,641 | 884,570 | 47,167 | 303,762 | 508,317 | 859,246 |
| Operating result for the year | - | - | 60,829 | 60,829 | - | - | 50,852 | 50,852 |
| Adjustment from prior year restricted funds | (47,167) | - | 47,167 | - | (47,167) | - | 47,167 | - |
| Revaluation of investments | - | 5,603 | - | 5,603 | - | 5,603 | - | 5,603 |
| Revaluation of livestock | - | 1 | - | 1 | - | 1 | - | 1 |
| Total comprehensive income | (47,167) | 5,604 | 107,996 | 66,433 | (47,167) | 5,604 | 98,019 | 56,456 |
| Balance at 31 December 2009 | - | 309,366 | 641,637 | 951,003 | - | 309,366 | 606,336 | 915,702 |
| Balance at 1 January 2010 | - | 309,366 | 641,637 | 951,003 | - | 309,366 | 606,336 | 915,702 |
| Operating result for the year | - | - | 65,033 | 65,033 | - | - | 60,822 | 60,822 |
| Transfers to retained surplus | - | (15,527) | 15,527 | - | - | (15,527) | 15,527 | - |
| Revaluation of property, plant and equipment | - | 239,781 | - | 239,781 | - | 239,768 | - | 239,768 |
| Revaluation of investments | - | 34 | - | 34 | - | 34 | - | 34 |
| Revaluation of art collection | - | 218 | - | 218 | - | 218 | - | 218 |
| Revaluation of livestock | - | 36 | - | 36 | - | 36 | - | 36 |
| Total comprehensive income | - | 224,542 | 80,560 | 305,102 | - | 224,529 | 76,349 | 300,878 |
| Balance at 31 December 2010 | - | 533,908 | 722,197 | 1,256,105 | - | 533,895 | 682,685 | 1,216,580 |

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

University of Western Sydney
Statement of Cash Flows
For the year ended 31 December 2010

| | Notes | Consolidated | | Parent entity | |
|---|-------|------------------|-----------------|-----------------|-----------------|
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Cash flows from operating activities | | | | | |
| Australian Government Grants | | 422,501 | 368,762 | 422,501 | 368,762 |
| HECS-HELP - Student Payments | | 17,151 | 15,537 | 17,151 | 15,537 |
| Receipts from student fees and other customers (inclusive of GST) | | 137,280 | 126,092 | 99,993 | 96,302 |
| State Government Grants | | 19 | - | 19 | - |
| Interest received | | 2,233 | 1,264 | 926 | 76 |
| Payments to suppliers and employees (inclusive of GST) | | (496,684) | (434,188) | (460,964) | (422,370) |
| GST recovered/paid | | 15,228 | 16,810 | 15,228 | 16,810 |
| Net cash provided by / (used in) operating activities | 35 | <u>97,728</u> | <u>94,277</u> | <u>94,854</u> | <u>75,117</u> |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment | | 3,914 | 3,031 | 3,772 | 2,855 |
| Payments for property, plant and equipment | | (108,025) | (108,425) | (106,328) | (107,701) |
| Proceeds from sale of financial assets | | 243 | 10,000 | 5,336 | 15,000 |
| Loans to related parties | | - | - | (1,576) | (1,400) |
| Net cash provided by / (used in) investing activities | | <u>(103,868)</u> | <u>(95,394)</u> | <u>(98,796)</u> | <u>(91,246)</u> |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings | | 9,200 | - | 9,200 | - |
| Net cash provided by / (used in) financing activities | | <u>9,200</u> | <u>-</u> | <u>9,200</u> | <u>-</u> |
| Net increase / (decrease) in cash and cash equivalents | | 3,060 | (1,117) | 5,258 | (16,129) |
| Cash and cash equivalents at the beginning of the financial year | | <u>31,145</u> | <u>32,262</u> | <u>2,770</u> | <u>18,899</u> |
| Cash and cash equivalents at the end of the financial year | 15(a) | <u>34,205</u> | <u>31,145</u> | <u>8,028</u> | <u>2,770</u> |

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

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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 presented, unless otherwise stated. The financial statements includes separate financial statements for the University of Western Sydney as an individual entity and the consolidated entity consisting of the University of Western Sydney and its subsidiaries.

The financial statements for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of the Board of Trustees on 13 April 2011.

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB interpretations, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements.

Compliance with IFRSs

The financial statements and notes of the University of Western Sydney comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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 at fair value through profit or loss and certain classes of property, plant and equipment.

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 the University of Western Sydney's accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Significant judgements

- i. The Group has elected to measure land and buildings at fair value as determined by Global Valuation Services who have performed an independent valuation as at 31 December 2010. 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 (note 19) property, plant and equipment.
- ii. Trade debtors (see Receivables 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.

Critical estimates

Determining the carrying amount of provisions for employee long service leave entitlements (note 25), deferred superannuation (note 25) and allowance for impairment of receivables (note 16(a)) requires estimation of the uncertain future events on those liabilities at the reporting date.

The assumptions made in the assessment of each of the above liabilities are shown in the relevant notes to the accounts and Note 1(i) and Note 1(u).

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the University of Western Sydney and its subsidiaries as at 31 December 2010 and the results of its subsidiaries for the year then ended.

The University of Western Sydney and its subsidiaries are referred to in these financial statements as the 'Group'.

The effects of all material transactions between entities in the Group and inter-entity balances have been eliminated in full in preparing the consolidated accounts. Where necessary, dissimilar accounting policies adopted by subsidiaries have been amended to ensure consistent policies are adopted within the Group. Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

The subsidiaries of the University are:

- Cadre Design Pty Limited and Trust
- SGSM Limited
- Television Sydney (TVS) Limited
- Television Sydney Foundation Limited and Trust
- University of Western Sydney Foundation Limited and Trust
- UWS College Pty Limited
- uwsconnect Limited
- UWS Conference and Residential Colleges Limited
- Whitlam Institute (within the University of Western Sydney) Limited and Trust

During the financial reporting period net assets totalling (\$1.133M) (2009: \$7.967M) were transferred from UWS Conference and Residential Colleges Limited to the University of Western Sydney. The transfer flows from changes to arrangements for the operation and management of the University's student accommodation activities.

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

(c) Foreign currency translation

Both the functional and presentation currency of the University of Western Sydney and its subsidiaries is Australian Dollars.

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

(d) 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 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:

(i) Government financial assistance

The University of Western Sydney 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 Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

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

1 Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(iii) *Investment income*

Revenue is recognised as the interest accrues using the effective interest method.

(iv) *Consulting and contracting*

Revenue is recognised by reference to stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a total percentage of total estimated labour hours for each contract.

(v) *Lease income*

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

All other material revenue is accounted for on an accrual basis.

(e) Research grants and contracts

Private (Non-DEEWR/DIISR) 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 of Western Sydney treats unspent private research grants as a liability (Note 26). In 2010 this amounted to \$7.198M (2009: \$7.471M). In the 2010 reporting period the \$7.471M deferred in the prior year has been treated as income (2009: \$9.948M).

(f) Leases

Leases of fixed assets are classified as finance leases, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the University or its subsidiaries. Finance leases are capitalised, recording an asset (Note 19) and a liability (Note 26) equal to the present value of the minimum lease payments, including any guaranteed residual values. Finance leases assets are depreciated on a straight-line basis over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred (Note 14).

(g) 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.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand and short term highly liquid investments with the original maturities at 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.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are due for settlement no more than 14 days from the date of recognition with the exception of Deferred government contribution for superannuation.

1 Summary of significant accounting policies (continued)

(i) Trade receivables (continued)

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 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 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 '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.

(j) Inventories

A stock-take on 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.

(k) Investments and other financial assets

The Group classifies its investments in the following categories: "financial assets at fair value through profit or loss", "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.

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

The Group has designated a portion of its investment portfolio at fair value through profit or loss on initial recognition. The policy of management is to designate a financial asset as at fair value through profit or loss if there is the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. For the Group, assets in this category are units in the OnePath Optimix Wholesale Balanced Trust pooled managed investment.

These investments are classified as current assets in the statement of financial position (Note 21) as they are expected to be realised within 12 months of the reporting date to meet cash requirements and planned capital infrastructure commitments.

Revenue from financial assets at fair value through profit or loss is an important component of the annual operating budget. Actual to budget reports are submitted to the Board of Trustees on a quarterly basis and to the University Executive monthly. The Group's investment strategy has been formulated by the University Investment Committee with an emphasis on maximising income streams from this group of financial assets. The Investment Committee also closely monitors the performance of funds managers in generating that revenue.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are designated in this category.

The Group has designated as available-for-sale its units held in the following pooled managed funds;

- i) NSW Treasury Corporation Long Term Growth Facility, and
- ii) OnePath Optimix Wholesale Growth Trust

The NSW Treasury Corporation Long Term Growth Facility units have been classified as current assets in the statement of financial position (Note 21) as it is expected that they will be realised within twelve months of the reporting date to supplement cash requirements and planned capital infrastructure commitments.

The OnePath Optimix Wholesale Growth Trust Units are included as non-current assets in the statement of financial position (Note 21) as management does not expect to dispose of these investments within twelve months of the reporting date, intending to hold them to meet longer term liabilities e.g. deferred employee benefits.

1 Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

(iii) *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 twelve months after the reporting date which are classified as non-current assets.

(iv) *Recognition and derecognition of financial assets*

Purchases and sales of investments are recognised on trade-date - 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).

(v) *Realised and unrealised gains*

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise (Note 5). 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 28(a)).

(vi) *Subsequent measurement*

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within investment income or investment losses in the period in which they arise.

Changes in the fair value of monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and on-monetary securities classified as available-for-sale are recognised in equity.

(vii) *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 Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(viii) *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 Summary of significant accounting policies (continued)

(l) Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered 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 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, 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 is recognised at the date of de-recognition.

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

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

The sale of a parcel of land at the Penrith Campus did not eventuate in 2010 and is no longer classed as "held for sale".

(m) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for 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 financial instruments 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 financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(n) Property, plant and equipment

Land, buildings and the total art collection of \$5,000 and above 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 was undertaken as at 31 December 2010 by Global Valuation Services and McWilliam and Associates Pty Ltd.

The Group undertakes a regular review of its land holdings in light of the future academic footprint of the University. Re-valuation 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 scheduled for rezoning or already rezoned to allow 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 2010 valuation 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 valuers 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.

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.

1 Summary of significant accounting policies (continued)

(n) Property, plant and equipment (continued)

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, net of tax, 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 profit or loss, the increase is first recognised in profit and loss. 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 charged to 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 | 5-8 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 useful life of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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.

(o) Livestock

The University of Western Sydney maintains livestock for research and teaching purposes. Livestock is valued on the fair value basis. A stock-take of livestock holdings was undertaken at year-end.

(p) Intangible assets

(i) Licences

Licenses 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 licenses across their estimated useful live of 5 years (see Note 20).

1 Summary of significant accounting policies (continued)

(q) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Employment and Workplace Relations (DEEWR) the effects of the unfunded superannuation liabilities of the University of Western Sydney and its subsidiaries 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.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University of Western Sydney's beneficiaries of the State Superannuation Schemes, on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation.

The unfunded liabilities have been recognised in the statement of financial position under provisions (Note 25 - \$145.9M) with an asset recognised under receivables (Note 16 - \$143.4M). The balance of the SANCS unfunded liability was previously recognised as a receivable. In 2010 the balance in this scheme (\$0.139M) was expensed following confirmation the liability would not be funded by the Australian Government.

Mercer Human Resource Consulting Ltd assessed the gross superannuation liabilities for the defined benefits schemes administered by the SAS Trustee Corporation for the year ended 31 December 2009 and 31 December 2010. These schemes included the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Superannuation Scheme. This assessment was based on the full requirements of AASB 119. See Note 37 for full details of the University's unfunded superannuation position.

The actuary reported a substantial liability increase of \$18.8M as at 31 December 2010 (2009: \$36.8M decrease).

The University of Western Sydney also contributes to Unisuper (formerly Superannuation for Australian Universities [SSAU]) for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991. Unisuper is a fully funded scheme and hence is not subject to deferred liability variations.

The Unisuper Defined Benefit Division is a defined contribution fund for the purpose of AASB 119 Employee Benefits.

Contributions to Unisuper have been included in Note 10 Employee Related Expenses.

All University employees, including casuals, receive superannuation benefits equal to or exceeding the Superannuation Guarantee Levy.

(r) 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 amounts are unsecured and are usually paid within 30 days of recognition.

(s) 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 statements 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.

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 statement of financial position date and does not expect to settle the liability for at least 12 months after the statement of financial position date.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

1 Summary of significant accounting policies (continued)

(u) Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not 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. 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.

(iii) 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.

(iv) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined benefit section and a 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' entities 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 and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside of the income statement, in the statements of comprehensive income.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (eg taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

Contributions to the defined contribution 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 payments is available.

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by independent actuaries relating to the defined benefit superannuation plan State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and for the State Authorities Non-Contributory Superannuation Scheme (SANCS).

1 Summary of significant accounting policies (continued)

(u) Employee benefits (continued)

(v) *Termination benefits*

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

(v) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class order 98/0100 as amended by Class order 04/667 issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(w) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except in a circumstance where the GST incurred is not recoverable from the Australian Taxation Office, i.e. when input tax classification applies or no tax invoice is held. 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 shown in the statement of financial position include GST. The net amount of GST receivable from the Australian Taxation Office is included within debtors 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 flow.

(x) 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.

(y) Foreign operations

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

(z) Comparative amounts

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

Comparative amounts have been reclassified accordingly.

1 Summary of significant accounting policies (continued)

(aa) New Australian Accounting Standards issued but not effective

The University has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet effective or applied. It has been determined that the new accounting standards will have no material impact on the University's financial statements in the period of initial application with the exception of AASB 9 'Financial Instruments'. The University has not adopted AASB 9 in accordance with DEEWR's instructions included in their 2010 guidelines. Mandatory adoption of the standard will result in the reclassification of Available-for-sale assets to various other asset categories. The adoption of the standard will not have a material impact on the result of the University.

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the University.

2 Australian Government financial assistance including HECS-HELP and FEE-HELP

| | | Consolidated | | Parent entity | |
|---|-------|----------------|----------------|----------------|----------------|
| | Notes | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| (a) Commonwealth Grants Scheme and Other Grants | | | | | |
| | 36.1 | | | | |
| Commonwealth Grants Scheme ^{#1} | | 188,129 | 167,903 | 188,129 | 167,903 |
| Indigenous Support Program | | 1,356 | 1,227 | 1,356 | 1,227 |
| Partnership & Participation Program | | 3,035 | 367 | 3,035 | 367 |
| Disability Support Program | | 433 | 463 | 433 | 463 |
| Workplace Reform Program | | - | 2,233 | - | 2,233 |
| Workplace Productivity Program | | 1,376 | 1,571 | 1,376 | 1,571 |
| Learning & Teaching Performance Fund | | - | 1,647 | - | 1,647 |
| Capital Development Pool | | 2,085 | 3,267 | 2,085 | 3,267 |
| Improving the Practical Component of Teacher Education Initiative | | - | 490 | - | 490 |
| Transitional Cost Program | | 753 | 1,314 | 753 | 1,314 |
| Diversity & Structural Adjustment Fund ^{#2} | | 1,085 | 1,661 | 1,085 | 1,661 |
| Other | | 560 | 360 | 560 | 360 |
| Total Commonwealth Grants Scheme and Other Grants | | <u>198,812</u> | <u>182,503</u> | <u>198,812</u> | <u>182,503</u> |
| (b) Higher Education Loan Programs | | | | | |
| | 36.2 | | | | |
| HECS-HELP - Australian Government payments | | 135,276 | 120,368 | 135,276 | 120,368 |
| FEE-HELP ^{#3} | | 11,032 | 10,088 | 10,010 | 9,219 |
| Total Higher Education Loan Programs | | <u>146,308</u> | <u>130,456</u> | <u>145,286</u> | <u>129,587</u> |
| (c) Scholarships | | | | | |
| | 36.3 | | | | |
| Australian Postgraduate Awards | | 2,231 | 1,626 | 2,231 | 1,626 |
| International Postgraduate Research Scholarship | | 230 | 236 | 230 | 236 |
| Commonwealth Education Cost Scholarships ^{#4} | | (2,718) | 2,419 | (2,718) | 2,419 |
| Commonwealth Accommodation Scholarships ^{#4} | | (300) | 1,249 | (300) | 1,249 |
| Indigenous Access Scholarships | | 9 | - | 9 | - |
| Indigenous Staff Scholarships | | - | 33 | - | 33 |
| Total Scholarships | | <u>(548)</u> | <u>5,563</u> | <u>(548)</u> | <u>5,563</u> |
| (d) DIISR Research | | | | | |
| | 36.4 | | | | |
| Joint Research Engagement Program ^{#5} | | 3,098 | 3,031 | 3,098 | 3,031 |
| Research Training Scheme | | 7,514 | 7,570 | 7,514 | 7,570 |
| Research Infrastructure Block Grants | | 1,380 | 1,379 | 1,380 | 1,379 |
| Implementation Assistance Programme | | 59 | 118 | 59 | 118 |
| Australian Scheme for Higher Education Repositories | | - | 225 | - | 225 |
| Commercialisation Training Scheme | | 77 | 74 | 77 | 74 |
| Sustainable Research Excellence in Universities | | 822 | - | 822 | - |
| Total DIISR Research Grants | | <u>12,950</u> | <u>12,397</u> | <u>12,950</u> | <u>12,397</u> |
| (e) Voluntary Student Unionism | | | | | |
| | 36.5 | | | | |
| VSU Transition Fund | | - | 50 | - | 50 |
| Total VSU | | <u>-</u> | <u>50</u> | <u>-</u> | <u>50</u> |

2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

| | | Consolidated | | Parent entity | |
|---|---------|----------------|----------------|----------------|----------------|
| | Notes | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| (f) Other Capital Funding | 36.6 | | | | |
| Teaching and Learning Capital Fund | | - | 20,427 | - | 20,427 |
| Education Investment Fund | | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> |
| Total Other Capital Funding | | <u>20,000</u> | <u>40,427</u> | <u>20,000</u> | <u>40,427</u> |
| (g) Australian Research Council | 36.7 | | | | |
| (i) Discovery | 36.7(a) | | | | |
| Project | | 3,728 | 3,515 | 3,728 | 3,515 |
| Fellowships | | 179 | 87 | 179 | 87 |
| Indigenous Researchers Development | | <u>401</u> | <u>245</u> | <u>401</u> | <u>245</u> |
| Total Discovery | | <u>4,308</u> | <u>3,847</u> | <u>4,308</u> | <u>3,847</u> |
| (ii) Linkages | 36.7(b) | | | | |
| Special Research Initiatives | | 710 | 515 | 710 | 515 |
| Infrastructure | | 658 | 435 | 658 | 435 |
| International | | 24 | 26 | 24 | 26 |
| Projects | | <u>2,181</u> | <u>1,912</u> | <u>2,181</u> | <u>1,912</u> |
| Total Linkages | | <u>3,573</u> | <u>2,888</u> | <u>3,573</u> | <u>2,888</u> |
| (iii) Networks and Centres | 36.7(c) | | | | |
| Research Networks | | 3 | 71 | 3 | 71 |
| Centres | | <u>87</u> | <u>88</u> | <u>87</u> | <u>88</u> |
| Total Networks and Centres | | <u>90</u> | <u>159</u> | <u>90</u> | <u>159</u> |
| Total Australian Research Council | | <u>7,971</u> | <u>6,894</u> | <u>7,971</u> | <u>6,894</u> |
| (h) Other Australian Government financial assistance | | | | | |
| Other Australian Government - other | | | | | |
| Indigenous Tutorial Assistance Scheme | | 231 | 213 | 231 | 213 |
| Away-From-Base Assistance | | 394 | 479 | 394 | 479 |
| Structured Training and Employment Program | | 103 | 66 | 103 | 66 |
| WSROC indigenous Training Incentive | | - | 41 | - | 41 |
| AIPC | | - | 264 | - | 264 |
| Department of Health and Ageing | | 13,082 | 4,407 | 13,082 | 4,407 |
| Department of Environment, Water and Heritage | | 6,059 | 727 | 5,955 | 727 |
| EMDG - Austrade | | - | 131 | - | - |
| Subtotal Other Australian Government - other | | <u>19,869</u> | <u>6,328</u> | <u>19,765</u> | <u>6,197</u> |
| Total Australian Government financial assistance | | <u>405,362</u> | <u>384,618</u> | <u>404,236</u> | <u>383,618</u> |

- #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 Collaboration & Structural Adjustment 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. The negative amounts reported represent repayment of grants provided in prior years, \$4.073M.
- #5 Includes Institutional Grants Scheme.

2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

| Notes | Consolidated | | Parent entity | |
|--|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Reconciliation | | | | |
| Australian Government grants [(a) + (c) + (d) + (e) + (f) + (g) + (h)] | 259,054 | 254,162 | 258,950 | 254,031 |
| HECS-HELP payments | 135,276 | 120,368 | 135,276 | 120,368 |
| FEE-HELP payments | 11,032 | 10,088 | 10,010 | 9,219 |
| Total Australian Government financial assistance | 405,362 | 384,618 | 404,236 | 383,618 |
| (i) Australian Government Grants received - cash basis | | | | |
| CGS and Other DEEWR Grants | 206,524 | 174,755 | 206,524 | 174,755 |
| Higher Education Loan Programmes | 151,599 | 121,446 | 151,599 | 121,446 |
| Scholarships | 3,489 | 5,563 | 3,489 | 5,563 |
| DIISR Research | 12,950 | 12,397 | 12,950 | 12,397 |
| Voluntary Student Unionism | - | 50 | - | 50 |
| Other Capital Funding | 20,000 | 40,427 | 20,000 | 40,427 |
| ARC grants - Discovery | 4,349 | 3,942 | 4,349 | 3,942 |
| ARC grants - Linkages | 3,698 | 3,228 | 3,698 | 3,228 |
| ARC grants - Networks and Centres | - | 309 | - | 309 |
| Other Australian Government Grants | 19,892 | 6,645 | 19,892 | 6,645 |
| Total Australian Government Grants received - cash basis | 422,501 | 368,762 | 422,501 | 368,762 |
| OS-Help (Net) | 52 | (19) | 52 | (19) |
| Total Australian Government funding received - cash basis | 422,553 | 368,743 | 422,553 | 368,743 |

3 State and Local Government financial assistance

| | Consolidated | | Parent entity | |
|--|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| State financial assistance | | | | |
| Department of Environment, Climate Change & Water | 19 | - | 19 | - |
| Total State and Local Government financial assistance | 19 | - | 19 | - |

4 Fees and charges

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Course fees and charges | | | | |
| Fee-paying overseas students | 61,487 | 55,228 | 56,950 | 52,533 |
| Continuing education | 4,483 | 5,168 | - | - |
| Fee-paying domestic postgraduate students | 3,636 | 3,888 | 3,636 | 3,888 |
| Fee-paying domestic undergraduate students | 686 | 537 | 196 | 206 |
| Fee-paying domestic non-award students | 1,146 | 1,564 | 1,107 | 1,548 |
| Other domestic course fees and charges | 5,088 | 4,706 | 440 | 168 |
| Total course fees and charges | <u>76,526</u> | <u>71,091</u> | <u>62,329</u> | <u>58,343</u> |
| Other non-course fees and charges | | | | |
| Student accommodation | 5,997 | 4,181 | 5,997 | 9 |
| Direct application fees | 9 | 7 | 9 | 7 |
| Deferral fees | 131 | 135 | 131 | 135 |
| Academic transcripts | 168 | 164 | 168 | 164 |
| Graduation fees | 388 | 328 | 388 | 328 |
| Academic dress hire | 369 | 319 | 369 | 319 |
| Academic dress sales | 56 | 57 | 56 | 57 |
| Library fines | 364 | 401 | 364 | 401 |
| Library replacement fees | 15 | 84 | 15 | 84 |
| Other | 1,852 | 651 | 66 | 130 |
| Amenities and service fees | 17 | - | - | - |
| Total other fees and charges | <u>9,366</u> | <u>6,327</u> | <u>7,563</u> | <u>1,634</u> |
| Total fees and charges | <u>85,892</u> | <u>77,418</u> | <u>69,892</u> | <u>59,977</u> |

5 Investment revenue and income

| | Consolidated | | Parent entity | |
|--|--------------|--------------|---------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Investment revenue | | | | |
| Interest revenue - Commonwealth Bank | 556 | 300 | 152 | 59 |
| Interest revenue - New South Wales Treasury Corp | 1,677 | 964 | 774 | 17 |
| Distribution from Managed Funds | 2,049 | 1,530 | 1,820 | 1,530 |
| Total investment revenue | <u>4,282</u> | <u>2,794</u> | <u>2,746</u> | <u>1,606</u> |
| Other investment income | | | | |
| Change in fair value of financial assets designated as at fair value through profit & loss | (176) | 4,282 | (50) | 3,690 |
| Total other investment income | <u>(176)</u> | <u>4,282</u> | <u>(50)</u> | <u>3,690</u> |

6 Royalties, trademarks and licences

| | Consolidated | | Parent entity | |
|---|--------------|------------|---------------|------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Royalty and intellectual property | 155 | 209 | 168 | 209 |
| Total royalties, trademarks and licences | 155 | 209 | 168 | 209 |

7 Consultancy and contracts

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Consultancy | 2,178 | 1,580 | 2,176 | 1,568 |
| Contract research | 8,056 | 9,724 | 8,056 | 9,724 |
| Total consultancy and contracts | 10,234 | 11,304 | 10,232 | 11,292 |

8 Other revenue and income

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Sale of goods ^{#1} | 21,721 | 21,134 | 1,133 | 1,599 |
| Parking fees | 2,922 | 2,465 | 2,923 | 2,478 |
| Commercial leases and other rental income | 2,582 | 2,357 | 4,149 | 2,605 |
| Non-salary recoveries | 1,995 | 242 | 2,671 | 900 |
| Donation and bequests | 2,017 | 1,867 | 1,774 | 9,612 |
| Salary recoveries | 1,609 | 1,406 | 1,609 | 1,405 |
| Scholarships and prizes | 1,583 | 1,187 | 1,346 | 385 |
| Transfer from provision for impaired receivables | 570 | 3,046 | - | 33 |
| Commission income | 460 | 417 | 407 | 392 |
| Service income | 441 | 36 | 1,293 | 2,070 |
| Conference and seminar income | 334 | 1,302 | 334 | 1,302 |
| Refund of franking credits | 312 | 348 | 256 | 348 |
| Patient fees | 63 | 133 | 63 | 133 |
| Insurance Recoveries | 60 | 67 | 60 | 53 |
| Field study fees | 52 | 89 | 52 | 89 |
| Contribution of assets | 44 | 19 | 44 | - |
| Foreign exchange gains | 41 | 95 | 42 | 95 |
| Dividends received | - | 1,368 | - | 1,500 |
| Other | 3,262 | 1,890 | 1,812 | 1,366 |
| Total other revenue | 40,068 | 39,468 | 19,968 | 26,365 |

#1 Consolidated includes uwsconnect sales.

9 Gains/(losses) on disposal of assets

| | Consolidated | | Parent entity | |
|---|--------------|--------------|---------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Disposal of property, plant and equipment | | | | |
| Proceeds from sale | 3,914 | 3,031 | 3,772 | 2,855 |
| Carrying amount of assets sold | (4,588) | (3,569) | (4,450) | (3,385) |
| Total of net gain/(loss) on disposal of assets | (674) | (538) | (678) | (530) |

10 Employee related expenses

| | | Consolidated | | Parent entity | |
|--|-------|----------------|----------------|----------------|----------------|
| | Notes | 2010 | 2009 | 2010 | 2009 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Academic | | | | | |
| Salaries | | 123,578 | 112,935 | 116,381 | 107,693 |
| Contribution to superannuation & pension schemes | | 17,217 | 15,781 | 16,709 | 15,343 |
| Payroll tax | | 7,657 | 7,280 | 7,282 | 6,950 |
| Worker's compensation | | 888 | 764 | 854 | 745 |
| Long service leave expense | | 3,827 | 3,763 | 3,727 | 3,654 |
| Annual leave | | 1,375 | 416 | 1,426 | 493 |
| Other | | 9 | - | - | - |
| Total academic | | 154,551 | 140,939 | 146,379 | 134,878 |
| Non-academic | | | | | |
| Salaries | | 123,757 | 116,334 | 108,696 | 104,445 |
| Contribution to superannuation & pension schemes | | 17,446 | 16,192 | 16,001 | 14,991 |
| Payroll tax | | 7,380 | 7,196 | 6,898 | 6,799 |
| Worker's compensation | | 1,001 | 898 | 796 | 721 |
| Long service leave expense | | 3,737 | 3,725 | 3,650 | 3,576 |
| Annual leave | | 528 | 649 | 609 | 297 |
| Other | | 252 | 165 | - | - |
| Total non-academic | | 154,101 | 145,159 | 136,650 | 130,829 |
| Total employee related expenses | | 308,652 | 286,098 | 283,029 | 265,707 |
| Deferred superannuation expense | 37 | 139 | 2,270 | 139 | 2,270 |
| Total employee related expenses, including deferred government employee benefits for superannuation | | 308,791 | 288,368 | 283,168 | 267,977 |

11 Depreciation and amortisation

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation | | | | |
| Buildings | 16,816 | 14,744 | 16,816 | 14,744 |
| Plant and equipment | 9,449 | 7,976 | 9,027 | 7,598 |
| Library Collection | 3,980 | 4,268 | 3,980 | 4,268 |
| Total depreciation | <u>30,245</u> | <u>26,988</u> | <u>29,823</u> | <u>26,610</u> |
| Amortisation | | | | |
| Leasehold improvements | 882 | 730 | 543 | 606 |
| Intangibles | 55 | 103 | 55 | 103 |
| Total amortisation | <u>937</u> | <u>833</u> | <u>598</u> | <u>709</u> |
| Total depreciation and amortisation | <u>31,182</u> | <u>27,821</u> | <u>30,421</u> | <u>27,319</u> |

12 Repairs and maintenance

| | Consolidated | | Parent entity | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Buildings | 18,013 | 14,136 | 17,791 | 13,953 |
| Plant and equipment | 3,698 | 2,829 | 3,360 | 2,657 |
| Information technology | 396 | 409 | 396 | 409 |
| Motor vehicles | 342 | 372 | 330 | 362 |
| Total repairs and maintenance | <u>22,449</u> | <u>17,746</u> | <u>21,877</u> | <u>17,381</u> |

13 Impairment of assets

| | Consolidated | | Parent entity | |
|---|--------------|--------------|---------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bad and doubtful debts | 1,014 | 316 | 838 | 1,307 |
| Impairment of non-current asset classified as held for sale | - | 6,985 | - | 6,985 |
| Impairment of other financial assets | 149 | 107 | 149 | 572 |
| Total impairment of assets | <u>1,163</u> | <u>7,408</u> | <u>987</u> | <u>8,864</u> |

14 Other expenses

| | Consolidated | | Parent entity | |
|---|----------------|----------------|----------------|----------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Fees for service | 35,515 | 33,338 | 39,247 | 34,636 |
| Consumables & supplies | 25,613 | 23,824 | 15,074 | 14,781 |
| Scholarships, grants and prizes | 12,289 | 15,699 | 12,143 | 15,224 |
| Overheads | 9,568 | 8,944 | 9,183 | 8,495 |
| Advertising, marketing and promotional expenses | 7,554 | 7,071 | 6,687 | 6,208 |
| Minimum lease payments on operating leases | 7,049 | 6,837 | 6,941 | 6,736 |
| Non-capitalised equipment | 6,734 | 4,197 | 6,053 | 3,723 |
| Travel and related staff development and training | 6,523 | 6,136 | 6,376 | 6,033 |
| Cleaning & waste removal | 6,520 | 6,062 | 6,068 | 5,568 |
| Communication costs | 3,325 | 3,676 | 3,271 | 3,604 |
| Staff development | 2,403 | 2,295 | 2,243 | 2,232 |
| Security | 2,005 | 1,832 | 1,930 | 1,829 |
| Building leases | 976 | 980 | 369 | 218 |
| Student service fees | 639 | 604 | 1,874 | 2,130 |
| Motor vehicles | 267 | 163 | 191 | 77 |
| Repayment of Government grants | - | 5,320 | - | 5,320 |
| Donation to UWS Foundation Trust | - | - | 883 | 6,782 |
| Other expenses | 6,715 | 5,942 | 7,876 | 5,775 |
| Total other expenses | 133,695 | 132,920 | 126,409 | 129,371 |

15 Cash and cash equivalents

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash at bank and on hand | 34,205 | 31,145 | 8,028 | 2,770 |
| Total cash and cash equivalents | 34,205 | 31,145 | 8,028 | 2,770 |

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

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

| | Consolidated | | Parent entity | |
|-----------------------------------|--------------|--------|---------------|--------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balances as above | 34,205 | 31,145 | 8,028 | 2,770 |
| Balances per statement cash flows | 34,205 | 31,145 | 8,028 | 2,770 |

16 Receivables

| | Notes | Consolidated | | Parent entity | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Current | | | | | |
| Student fees | | 1,963 | 2,097 | 1,589 | 658 |
| Less: Provision for impaired receivables | | (848) | (528) | (5,335) | (4,514) |
| Other debtors | | 18,135 | 30,541 | 22,469 | 33,908 |
| Other | | 2 | 311 | 1 | 467 |
| Prepayments | | 8,437 | 9,314 | 8,187 | 9,057 |
| Total current receivables | | 27,689 | 41,735 | 26,911 | 39,576 |
| Non-current | | | | | |
| Deferred government contribution for superannuation | 37 | 143,479 | 124,834 | 143,479 | 124,834 |
| Prepayments | | 56 | - | 56 | - |
| Total non-current receivables | | 143,535 | 124,834 | 143,535 | 124,834 |
| Total receivables | | 171,224 | 166,569 | 170,446 | 164,410 |

(a) Impaired receivables

As at 31 December 2010 current receivables of the Group with a nominal value of \$0.848M (2009: \$0.528M) were impaired. The amount of the provision was \$0.848M (2009: \$0.528M). The individually impaired receivables mainly relate to individual customers with debtor balances aged greater than 180 days.

The ageing analysis of these receivables is as follows:

| | Consolidated | | Parent entity | |
|---------------|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Over 6 months | <u>(848)</u> | <u>(528)</u> | <u>(5,335)</u> | <u>(4,514)</u> |
| | (848) | (528) | (5,335) | (4,514) |

As of 31 December 2010, debtors of \$7.065M (2009: \$2.642M) 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 entity | |
|---------------|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| 0 to 6 months | 5,813 | 1,793 | 5,813 | 1,793 |
| Over 6 months | <u>1,252</u> | <u>849</u> | <u>1,252</u> | <u>849</u> |
| | 7,065 | 2,642 | 7,065 | 2,642 |

16 Receivables (continued)

Movements in the provision for impaired receivables are as follows:

| | Consolidated | | Parent entity | |
|--|--------------|------------|---------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 January | 528 | 3,375 | 4,514 | 3,375 |
| Provision for impairment recognised during the year | 336 | (2,830) | 837 | 1,156 |
| Receivables written off during the year as uncollectible | (16) | (17) | (16) | (17) |
| At 31 December | <u>848</u> | <u>528</u> | <u>5,335</u> | <u>4,514</u> |

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

17 Inventories

| | Consolidated | | Parent entity | |
|--------------------------|--------------|--------------|---------------|----------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Finished goods | <u>3,808</u> | <u>4,078</u> | <u>-</u> | <u>-</u> |
| Total Inventories | <u>3,808</u> | <u>4,078</u> | <u>-</u> | <u>-</u> |

18 Non-current assets and disposal groups classified as held for sale

| | Consolidated | | Parent entity | |
|---|--------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | <u>-</u> | <u>13,455</u> | <u>-</u> | <u>13,455</u> |
| Total non-current assets and disposal groups classified as held for sale | <u>-</u> | <u>13,455</u> | <u>-</u> | <u>13,455</u> |

The land at Penrith campus no longer satisfies the test "assets held for sale" set out in the Accounting Standards. The intended sale during 2009 did not take place. Land is classified as freehold land and included in note 19.

19 Property, plant and equipment

Consolidated

At 1 January 2009

| | | | | | | | | | | |
|--------------------------|--------|---------|---------|----------|---------|----------|---------|----------|-------|-----------|
| - Cost | 34,569 | - | - | - | - | 88,179 | 2,113 | 71,500 | - | 200,955 |
| - Valuation | - | 225,354 | 136,475 | 422,765 | 4,594 | - | - | - | 2,472 | 787,066 |
| Accumulated depreciation | - | - | - | (14,738) | (4,594) | (50,397) | (1,300) | (58,804) | - | (129,833) |
| Net book amount | 34,569 | 225,354 | 136,475 | 408,027 | - | 37,782 | 813 | 12,696 | 2,472 | 858,188 |

Year ended 31 December 2009

| | | | | | | | | | | |
|--|----------|---------|---------|----------|---|---------|-------|---------|-------|----------|
| Opening net book amount | 34,569 | 225,354 | 136,475 | 408,027 | - | 37,782 | 813 | 12,696 | 2,472 | 858,188 |
| Additions | 92,373 | 421 | - | 21 | - | 11,645 | 106 | 3,589 | 57 | 108,212 |
| Assets classified as held for sale and other disposals | - | - | - | - | - | (3,607) | - | (24) | (1) | (3,632) |
| Depreciation charge | - | - | - | (14,744) | - | (7,970) | (730) | (4,268) | - | (27,712) |
| Transfers to Freehold Buildings and Plant & Equipment | (70,235) | - | - | - | - | - | - | - | - | (70,235) |
| Transfers from Construction in Progress | - | - | - | 63,752 | - | 4,852 | 1,629 | - | 2 | 70,235 |
| Closing net book amount | 56,707 | 225,775 | 136,475 | 457,056 | - | 42,702 | 1,818 | 11,993 | 2,530 | 935,056 |

At 31 December 2009

| | | | | | | | | | | |
|--------------------------|--------|---------|---------|----------|---------|----------|---------|----------|-------|-----------|
| - Cost | 56,707 | - | - | - | 4,594 | 91,726 | 3,418 | 74,991 | - | 231,436 |
| - Valuation | - | 225,775 | 136,475 | 485,118 | - | - | - | - | 2,530 | 849,898 |
| Accumulated depreciation | - | - | - | (28,062) | (4,594) | (49,024) | (1,600) | (62,998) | - | (146,278) |
| Net book amount | 56,707 | 225,775 | 136,475 | 457,056 | - | 42,702 | 1,818 | 11,993 | 2,530 | 935,056 |

34

35

36

20 Intangible assets

Consolidated

| | Licences \$'000 | Total \$'000 |
|---|--------------------|-----------------|
| At 1 January 2009 | | |
| Cost | 296 | 296 |
| Accumulated amortisation and impairment | (221) | (221) |
| Net book amount | <u>75</u> | <u>75</u> |
| Year ended 31 December 2009 | | |
| Opening net book amount | 75 | 75 |
| Additions | 269 | 269 |
| Amortisation charge | (103) | (103) |
| Closing net book amount | <u>241</u> | <u>241</u> |
| At 31 December 2009 | | |
| Cost | 275 | 275 |
| Accumulated amortisation and impairment | (34) | (34) |
| Net book amount | <u>241</u> | <u>241</u> |
| Year ended 31 December 2010 | | |
| Opening net book amount | 241 | 241 |
| Additions | 100 | 100 |
| Disposals | (1) | (1) |
| Amortisation charge | (104) | (104) |
| Closing net book amount | <u>236</u> | <u>236</u> |
| At 31 December 2010 | | |
| Cost | 375 | 375 |
| Accumulated amortisation and impairment | (139) | (139) |
| Net book amount | <u>236</u> | <u>236</u> |

Parent entity

| | Licences \$'000 | Total \$'000 |
|---|--------------------|-----------------|
| At 1 January 2009 | | |
| Cost | 296 | 296 |
| Accumulated amortisation and impairment | (221) | (221) |
| Net book amount | <u>75</u> | <u>75</u> |
| Year ended 31 December 2009 | | |
| Opening net book amount | 75 | 75 |
| Additions | 269 | 269 |
| Amortisation charge | (103) | (103) |
| Closing net book amount | <u>241</u> | <u>241</u> |
| At 31 December 2009 | | |
| Cost | 275 | 275 |
| Accumulated amortisation and impairment | (34) | (34) |
| Net book amount | <u>241</u> | <u>241</u> |
| Year ended 31 December 2010 | | |
| Opening net book amount | 241 | 241 |
| Amortisation charge | (55) | (55) |
| Closing net book amount | <u>186</u> | <u>186</u> |
| At 31 December 2010 | | |
| Cost | 275 | 275 |
| Accumulated amortisation and impairment | (89) | (89) |
| Net book amount | <u>186</u> | <u>186</u> |

21 Other financial assets

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Fair value through profit or loss: OnePath | 16,769 | 16,254 | 6,573 | 11,254 |
| Available for sale: NSW Treasury Corporation | 12,590 | 12,176 | 12,590 | 12,176 |
| Total current other financial assets | <u>29,359</u> | <u>28,430</u> | <u>19,163</u> | <u>23,430</u> |
| Non-current | | | | |
| Available for sale: OnePath | 29,800 | 29,075 | 29,800 | 29,075 |
| Unlisted securities | 535 | 174 | 535 | 283 |
| Total non-current other financial assets | <u>30,335</u> | <u>29,249</u> | <u>30,335</u> | <u>29,358</u> |
| Total other financial assets | <u>59,694</u> | <u>57,679</u> | <u>49,498</u> | <u>52,788</u> |

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the Income statements (note 5 - Investment Income).

22 Other non-financial assets

| | Consolidated | | Parent entity | |
|---|--------------|------------|---------------|------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current | | | | |
| Livestock holdings | 208 | 128 | 208 | 128 |
| Other | 92 | 92 | - | - |
| Total other non-financial assets | <u>300</u> | <u>220</u> | <u>208</u> | <u>128</u> |

23 Trade and other payables

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Payables | 33,336 | 51,644 | 32,897 | 47,604 |
| OS-HELP liability to Australian Government | 52 | - | 52 | - |
| Total trade and other payables | <u>33,388</u> | <u>51,644</u> | <u>32,949</u> | <u>47,604</u> |

23 Trade and other payables (continued)

(a) Foreign currency risk

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

| | Consolidated | | Parent entity | |
|--------------------|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Australian Dollars | 33,154 | 51,595 | 32,715 | 47,555 |
| US Dollar | 230 | 41 | 230 | 41 |
| GB Pounds | 4 | 8 | 4 | 8 |
| | <u>33,388</u> | <u>51,644</u> | <u>32,949</u> | <u>47,604</u> |

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

24 Borrowings

| | Consolidated | | Parent entity | |
|-------------------------|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Current | | | | |
| Secured | | | | |
| Bank loans | 9,200 | - | 9,200 | - |
| Total borrowings | <u>9,200</u> | <u>-</u> | <u>9,200</u> | <u>-</u> |

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

(a) Financing arrangements

The Group has access to the following lines of credit:

| | Consolidated | | Parent entity | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Credit standby arrangements | | | | |
| Total facilities | | | | |
| Bank guarantees | 576 | 562 | 500 | 500 |
| Credit cards | 4,616 | 4,000 | 4,500 | 4,000 |
| Leasing facility | 2,200 | 1,450 | - | - |
| | <u>7,392</u> | <u>6,012</u> | <u>5,000</u> | <u>4,500</u> |
| Used at balance date | | | | |
| Bank guarantees | 552 | 538 | 476 | 476 |
| Credit cards | 518 | 65 | 459 | 65 |
| Leasing facilities | 1,302 | 733 | - | - |
| | <u>2,372</u> | <u>1,336</u> | <u>935</u> | <u>541</u> |
| Unused at balance date | | | | |
| Bank guarantees | 24 | 24 | 24 | 24 |
| Credit cards | 4,098 | 3,935 | 4,041 | 3,935 |
| Leasing facility | 898 | 717 | - | - |
| | <u>5,020</u> | <u>4,676</u> | <u>4,065</u> | <u>3,959</u> |

24 Borrowings (continued)

| | Consolidated | | Parent entity | |
|-----------------------------|--------------|--------|---------------|--------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bank loan facilities | | | | |
| Total facilities | 28,050 | 28,050 | 28,000 | 28,000 |
| Used at balance date | 9,200 | - | 9,200 | - |
| Unused at balance date | 18,850 | 28,050 | 18,800 | 28,000 |

25 Provisions

| | Consolidated | | Parent entity | |
|--|--------------|---------|---------------|---------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current provisions expected to be settled within 12 months | | | | |
| Employee benefits | | | | |
| Annual leave | 13,227 | 13,097 | 12,706 | 12,002 |
| Long service leave | 4,866 | 4,778 | 4,806 | 4,717 |
| Subtotal | 18,093 | 17,875 | 17,512 | 16,719 |
| Current provisions expected to be settled after more than 12 months | | | | |
| Employee benefits | | | | |
| Annual leave | 7,613 | 5,505 | 6,773 | 5,327 |
| Long service leave | 30,224 | 24,995 | 29,871 | 24,691 |
| Subtotal | 37,837 | 30,500 | 36,644 | 30,018 |
| Total current provisions | 55,930 | 48,375 | 54,156 | 46,737 |
| Non-current provisions | | | | |
| Employee benefits | | | | |
| Long service leave | 5,769 | 9,632 | 5,361 | 9,105 |
| Deferred government benefits for superannuation | 145,888 | 127,103 | 145,888 | 127,103 |
| Total non-current provisions | 151,657 | 136,735 | 151,249 | 136,208 |
| Total provisions | 207,587 | 185,110 | 205,405 | 182,945 |

(a) Long service leave

At the beginning of the reporting period the University engaged Deloitte Actuaries and Consultants Ltd to undertake a valuation of the University's long service leave liability for 2010. Assumptions used in this measurement included:

| | % p.a. |
|---|--------|
| Estimate of LSL taken "in service" as a % of liability in dollars | 6.3 |
| Estimate rate of inflation/salary increase | 5.5 |
| Discount for future investment earnings | 5.7 |

On costs used in this process were:

| | % p.a. |
|---|--------|
| Superannuation (for "in service leave") | 16.75 |
| Payroll tax | 6.6 |
| Workers compensation | 0.75 |

26 Other liabilities

| | Consolidated | | Parent entity | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Deferred income | 12,216 | 9,234 | 12,207 | 9,234 |
| Fees received in advance | 9,282 | 9,848 | 7,974 | 8,973 |
| Australian Government Unspent Financial Assistance | 343 | 319 | 343 | 319 |
| Other | 1,980 | 569 | 1,520 | 1,314 |
| Total current other liabilities | <u>23,821</u> | <u>19,970</u> | <u>22,044</u> | <u>19,840</u> |
| Non-current | | | | |
| Other | 136 | 716 | - | 560 |
| Total other liabilities | <u>23,957</u> | <u>20,686</u> | <u>22,044</u> | <u>20,400</u> |

27 Restricted funds

| | Consolidated | | Parent entity | |
|---|--------------|----------|---------------|----------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Unspent Australian Government Financial Assistance | | | | |
| Accumulated funds at 1 January | - | 47,167 | - | 47,167 |
| Transfer to Retained Surplus | - | (47,167) | - | (47,167) |
| Total Restricted funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Restricted funds are funds granted with certain restrictions or conditions mandated by an Act or subordinate legislation. These conditions mean that these funds may only be utilised for specified expenditure purposes.

Funds held by Group which have been donated for a specific purposes, whereby drawing down on these funds for other purposes is restricted by an Act or subordinate legislation are included as a Statutory Fund under this note. These funds include all ARC Funding, All NHMRC funding and the majority of Category 1 funding. Any unspent research funding received from an external party for specific purposes, where the purpose is not mandated by statute, is not included.

28 Reserves and retained earnings

| | Consolidated | | Parent entity | |
|---|----------------|----------------|----------------|----------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Reserves | | | | |
| Property, plant and equipment revaluation surplus | 537,378 | 297,597 | 537,365 | 297,597 |
| Investment revaluation reserve | (5,242) | 10,251 | (5,242) | 10,251 |
| Art collection revaluation reserve | 1,614 | 1,396 | 1,614 | 1,396 |
| Livestock revaluation reserve | 158 | 122 | 158 | 122 |
| | <u>533,908</u> | <u>309,366</u> | <u>533,895</u> | <u>309,366</u> |

Movements

| | | | | |
|--|----------------|----------------|----------------|----------------|
| <i>Property, plant and equipment revaluation surplus</i> | | | | |
| Balance 1 January | 297,597 | 297,597 | 297,597 | 297,597 |
| Revaluation - gross | 239,781 | - | 239,768 | - |
| Transfer to retained surplus | - | - | - | - |
| Balance 31 December | <u>537,378</u> | <u>297,597</u> | <u>537,365</u> | <u>297,597</u> |
| <i>Investment revaluation reserve</i> | | | | |
| Balance 1 January | 10,251 | 4,648 | 10,251 | 4,648 |
| Revaluation - gross | 34 | 5,603 | 34 | 5,603 |
| Transfer to retained surplus | (15,527) | - | (15,527) | - |
| Balance 31 December | <u>(5,242)</u> | <u>10,251</u> | <u>(5,242)</u> | <u>10,251</u> |
| <i>Art collection revaluation reserve</i> | | | | |
| Balance 1 January | 1,396 | 1,396 | 1,396 | 1,396 |
| Revaluation - gross | 218 | - | 218 | - |
| Balance 31 December | <u>1,614</u> | <u>1,396</u> | <u>1,614</u> | <u>1,396</u> |
| <i>Livestock revaluation reserve</i> | | | | |
| Balance 1 January | 122 | 121 | 122 | 121 |
| Revaluation - gross | 36 | 1 | 36 | 1 |
| Balance 31 December | <u>158</u> | <u>122</u> | <u>158</u> | <u>122</u> |

(b) Retained earnings

Movements in retained earnings were as follows:

| | Consolidated | | Parent entity | |
|--|----------------|----------------|----------------|----------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Retained earnings at 1 January | 641,637 | 533,641 | 606,336 | 508,317 |
| Operating result for the period | 65,033 | 60,829 | 60,822 | 50,852 |
| Transfer from restricted funds | - | 47,167 | - | 47,167 |
| Transfer from investment revaluation reserve | 15,527 | - | 15,527 | - |
| Retained earnings at 31 December | <u>722,197</u> | <u>641,637</u> | <u>682,685</u> | <u>606,336</u> |
| Total retained earnings | <u>722,197</u> | <u>641,637</u> | <u>682,685</u> | <u>606,336</u> |

28 Reserves and retained earnings (continued)

(c) Nature and purpose of reserves

The asset revaluation reserve for property, plant and equipment reflects revaluation of all University land, buildings and rare library collection at 31 December 2010. 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 T-Corp and OnePath Investment Management for 2010 together with accumulated prior years unrealised gains and losses.

The asset revaluation reserve for art collection reflects the revaluation of all University artworks at 31 December 2010. The reserve is the difference between the valuation and the book value at the valuation date.

The livestock revaluation reserve reflects the revaluation of University livestock at fair (market) value. The reserve is the difference between the revaluation and the book value at the valuation date. See Note 1(o).

29 Key management personnel disclosures

(a) 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:

(i) 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 2010:

Board of Trustees

Janice Reid, AM
Michael Antrum
Vivienne James
Ken Langford
David Lenton
John Phillips, AO - resigned 31 December 2010
Paul Wormell
Gillian Shadwick
Glen Sanford
Carolyn Sappideen
Ian Stone
Hon Kim Yeadon, MP
Emma Stein – appointed 1 January 2010
John Banks – appointed 1 January 2010
Lorraine Fordham – appointed 1 January 2010
David Holmes – appointed 1 January 2010
Peter Shergold, AC - appointed 1 January 2011

(ii) Executive officers

'Executive' is defined to mean the Chief Executive Officer plus the members of the Executive committee of the University. In 2010 these were:

University Executive

Janice Reid, AM
John Ingleson
Rhonda Hawkins
Conal Wayne McKenna
Branco Cellar
Gary Smith
Craig Ellis (acting)

29 Key management personnel disclosures (continued)

(b) Remuneration of Board Members and Executives

| | Consolidated | | Parent entity | |
|---|---------------|--------|---------------|--------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$ | \$ | \$ | \$ |
| Income paid or payable, or otherwise made available, to Board Members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its subsidiaries: | 53,977 | 51,477 | 36,477 | 36,477 |
| | 53,977 | 51,477 | 36,477 | 36,477 |

29 Key management personnel disclosures (continued)

(b) Remuneration of Board Members and Executives (continued)

| | Consolidated | | Parent entity | |
|--------------------------------------|--------------|----------|---------------|----------|
| | 2010 | 2009 | 2010 | 2009 |
| | Number | | Number | |
| Remuneration of Board Members | | | | |
| Nil to \$9,999 | 2 | 1 | - | - |
| \$10,000 to \$19,999 | - | 1 | - | - |
| \$30,000 to \$39,999 | 1 | 1 | 1 | 1 |
| | <u>3</u> | <u>3</u> | <u>1</u> | <u>1</u> |

| | Consolidated | | Parent entity | |
|--|--------------|------|---------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$ | \$ | \$ | \$ |

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

| | | | | |
|--|------------------|------------------|------------------|------------------|
| | <u>3,839,423</u> | <u>3,762,000</u> | <u>3,032,130</u> | <u>2,813,000</u> |
|--|------------------|------------------|------------------|------------------|

| | Consolidated | | Parent entity | |
|---|--------------|-----------|---------------|----------|
| | 2010 | 2009 | 2010 | 2009 |
| | Number | | Number | |
| Remuneration of executive officers | | | | |
| \$60,000 to \$69,999 | - | 1 | - | - |
| \$170,000 to \$179,999 | 1 | 4 | - | 1 |
| \$180,000 to \$189,999 | 1 | 2 | - | - |
| \$200,000 to \$209,999 | 1 | - | - | - |
| \$240,000 to \$249,999 | 1 | - | - | - |
| \$280,000 to \$289,999 | - | 1 | - | 1 |
| \$300,000 to \$329,999 | 1 | - | 1 | - |
| \$330,000 to \$339,999 | 1 | 2 | 1 | 2 |
| \$370,000 to \$379,999 | - | 1 | - | 1 |
| \$380,000 to \$399,999 | 1 | 1 | 1 | 1 |
| \$410,000 to \$449,999 | 3 | - | 3 | - |
| \$700,000 to \$750,000* | 1 | 1 | 1 | 1 |
| | <u>11</u> | <u>13</u> | <u>7</u> | <u>7</u> |

* 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. The Vice-Chancellor received a 4.5% remuneration increase in 2009. No additional bonus is payable.

(c) Key management personnel compensation

| | Consolidated | | Parent entity | |
|----------------------|--------------|----------------|---------------|----------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$ | \$ | \$ | \$ |
| Termination benefits | <u>-</u> | <u>206,000</u> | <u>-</u> | <u>206,000</u> |

(d) Loans to key management personnel

No loans were made to Board Members or executive officers during the year.

30 Remuneration of auditors

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

| | Consolidated | | Parent entity | |
|--|--------------|------------|---------------|------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Audit services | | | | |
| Fees paid to the Audit Office of New South Wales | 369 | 350 | 256 | 248 |
| Total remuneration for audit services | 369 | 350 | 256 | 248 |

31 Contingencies

(a) Contingent liabilities

The parent entity and Group had contingent liabilities at 31 December 2010 in respect of:

- (a) two Australian Human Rights Commission claims of sex and disability discrimination, and
- (b) one Fair Work Australia claim of termination of employment.

It is not envisaged that such matters will result in any financial settlement, and therefore none have been provided for in the financial statements.

Disclosure

The parent entity currently has a Project Delivery Agreement affecting Campbelltown campus with Landcom. This contains two conditions that may result in potential costs to the University if the conditions materialise:

1. Reimbursement of project development costs met by Landcom if ministerial consent not obtained.
2. Removal of telecommunication equipment if lease terminated with telco (costs associated with alternative site).

Financial support and assistance

It is the University of Western Sydney's current policy to provide Cadre Design Pty Ltd, Television Sydney (TVS) and Television Sydney Foundation Ltd 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 2011 financial calendar year.

Contingent contribution

A contingent contribution of up to \$1,000,000 in respect of the establishment and construction of the Ingham Health Research Institute (IHRI) may be payable in cash should the Heads of Agreement document be finalised. The mission of the IHRI is to increase the quantity and quality of health and medical research in the South West of Sydney and develop South West Sydney as a national centre for health research.

32 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

| | Consolidated | | Parent entity | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Property, plant and equipment</i> | | | | |
| Payable: | | | | |
| Within one year | <u>17,772</u> | <u>18,330</u> | <u>17,482</u> | <u>18,080</u> |
| | <u>17,772</u> | <u>18,330</u> | <u>17,482</u> | <u>18,080</u> |

(b) Lease commitments

(i) Operating leases

The University leases computing and printing equipment under operating leases.

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities is as follows:

| | | | | |
|---|---------------|--------------|---------------|--------------|
| Within one year | <u>8,677</u> | <u>5,071</u> | <u>8,105</u> | <u>5,071</u> |
| Later than one year but not later than five years | <u>6,491</u> | <u>3,709</u> | <u>5,743</u> | <u>3,159</u> |
| | <u>15,168</u> | <u>8,780</u> | <u>13,848</u> | <u>8,230</u> |

(ii) Finance leases

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities is as follows:

| | | | | |
|--|-----------|-----------|----------|----------|
| Within one year | <u>13</u> | <u>12</u> | <u>-</u> | <u>-</u> |
| Later than one year but not later than five years | <u>12</u> | <u>23</u> | <u>-</u> | <u>-</u> |
| Later than five years | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Minimum lease payments | <u>25</u> | <u>35</u> | <u>-</u> | <u>-</u> |
| Future finance charges | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Recognised as a liability | <u>25</u> | <u>35</u> | <u>-</u> | <u>-</u> |
| Lease incentives on non-cancellable operating leases included in lease liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total lease liabilities | <u>25</u> | <u>35</u> | <u>-</u> | <u>-</u> |
| Representing lease liabilities: | | | | |
| Non-current (note 24) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(c) Other expenditure commitments

Commitments for maintenance and consumables in existence at the reporting date but not recognised as liabilities is as follows:

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Within one year | <u>13,254</u> | <u>8,578</u> | <u>12,683</u> | <u>7,970</u> |
| Later than one year and not later than five years | <u>5,297</u> | <u>7,796</u> | <u>4,549</u> | <u>7,330</u> |
| | <u>18,551</u> | <u>16,374</u> | <u>17,232</u> | <u>15,300</u> |

The amounts above include GST, which is expected to be recovered from the ATO.

33 Financial risk management

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 aging analysis for credit risk.

The Group's principal financial instruments are investments in units in pooled managed funds.

The main purposes of the pooled managed funds are to:

- i) earn revenue to assist the Group in meeting operating expenses in a climate of diminishing government financial assistance, and
- ii) 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.

Treasury Risk Management

The University of Western Sydney Act provides that the University can only invest funds via 'funds managers' approved by NSW Treasury. Approved funds managers use a wide range of underlying managers and diversified strategic asset allocations. The performance of the funds managers are closely monitored by the University of Western Sydney Investment Committee. The 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 Committee also evaluates treasury management strategies in the context of the most recent economic conditions and forecasts and the Group's activities. The Investment Committee reports regularly to the Board of Trustees.

(a) 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.

(i) Foreign exchange risk

Foreign exchange rate 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). No form of hedging is undertaken. The Group ensures that its exposure is kept to an acceptable level by buying foreign currencies at spot rates when necessary to address short-term imbalances. The entity has no significant overseas investment operations likely to affect its statement of financial position by movement in exchange rates.

(ii) 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 at fair value through profit and loss. To manage price risk from investments in pooled managed 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 Investment Committee.

(iii) 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 rates risk is minimal.

33 Financial risk management (continued)

(iv) Summarised sensitivity analysis

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

| Consolidated | | Interest rate risk | | | | Foreign exchange risk | | | | Other price risk | | | |
|---|------------------------------|--------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | -0.25% | | +0.25% | | -10% | | +10% | | -10% | | +10% | |
| | | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| 31 December 2010 | Carrying amount \$'000 | | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | | | |
| Cash and cash equivalents | 34,205 | (85) | (85) | 85 | 85 | - | - | - | - | - | - | - | - |
| Receivables | 171,224 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other financial assets at fair value through profit (OnePath) | 16,769 | - | - | - | - | - | - | - | - | (1,677) | (1,677) | 1,677 | 1,677 |
| Available-for-sale-assets (Tcorp) | 12,590 | - | - | - | - | - | - | - | - | - | (1,259) | - | 1,259 |
| Available-for-sale-assets (OnePath) | 29,800 | - | - | - | - | - | - | - | - | - | (2,980) | - | 2,980 |
| Unlisted securities | 535 | - | - | - | - | - | - | - | - | - | (54) | - | 54 |
| Sub Total | | (85) | (85) | 85 | 85 | - | - | - | - | (1,677) | (5,970) | 1,677 | 5,970 |
| Financial liabilities | | | | | | | | | | | | | |
| Payables | (33,388) | - | - | - | - | 23 | 23 | (23) | (23) | - | - | - | - |
| Borrowings | (9,200) | 23 | 23 | (23) | (23) | - | - | - | - | - | - | - | - |
| Other | (2,116) | - | - | - | - | - | - | - | - | - | - | - | - |
| Total increase/(decrease) | | (62) | (62) | 62 | 62 | 23 | 23 | (23) | (23) | (1,677) | (5,970) | 1,677 | 5,970 |
| Consolidated | | Interest rate risk | | | | Foreign exchange risk | | | | Other price risk | | | |
| | | -1% | | +1% | | -10% | | +10% | | -10% | | +10% | |
| | Carrying amount \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| 31 December 2009 | | | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | | | |
| Cash and cash equivalents | 31,145 | (312) | (312) | 312 | 312 | - | - | - | - | - | - | - | - |
| Receivables | 166,569 | - | - | - | - | 28 | 28 | (19) | (19) | - | - | - | - |
| Other financial assets at fair value through profit (OnePath) | 16,254 | (41) | (41) | 41 | 41 | 1,590 | 1,590 | (1,035) | (1,035) | (1,625) | (1,625) | 1,625 | 1,625 |
| Available-for-sale-assets (Tcorp) | 12,176 | - | (35) | - | 35 | - | 1,016 | - | (662) | - | (1,218) | - | 1,218 |
| Available-for-sale-assets (OnePath) | 29,075 | - | (47) | - | 47 | - | 2,773 | - | (1,807) | - | (2,908) | - | 2,908 |
| Unlisted securities | 174 | - | - | - | - | - | - | - | - | - | (17) | - | 17 |
| Sub Total | | (353) | (435) | 353 | 435 | 1,618 | 5,407 | (1,054) | (3,523) | (1,625) | (5,768) | 1,625 | 5,768 |
| Financial liabilities | | | | | | | | | | | | | |
| Payables | (51,644) | - | - | - | - | 15 | 15 | (9) | (9) | - | - | - | - |
| Finance leases | (39) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | (1,259) | - | - | - | - | - | - | - | - | - | - | - | - |
| Total increase/(decrease) | | (353) | (435) | 353 | 435 | 1,633 | 5,422 | (1,063) | (3,532) | (1,625) | (5,768) | 1,625 | 5,768 |

(b) 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.

33 Financial risk management (continued)

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. Counterparties must have a credit rating of at least A from Standard and Poors and from Moodys and 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.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet 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 cash requirements on a daily basis with a forward six year cash flow forecast regularly provided to management.

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

| 31 December 2010 | Average Interest Rate | Variable Interest Rate | Less than 1 Year | 1 to 5 Years | 5+ Years | Non Interest | Total |
|---|-----------------------|------------------------|------------------|--------------|----------|-----------------|-----------------|
| | % | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 5.00 | 34,205 | - | - | - | - | 34,205 |
| Receivables | - | - | - | - | - | 171,224 | 171,224 |
| Other financial assets at fair value through profit or loss (OnePath) | 2.70 | 16,769 | - | - | - | - | 16,769 |
| Available-for-sale-assets (Tcorp) | 3.40 | 12,590 | - | - | - | - | 12,590 |
| Available-for-sale-assets (OnePath) | 2.03 | 29,800 | - | - | - | - | 29,800 |
| Unlisted securities | - | - | - | - | - | 535 | 535 |
| Total financial assets | | 93,364 | - | - | - | 171,759 | 265,123 |
| Financial liabilities | | | | | | | |
| Payables | - | - | - | - | - | (33,388) | (33,388) |
| Borrowings | 6.07 | - | (9,200) | - | - | - | (9,200) |
| Finance leases | - | - | - | - | - | - | - |
| Other financial liabilities | - | - | - | - | - | (2,116) | (2,116) |
| Total financial liabilities | | - | (9,200) | - | - | (35,504) | (44,704) |

33 Financial risk management (continued)

| 31 December 2009 | Average Interest Rate | Variable Interest Rate | Less than 1 Year | 1 to 5 Years | 5+ Years | Non Interest | Total |
|--|-----------------------------|------------------------------|---------------------|-----------------|-------------|-----------------|-----------------|
| | % | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 3.90 | 31,145 | - | - | - | - | 31,145 |
| Receivables | - | - | - | - | - | 166,569 | 166,569 |
| Other financial assets at fair value through profit or loss (OnePath) | 20.16 | 16,254 | - | - | - | - | 16,254 |
| Available-for-sale-assets (Tcorp) | 15.48 | 12,176 | - | - | - | - | 12,176 |
| Available-for-sale-assets (OnePath) | 23.15 | 29,075 | - | - | - | - | 29,075 |
| Unlisted securities | - | - | - | - | - | 174 | 174 |
| Total financial assets | | 88,650 | - | - | - | 166,743 | 255,393 |
| Financial liabilities | | | | | | | |
| Payables | - | - | - | - | - | (51,644) | (51,644) |
| Finance Leases | - | - | (14) | (25) | - | - | (39) |
| Other financial liabilities | - | - | - | - | - | (1,259) | (1,259) |
| Total financial liabilities | | - | (14) | (25) | - | (52,903) | (52,942) |

(d) 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 traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

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 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 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 reporting date.

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.

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:

33 Financial risk management (continued)

| | Carrying Amount | | Fair Value | |
|---|-----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | 34,205 | 31,145 | 34,205 | 31,145 |
| Receivables | 171,224 | 166,569 | 171,224 | 166,569 |
| Other financial assets at fair value through profit or loss | 16,769 | 16,254 | 16,769 | 16,254 |
| Available-for-sale-assets | 42,390 | 41,251 | 42,390 | 41,251 |
| Unlisted securities | 535 | 174 | 535 | 174 |
| Total financial assets | <u>265,123</u> | <u>255,393</u> | <u>265,123</u> | <u>255,393</u> |
| Financial liabilities | | | | |
| Payables | 33,388 | 51,644 | 33,388 | 51,644 |
| Borrowings | 9,200 | - | 9,200 | - |
| Finance Leases | - | 25 | - | 25 |
| Other financial liabilities | 2,116 | 1,259 | 2,116 | 1,259 |
| Total financial liabilities | <u>44,704</u> | <u>52,928</u> | <u>44,704</u> | <u>52,928</u> |

AASB7 Financial Instruments requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

Level 2 - inputs, other than quoted prices set out in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for assets or liabilities that are not based on observable market data.

Fair value measurements recognised in the statement of financial position are categorised into the following levels:

| | 31 December | | | |
|---|----------------|-------------------|-------------------|-------------------|
| | 2010 \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 |
| Financial assets | | | | |
| Other financial assets at fair value through profit or loss (OnePath 2010 - ING 2009) | 16,769 | 16,769 | - | - |
| Available-for-sale-assets (Tcorp) | 12,590 | 12,590 | - | - |
| Available-for-sale-assets (OnePath 2010 - ING 2009) | 29,800 | 29,800 | - | - |
| Unlisted securities | - | - | - | 535 |
| Total | <u>59,159</u> | <u>59,159</u> | <u>-</u> | <u>535</u> |
| | 31 December | | | |
| | 2009 \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 |
| Financial assets | | | | |
| Other financial assets at fair value through profit or loss (OnePath 2010 - ING 2009) | 16,254 | 16,254 | - | - |
| Available-for-sale-assets (Tcorp) | 12,176 | 12,176 | - | - |
| Available-for-sale-assets (OnePath 2010 - ING 2009) | 29,075 | 29,075 | - | - |
| Unlisted securities | - | - | - | 174 |
| Total | <u>57,505</u> | <u>57,505</u> | <u>-</u> | <u>174</u> |

33 Financial risk management (continued)

Reconciliation of Financial Assets categorised as level 3:

| Level 3 Financial Assets 2010 | Unlisted securities \$'000 | Total \$'000 |
|---|----------------------------------|-----------------|
| Consolidated | | |
| Opening balance | 174 | 174 |
| Total gains or losses | - | - |
| In profit or loss | - | - |
| In other comprehensive income | 361 | 361 |
| Purchases | - | - |
| Sales | - | - |
| Issues | - | - |
| Settlements | - | - |
| Transfers out of Level 3 | - | - |
| Closing balance | 535 | 535 |
| Gain (loss) for assets held 31 December | 361 | 361 |
| | | |
| Level 3 Financial Assets 2009 | Unlisted securities \$'000 | Total \$'000 |
| Consolidated | | |
| Opening balance | 442 | 442 |
| Total gains or losses | - | - |
| In profit or loss | - | - |
| In other comprehensive income | (268) | (268) |
| Purchases | - | - |
| Sales | - | - |
| Issues | - | - |
| Settlements | - | - |
| Transfers out of Level 3 | - | - |
| Closing balance | 174 | 174 |
| Gain (loss) for assets held 31 December | (268) | (268) |

34 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):

| Name of entity | Country of incorporation | Equity holding | |
|---|--------------------------|----------------|-----------|
| | | 2010 % | 2009 % |
| Cadre Design Pty Limited and Unit Trust | Australia | 85 | 85 |
| Education Training Community Television (ETC TV) Limited | Australia | - | 75 |
| SGSM Limited | Australia | 100 | 100 |
| Television Sydney (TVS) Limited | Australia | 75 | - |
| Television Sydney Foundation Limited & Trust | Australia | 100 | - |
| University of Western Sydney Foundation Limited & Trust | Australia | 100 | 100 |
| UWS College Pty Limited | Australia | 100 | 100 |
| uwsconnect Limited | Australia | 100 | 100 |
| UWS Conferences & Residential Colleges Limited* | Australia | 100 | 100 |
| Whitlam Institute (within the University of Western Sydney) Limited & Trust | Australia | 100 | 100 |

* During the year assets and liabilities of the controlled entity were transferred back to the operations of the parent entity. The controlled entity will be wound up in 2011.

(a) Loans to controlled entities

| | 2010 \$'000 |
|--------------------------------------|----------------|
| Television Sydney Foundation Limited | 8 |
| Television Sydney (TVS) Limited | 4,569 |
| uwsconnect Limited | 1,620 |
| Cadre Design Pty Limited | 104 |

35 Reconciliation of operating result after income tax to net cash flows from operating activities

| | Consolidated | | Parent entity | |
|--|----------------|----------------|----------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Operating result for the period | 65,033 | 60,829 | 60,822 | 50,852 |
| Net (gain)/loss on disposal of property, plant & equipment | 674 | 538 | 678 | 530 |
| Superannuation adjustments | (18,645) | 39,033 | (18,701) | 39,033 |
| Depreciation and amortisation | 31,182 | 27,821 | 30,421 | 27,319 |
| Impairment of receivables | 320 | (2,847) | 821 | 1,159 |
| Impairment of property held for sale | - | 6,985 | - | 6,985 |
| Cost of goods sold - livestock | (45) | 6 | (45) | 6 |
| HECS up-front excess and trust fund advances | 6,546 | (8,795) | 6,546 | (8,795) |
| Unrealised (profit)/loss on investments | (1,873) | (5,773) | (1,770) | (21,452) |
| (Increase) / decrease in trade debtors | 6,773 | (9,305) | 6,630 | (11,038) |
| (Increase) / decrease in inventories | 270 | (2,131) | - | - |
| (Increase) / decrease in other operating assets | - | 78 | - | - |
| Increase / (decrease) in trade creditors | (18,256) | 23,068 | (14,655) | 22,284 |
| Increase / (decrease) in other operating liabilities | 3,273 | (1,711) | 1,646 | 1,954 |
| Increase / (decrease) in other provisions | 22,476 | (33,519) | 22,461 | (33,720) |
| Net cash provided by / (used in) operating activities | 97,728 | 94,277 | 94,854 | 75,117 |

36 Acquitment of Australian Government financial assistance

36.1 DEEWR - CGS and Other DEEWR Grants

| | Parent entity University of Western Sydney ONLY | | | | | | | | | | | | | | | | | |
|---|---|----------------|----------------------------|----------------|-------------------------------------|----------------|----------------------------|----------------|--------------------------|----------------|--------------------------------|----------------|--------------------------------------|----------------|------------------|----------------|--|--|
| | Commonwealth Grants Scheme | | Indigenous Support Program | | Partnership & Participation Program | | Disability Support Program | | Workplace Reform Program | | Workplace Productivity Program | | Learning & Teaching Performance Fund | | Performance Fund | | | |
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | | |
| Notes | | | | | | | | | | | | | | | | | | |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 195,841 | 160,155 | 1,356 | 1,227 | 3,035 | 367 | 433 | 463 | - | 2,233 | 1,376 | 1,571 | - | 1,647 | - | - | | |
| Net accrual adjustments | (7,712) | 7,748 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Revenue for the period | 188,129 | 167,903 | 1,356 | 1,227 | 3,035 | 367 | 433 | 463 | - | 2,233 | 1,376 | 1,571 | - | 1,647 | - | - | | |
| Surplus / (deficit) from the previous year | - | - | - | - | 624 | 547 | 114 | 310 | - | - | 857 | 335 | 1,487 | - | - | - | | |
| Total revenue including accrued revenue | 188,129 | 167,903 | 1,356 | 1,227 | 3,659 | 914 | 547 | 773 | - | 2,233 | 2,233 | 1,906 | 1,487 | 1,647 | - | - | | |
| Less expenses including accrued expenses | (188,129) | (167,903) | (1,356) | (1,227) | (3,338) | (290) | (406) | (659) | - | (2,233) | (1,167) | (1,049) | - | (160) | - | - | | |
| Surplus / (deficit) for reporting period | - | - | - | - | 321 | 624 | 141 | 114 | - | - | 1,066 | 857 | 1,487 | 1,487 | - | - | | |

36 Acquitment of Australian Government financial assistance (continued)

36.1 DEEWR - CGS and Other DEEWR Grants (continued)

| | Notes | Capital Development Pool | | Improving the Practical Component of Teacher Education Initiative | | Transitional Cost Program | | Diversity & Structural Adjustment Fund | | Other | | Total | |
|---|-------|--------------------------|---------|---|--------|---------------------------|---------|--|---------|--------|--------|-----------|-----------|
| | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | | 2,085 | 3,267 | - | 490 | 753 | 1,314 | 1,085 | 1,661 | 560 | 360 | 206,524 | 174,755 |
| Net accrual adjustments | | - | - | - | - | - | - | - | - | - | - | (7,712) | 7,748 |
| Revenue for the period | 2(a) | 2,085 | 3,267 | - | 490 | 753 | 1,314 | 1,085 | 1,661 | 560 | 360 | 198,812 | 182,503 |
| Surplus / (deficit) from the previous year | | 1,385 | 6,404 | 244 | - | - | - | 3,600 | 4,025 | 13 | 34 | 8,324 | 11,655 |
| Total revenue including accrued revenue | | 3,470 | 9,671 | 244 | 490 | 753 | 1,314 | 4,685 | 5,686 | 573 | 394 | 207,136 | 194,158 |
| Less expenses including accrued expenses | | (3,364) | (8,286) | (244) | (246) | (753) | (1,314) | (2,315) | (2,086) | (399) | (381) | (201,471) | (185,834) |
| Surplus / (deficit) for reporting period | | 106 | 1,385 | - | 244 | - | - | 2,370 | 3,600 | 174 | 13 | 5,665 | 8,324 |

36 Acquitment of Australian Government financial assistance (continued)

36.2 Higher Education Loan Programs (excl OS-HELP)

| | Parent entity University of Western Sydney ONLY | | | | | | | | | | | |
|---|--|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | HECS-HELP - Australian Government payments (Australian Government payments only) | | FEE-HELP | | VET FEE-HELP | | Total | | OS-HELP | | Total | |
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Notes | | | | | | | | | | | | |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 141,822 | 111,573 | 9,777 | 9,873 | - | - | 151,599 | 121,446 | 331 | 91 | 151,930 | 121,537 |
| Net accrual adjustments | (6,546) | 8,795 | 233 | (164) | - | - | (6,313) | 8,631 | - | - | (6,313) | 8,631 |
| Revenue for the period | 135,276 | 120,368 | 10,010 | 9,709 | - | - | 145,286 | 130,077 | 331 | 91 | 145,617 | 130,168 |
| | | | | | | | | | | | | |
| Surplus / (deficit) from the previous year | - | - | (869) | (490) | - | - | (869) | (490) | (19) | 20 | (888) | (470) |
| Total revenue including accrued revenue | 135,276 | 120,368 | 9,141 | 9,219 | - | - | 144,417 | 129,587 | 312 | 111 | 144,729 | 129,698 |
| Less expenses including accrued expenses | (135,276) | (120,368) | (9,141) | (10,088) | - | - | (144,417) | (130,456) | (260) | (130) | (144,677) | (130,586) |
| Surplus / (deficit) for reporting period | - | - | - | (869) | - | - | - | (869) | 52 | (19) | 52 | (888) |

36 Acquitment of Australian Government financial assistance (continued)

36.3 Scholarships

| | Notes | Parent entity University of Western Sydney ONLY | | | | | | | | | | | | | | National Priority Scholarships | | Indigenous Staff Scholarships | | Indigenous Access Scholarships | | Commonwealth Accommodation Scholarships ^{1,2} | | Commonwealth Education Cost Scholarships ^{1,2} | | International Postgraduate Research Scholarship | | Australian Postgraduate Awards | | Total | |
|---|-------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------|-------------|-------------------------------|-------------|--------------------------------|-------------|--|-------------|---|-------------|---|-------------|--------------------------------|-------------|-------------|-------------|
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | | 2,231 | 1,626 | 230 | 236 | 5 | 2,419 | 9 | 1,249 | 17 | - | - | - | - | 33 | 997 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Net accrual adjustments | | - | - | - | - | (2,723) | - | (309) | - | (8) | - | - | - | - | - | (997) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Revenue for the period | 2(c) | 2,231 | 1,626 | 230 | 236 | (2,718) | 2,419 | (300) | 1,249 | 9 | - | - | - | - | 33 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus / (deficit) from the previous year | | 805 | 624 | - | - | 44 | 2,356 | - | 4,454 | - | - | - | - | - | 78 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total revenue including accrued revenue | | 3,036 | 2,250 | 230 | 236 | (2,674) | 4,775 | (300) | 5,703 | 9 | - | - | - | - | 111 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Less expenses including accrued expenses | | (2,077) | (1,445) | (230) | (236) | 2,687 | (4,731) | 300 | (5,703) | (4) | - | - | - | - | (111) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus / (deficit) for reporting period | | 959 | 805 | - | - | 13 | 44 | - | - | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

¹Includes National Priority Scholarships

²Includes a refund (\$4,037m) to Australian Government for unspent funds in these two programs.

36 Acquittal of Australian Government financial assistance (continued)

36.5 Voluntary Student Unionism

| | Notes | Parent entity University of Western Sydney ONLY | | | |
|---|-------|---|----------------|----------------|----------------|
| | | VSU Transition Fund | | | Total |
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | | - | 50 | - | 50 |
| Net accrual adjustments | | - | - | - | - |
| Revenue for the period | 2(e) | - | 50 | - | 50 |
| Surplus / (deficit) from the previous year | | - | 3,933 | - | 3,933 |
| Total revenue including accrued revenue | | - | 3,983 | - | 3,983 |
| Less expenses including accrued expenses | | - | (3,983) | - | (3,983) |
| Surplus / (deficit) for reporting period | | - | - | - | - |

36 Acquittal of Australian Government financial assistance (continued)

36.6 Other Capital Funding

| | Notes | Parent entity University of Western Sydney ONLY | | | | | | | |
|---|-------|---|----------------|---------------------------------------|----------------|------------------------------|----------------|----------------|----------------|
| | | Better Universities Renewal Funding | | Teaching and Learning Capital Fund | | Education Investment Fund | | Total | |
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 2(f) | - | - | - | 20,427 | 20,000 | 20,000 | 20,000 | 40,427 |
| Net accrual adjustments | | - | - | - | - | - | - | - | - |
| Revenue for the period | | - | - | - | 20,427 | 20,000 | 20,000 | 20,000 | 40,427 |
| | | | | | | | | | |
| Surplus / (deficit) from the previous year | | 12,065 | 15,824 | - | - | 14,583 | - | 26,648 | 15,824 |
| Total revenue including accrued revenue | | 12,065 | 15,824 | - | 20,427 | 34,583 | 20,000 | 46,648 | 56,251 |
| Less expenses including accrued expenses | | (8,755) | (3,759) | - | (20,427) | (20,275) | (5,417) | (29,030) | (29,603) |
| Surplus / (deficit) for reporting period | | 3,310 | 12,065 | - | - | 14,308 | 14,583 | 17,618 | 26,648 |

36 Acquitment of Australian Government financial assistance (continued)

36.7 Australian Research Council Grants (continued)

(b) Linkages

| | Notes | Parent entity University of Western Sydney ONLY | | | | | | | | | |
|---|----------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Special Research Initiatives | | Infrastructure | | International | | Projects | | Total | |
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | | 760 | 798 | 650 | 435 | 27 | 29 | 2,261 | 1,966 | 3,698 | 3,228 |
| Net accrual adjustments | | (50) | (283) | 8 | - | (3) | (3) | (80) | (54) | (125) | (340) |
| Revenue for the period | 2(g)(ii) | 710 | 515 | 658 | 435 | 24 | 26 | 2,181 | 1,912 | 3,573 | 2,888 |
| Surplus / (deficit) from the previous year | | 721 | 658 | 233 | 4 | | | 1,283 | 1,300 | 2,257 | 1,987 |
| Total revenue including accrued revenue | | 1,431 | 1,173 | 891 | 439 | 44 | 51 | 3,464 | 3,212 | 5,830 | 4,875 |
| Less expenses including accrued expenses | | (605) | (452) | (287) | (206) | (16) | (31) | (1,509) | (1,929) | (2,417) | (2,618) |
| Surplus / (deficit) for reporting period | | 826 | 721 | 604 | 233 | 28 | 20 | 1,955 | 1,283 | 3,413 | 2,257 |

36 Acquittal of Australian Government financial assistance (continued)

36.7 Australian Research Council Grants (continued)

(c) Networks and Centres

| | Notes | Parent entity University of Western Sydney ONLY | | | | | |
|---|-----------|---|----------------|----------------|----------------|----------------|----------------|
| | | Research Networks | | Centres | | Total | |
| | | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | | - | 221 | - | 88 | - | 309 |
| Net accrual adjustments | | 3 | (150) | 87 | - | 90 | (150) |
| Revenue for the period | 2(g)(iii) | 3 | 71 | 87 | 88 | 90 | 159 |
| Surplus / (deficit) from the previous year | | - | 157 | - | 2 | - | 159 |
| Total revenue including accrued revenue | | 3 | 228 | 87 | 90 | 90 | 318 |
| Less expenses including accrued expenses | | (3) | (228) | (87) | (90) | (90) | (318) |
| Surplus / (deficit) for reporting period | | - | - | - | - | - | - |

37 Defined Benefit Plans

General description of type of plan

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

Valuation method and principal actuarial assumptions at the reporting date

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

| | 2010 (%) | 2009 (%) |
|-------------------------------------|----------|----------|
| Discount rate(s) | 5.59 | 5.81 |
| Expected return on plan assets | 8.60 | 8.30 |
| Expected rate(s) of salary increase | 3.50 | 3.50 |
| Expected rate of CPI increase | 2.50 | 2.50 |

The demographic assumptions at 31 December 2010 are those that were used in the 2009 triennial actuarial valuation.

Fund assets

The percentage invested in each asset class at the balance sheet date:

| | 2010 (%) | 2009 (%) |
|--------------------------------------|----------|----------|
| Australian equities | 33.70 | 33.10 |
| Overseas equities | 29.30 | 26.80 |
| Australian fixed interest securities | 5.70 | 5.80 |
| Overseas fixed interest securities | 2.90 | 4.10 |
| Property | 9.50 | 9.20 |
| Cash | 6.10 | 7.80 |
| Other | 12.80 | 13.20 |

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Historical information

The history of experience adjustments is as follows:

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|-----------|-----------|-----------|----------|----------|
| Fair value of plan assets | 160,529 | 168,623 | 165,864 | 224,676 | 209,589 |
| Present value of defined benefit obligation | 306,417 | 295,726 | 329,732 | 264,970 | 267,964 |
| Surplus/(deficit) | (145,888) | (127,103) | (163,868) | (40,294) | (58,375) |
| Experience adjustments on plan liabilities | 8,151 | (33,890) | 68,370 | (11,437) | (16,380) |
| Experience adjustments on plan assets | 7,975 | (2,983) | 56,029 | (6,000) | (13,600) |

37 Defined Benefit Plans (continued)

| | SASS \$'000 | SANCS \$'000 | SSS \$'000 | Total \$'000 |
|--|----------------|-----------------|----------------|-----------------|
| Present value obligations - 2010 | | | | |
| Opening defined benefit obligation | 39,849 | 8,639 | 247,239 | 295,727 |
| Current service cost | 1,489 | 395 | 663 | 2,547 |
| Interest cost | 2,206 | 466 | 13,991 | 16,663 |
| Contributions from plan participants | 677 | - | 950 | 1,627 |
| Actuarial losses/(gains) | (195) | 198 | 8,147 | 8,150 |
| Benefits paid | (5,517) | (1,700) | (11,080) | (18,297) |
| Closing defined benefit obligation | <u>38,509</u> | <u>7,998</u> | <u>259,910</u> | <u>306,417</u> |
| Present value of plan assets - 2010 | | | | |
| Opening fair value of plan assets | 35,199 | 6,369 | 127,055 | 168,623 |
| Expected return on plan assets | 2,864 | 620 | 10,368 | 13,852 |
| Actuarial gains/(losses) | (2,044) | (355) | (5,577) | (7,976) |
| Contributions from the employer | 1,322 | 655 | 724 | 2,701 |
| Contributions from plan participants | 677 | - | 950 | 1,627 |
| Benefits paid | (5,518) | (1,700) | (11,080) | (18,298) |
| Closing fair value of plans assets | <u>32,500</u> | <u>5,589</u> | <u>122,440</u> | <u>160,529</u> |
| Reimbursement rights - 2010 | | | | |
| Opening value of reimbursement right | 4,650 | - | 120,184 | 124,834 |
| Expected return on reimbursement rights | 2,681 | - | 18,010 | 20,691 |
| Employer contributions | (1,322) | - | (724) | (2,046) |
| Closing value of reimbursement right | <u>6,009</u> | <u>-</u> | <u>137,470</u> | <u>143,479</u> |
| Net liability - 2010 | | | | |
| Defined benefit obligation | 38,509 | 7,998 | 259,910 | 306,417 |
| Fair value of plan assets | (32,500) | (5,589) | (122,440) | (160,529) |
| Total liability/(asset) in statement of financial position | <u>6,009</u> | <u>2,409</u> | <u>137,470</u> | <u>145,888</u> |
| Expense recognised - 2010 | | | | |
| Current service cost | 1,490 | 395 | 663 | 2,548 |
| Interest on obligation | 2,206 | 466 | 13,991 | 16,663 |
| Expected return on plan assets | (2,864) | (620) | (10,368) | (13,852) |
| Actuarial losses/(gains) recognised in the year | 1,849 | 553 | 13,724 | 16,126 |
| Expected return on reimbursement rights | (2,681) | - | (18,010) | (20,691) |
| Expense / (income) | <u>-</u> | <u>794</u> | <u>-</u> | <u>794</u> |
| Actual returns - 2010 | | | | |
| Actual return on plan assets | 1,437 | 266 | 5,649 | 7,352 |
| Actual return on reimbursement right | <u>2,681</u> | <u>-</u> | <u>18,010</u> | <u>20,691</u> |

| | SASS \$'000 | SANCS \$'000 | SSS \$'000 | Total \$'000 |
|--|-----------------|-----------------|------------------|------------------|
| Present value obligations - 2009 | | | | |
| Opening defined benefit obligation | 42,022 | 9,669 | 278,041 | 329,732 |
| Current service cost | 1,684 | 460 | 1,030 | 3,174 |
| Interest cost | 1,640 | 369 | 11,117 | 13,126 |
| Contributions from plan participants | 706 | - | 1,077 | 1,783 |
| Actuarial losses/(gains) | (1,902) | (660) | (31,327) | (33,889) |
| Benefits paid | (4,301) | (1,199) | (12,699) | (18,199) |
| Closing defined benefit obligation | <u>39,849</u> | <u>8,639</u> | <u>247,239</u> | <u>295,727</u> |
| Present value of plan assets - 2009 | | | | |
| Opening fair value of plan assets | 34,157 | 6,550 | 125,156 | 165,863 |
| Expected return on plan assets | 2,674 | 619 | 9,866 | 13,159 |
| Actuarial gains/(losses) | 220 | 99 | 2,665 | 2,984 |
| Contributions from the employer | 1,743 | 300 | 990 | 3,033 |
| Contributions from plan participants | 706 | - | 1,077 | 1,783 |
| Benefits paid | (4,301) | (1,199) | (12,699) | (18,199) |
| Closing fair value of plans assets | <u>35,199</u> | <u>6,369</u> | <u>127,055</u> | <u>168,623</u> |
| Reimbursement rights - 2009 | | | | |
| Opening value of reimbursement right | 7,865 | - | 152,884 | 160,749 |
| Expected return on reimbursement rights | (1,472) | - | (31,711) | (33,183) |
| Employer contributions | (1,743) | - | (990) | (2,733) |
| Closing value of reimbursement right | <u>4,650</u> | <u>-</u> | <u>120,183</u> | <u>124,833</u> |
| Net liability - 2009 | | | | |
| Defined benefit obligation | 39,849 | 8,639 | 247,239 | 295,727 |
| Fair value of plan assets | <u>(35,199)</u> | <u>(6,369)</u> | <u>(127,056)</u> | <u>(168,624)</u> |
| Total liability/(asset) in Statement of financial position | <u>4,650</u> | <u>2,270</u> | <u>120,183</u> | <u>127,103</u> |
| Expense recognised - 2009 | | | | |
| Current service cost | 1,684 | 460 | 1,030 | 3,174 |
| Interest on obligation | 1,640 | 369 | 11,117 | 13,126 |
| Expected return on plan assets | (2,674) | (619) | (9,866) | (13,159) |
| Actuarial losses/(gains) recognised in the year | (2,122) | (759) | (33,992) | (36,873) |
| Expected return on reimbursement rights | <u>1,472</u> | <u>-</u> | <u>31,711</u> | <u>33,183</u> |
| Expense / (income) | <u>-</u> | <u>(549)</u> | <u>-</u> | <u>(549)</u> |
| Actual returns - 2009 | | | | |
| Actual return on plan assets | 3,591 | 718 | 12,840 | 17,149 |
| Actual return on reimbursement right | <u>(1,472)</u> | <u>-</u> | <u>(31,711)</u> | <u>(33,183)</u> |

38 Events occurring after the end of the reporting period

There are no events identified after Balance Sheet date that would have a material impact on the financial report.

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

CADRE Design Unit Trust

To Members of the New South Wales Parliament and Members of CADRE Design Unit Trust

I have audited the accompanying financial statements of CADRE Design Unit Trust (the Trust), which comprises the statement of financial position as at 31 December 2010, 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 statement required under section 41C of the *Public Finance and Audit Act 1983* (the PF&A Act).

Auditor's Opinion

In my opinion the financial statements:

- give a true and fair view the financial position of the Trust as at 31 December 2010 and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with *section 41B* of the 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 Trust are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the PF&A Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 controls relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal controls.

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

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 role by the possibility of losing clients or income.



P J Boulous CA
Director, Financial Audit Services

1 March 2011
SYDNEY

CADRE DESIGN UNIT TRUST

STATEMENT BY DIRECTORS OF THE TRUSTEE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE & AUDIT ACT, 1983

In the opinion of the Directors of the Trustee Company CADRE design Pty. Limited:

1. The accompanying financial statements and notes thereto present a true and fair view of the financial position of the Trust as at 31 December 2010 and its financial performance for the year ended 31 December 2010.
2. At the date of this statement there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Trust.
3. The financial statements of the Trust to which this statement relates has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010.
4. In forming an opinion for the purpose of this statement the Trustees have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would impact on the position shown in the financial statements.
5. The Trust has been conducted in accordance with its constituted Trust Deed at all times during the period.
6. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Directors of the Trustee Company at Sydney

this 25TH day of FEBRUARY 2011.



DIRECTOR OF THE
TRUSTEE COMPANY
DR. KERRY HUDSON



DIRECTOR OF THE
TRUSTEE COMPANY
RHONDA HAWKINS

CADRE DESIGN UNIT TRUST

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------|------------|
| Revenue from continuing operations | | - | - |
| Expenses from continuing operations | | - | - |
| Operating Profit before Income Tax Expense | | <u>-</u> | <u>-</u> |
| Income Tax (Expense) | 2 | - | - |
| Operating Profit after Income Tax | | <u>-</u> | <u>-</u> |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income | | <u>-</u> | <u>-</u> |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CADRE DESIGN UNIT TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|-----------------------------|------|---------------|---------------|
| ASSETS | | | |
| Current Assets | | | |
| Receivables | 3 | 42,350 | 42,350 |
| Total Current Assets | | <u>42,350</u> | <u>42,350</u> |
| Total Assets | | <u>42,350</u> | <u>42,350</u> |
| Total Liabilities | | <u>-</u> | <u>-</u> |
| Net Assets | | <u>42,350</u> | <u>42,350</u> |
| EQUITY | | | |
| Units on Issue | 10 | 42,350 | 42,350 |
| Accumulated Funds | | - | - |
| Total Equity | | <u>42,350</u> | <u>42,350</u> |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CADRE DESIGN UNIT TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|-----------------------------------|------|---------------|---------------|
| Balance at 1 January | | 42,350 | 42,350 |
| Total comprehensive income | | - | - |
| Distribution to Beneficiaries | | - | - |
| Balance at 31 December | | <u>42,350</u> | <u>42,350</u> |

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

CADRE DESIGN UNIT TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 | 2009 |
|---|-------------|----------------|----------------|
| | | \$ | \$ |
| Cash Flows from Operating Activities | | | |
| Net Cash from Operating Activities | 11 | - | - |
| Cash Flows from Investing Activities | | | |
| Net Cash used in Investing Activities | | - | - |
| Net Increase/(Decrease) in Cash Held | | - | - |
| Cash and Cash Equivalents at Beginning of Year | | - | - |
| | | <hr/> | <hr/> |
| Cash and Cash Equivalents at End of Year | | <hr/> - | <hr/> - |

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

CADRE DESIGN UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are prepared for CADRE design Unit Trust as an individual entity.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors of the Trustee Company on 25 February 2010.

a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on a going concern basis using accrual accounting in accordance with Australian Accounting Standards, AASB interpretations, the New South Wales Public Finance and Audit Act 1983, the Finance and Audit Regulation 2010, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of CADRE design Unit Trust comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

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 the CADRE design Unit Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

All amounts are in Australian Dollars.

b) New Australian Accounting Standards issued but not effective

CADRE design Unit Trust did not early adopt any new accounting standards that are not yet effective.

The following new Accounting Standards have been issued but are not yet effective:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project
- AASB 124 Related Party Disclosures (2009), AASB 2009-12 Amendments to Australian Accounting Standards
- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions
- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights
- AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement
- Interpretation 19 Extinguishing Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19

These Standards will not have a significant impact on the results of the entity.

CADRE DESIGN UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

c) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for any impairment of receivables. Any changes are accounted for in the statement of comprehensive income when impaired, derecognised or through the amortisation process.

d) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either the trust or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities.

Unless otherwise stated, all such amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the balance sheet.

Interest rate risk affects cash at bank and investments where the value of these instruments is subject to fluctuation due to changes in market interest rates.

The company's exposure to interest rate risk and credit risk and the effective interest rates of financial instruments at year end are:

| | 2010 | 2009 | |
|-------------|--------|--------|--------------------------|
| | \$ | \$ | |
| Receivables | 42,350 | 42,350 | All non-interest bearing |

e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

CADRE DESIGN UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

2. Income Tax Expense

CADRE design Unit Trust is deemed to be a public trading trust under section 102R of the Income Tax Assessment Act 1936 because an authority of a government which is not liable for income tax (the University of Western Sydney) holds more than 20% of the issued units. Public trading trusts are subject to similar tax arrangements as companies by virtue of section 102S of the Income Tax Assessment Act 1936.

3. Receivables

| | 2010 | 2009 |
|-------------|---------------|---------------|
| | \$ | \$ |
| Receivables | 42,350 | 42,350 |
| Prepayments | - | - |
| | <u>42,350</u> | <u>42,350</u> |

4. Trustee

CADRE Design Pty Limited has been appointed Trustee of the Trust. The Directors of the Company who held office during the 2010 financial year were:

David Hegarty - Managing Director
Rhonda Hawkins - Chair
Kerry Hudson
Stuart Campbell - appointed 25 June 2010

Directors of the Company act in an honorary capacity.

5. Deed of Trust

The Deed of Trust was settled between the settlor and CADRE Design Pty Limited as Trustee on 22 April 1998.

6. Remuneration of Auditors

Audit fees payable to The Audit Office of New South Wales are \$11,900 excluding GST (\$11,500 excluding GST in 2009) which are paid by CADRE design Pty. Limited. The Auditors did not receive any other benefits during the period.

| | 2010 | 2009 |
|-------------------------------------|---------------|---------------|
| | \$ | \$ |
| Audit Fee CADRE design Pty. Limited | 11,900 | 11,500 |
| Audit Fee CADRE design Unit Trust | - | - |
| | <u>11,900</u> | <u>11,500</u> |

7. Contingencies

CADRE design Unit Trust is not aware of any contingent liabilities in existence as at 31 December 2010.

CADRE DESIGN UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

8. Commitments for Expenditure

CADRE design Unit Trust has not entered into any contractual capital or expenditure commitments that are not otherwise included in the Financial Statements as at 31 December 2010.

9. Lease Commitments

CADRE design Unit Trust has not entered into any contractual lease commitments that are not otherwise included in the Financial Statements as at 31 December 2010.

10. Units in the Trust

42,350 units have been issued in the Trust, of which 36,000 (85%) units are held by University of Western Sydney and 6,350 (15%) units are held by the Managing Director.

11. Reconciliation of Operating (Loss)/Profit after Income Tax to Net Cash Flows from Operating Activities

| | 2010 | 2009 |
|---|----------|----------|
| | \$ | \$ |
| Profit after Income Tax | - | - |
| Movement in Receivables * | - | - |
| Net Cash From Operating Activities | 0 | 0 |

* Movement only attributable to operating activities

12. Related Party Transactions

| | 2010 | 2009 |
|--|--------|--------|
| | \$ | \$ |
| a) The following amount was receivable from a related party as at the end of the year: | | |
| CADRE design Pty. Limited | 42,350 | 42,350 |

13. University of Western Sydney Guarantee

The University of Western Sydney has given Cadre design Pty. Limited an undertaking that in the event that the Unit Trust is not able to pay its debts as and when they fall due the University will be financially responsible for ensuring the ongoing solvency of the Trust.

14. Events After the Reporting Period

It is the intention of the Trustee that CADRE design Unit Trust be wound up in 2011.

The Company is not aware of any events occurring after the reporting period that would render any particulars included in the Financial Statements as at 31 December 2010 to be misleading or inaccurate.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

CADRE Design Pty Limited

To Members of the New South Wales Parliament and Members of CADRE Design Pty Limited.

I have audited the accompanying financial statements of CADRE Design Pty Limited (the Company), which comprises the statement of financial position as at 31 December 2010, 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 statement required under section 41C of the *Public Finance and Audit Act 1983* (the PF&A Act).

Auditor's Opinion

In my opinion the financial statements:

- give a true and fair view the financial position of the Company as at 31 December 2010 and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with *section 41B* of the 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 and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the PF&A Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. 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 has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control.

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 role by the possibility of losing clients or income.



P J Boulous CA
Director, Financial Audit Services

1 March 2011
SYDNEY

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

**STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS
OF SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983**

In the opinion of the Directors of CADRE design Pty. Limited:

1. The accompanying financial statements and notes thereto present a true and fair view of the financial position of the Company as at 31 December 2010 and its financial performance for the year ended 31 December 2010.
2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Company.
3. The financial statements of the Company to which this statement relates have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010.
4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would impact upon the position shown in the financial statements.
5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed at Sydney this *25TH* day of *FEBRUARY* 2011.

on behalf of the Board and in accordance with its resolution



DIRECTOR
DR. KERRY HUDSON



DIRECTOR
RHONDA HAWKINS

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|-------------------------|-------------------------|
| Revenue from continuing operations | | | |
| eLearning & Multimedia Sales | 2 | 2,472,244 | 2,143,526 |
| Miscellaneous Income | 2 | - | - |
| Interest Income | | 3,414 | 33 |
| Total Revenue from continuing operations | | <u>2,475,658</u> | <u>2,143,559</u> |
| Expenses from continuing operations | | | |
| Employee Related Expenses | 3 | 1,603,540 | 1,476,072 |
| Fees for Services Rendered | | 494,671 | 442,322 |
| Depreciation and amortisation | | 39,040 | 48,928 |
| Travel Expenses | | 27,330 | 10,641 |
| Consumables and Minor Equipment | | 21,874 | 24,655 |
| Rent | | 123,741 | 123,474 |
| Software Purchases | | 10,229 | 2,647 |
| Telephone and Postage Expenses | | 14,739 | 13,277 |
| Marketing, Advertising and Promotion | | 56,335 | 23,744 |
| License & Copyright Fees | | 24,669 | - |
| Other | | 4,331 | 4,685 |
| Borrowing Costs | | 3,688 | 16,932 |
| Total Expenses from continuing operations | | <u>2,424,187</u> | <u>2,187,377</u> |
| Operating Profit/(Loss) before Income Tax | | 51,471 | (43,818) |
| Income Tax (Expense)/Income | 4 | - | (111,390) |
| Operating Profit/(Loss) after Income Tax | | <u>51,471</u> | <u>(155,208)</u> |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income | | <u>51,471</u> | <u>(155,208)</u> |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 5 | 91,661 | 6,985 |
| Trade and Other Receivables | 6 | 575,025 | 677,253 |
| Total Current Assets | | 666,686 | 684,238 |
| Non-Current Assets | | | |
| Plant and Equipment | 7a | 97,753 | 100,764 |
| Intangible Assets | 7b | 21,031 | 2,290 |
| Deferred Tax Assets | 4 | 92,310 | 92,310 |
| Total Non-Current Assets | | 211,094 | 195,364 |
| Total Assets | | 877,780 | 879,602 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 8 | 277,318 | 327,498 |
| Fees in Advance | | 142,704 | 125,000 |
| Provisions | 9 | 113,627 | 116,382 |
| Current Tax Liability | | - | - |
| Interest Bearing Liabilities | 16 | 11,677 | 11,987 |
| Total Current Liabilities | | 545,326 | 580,867 |
| Non-Current Liabilities | | | |
| Trade and Other Payables | | 42,350 | 42,350 |
| Provisions | 9 | 20,916 | 26,991 |
| Shareholder Current Accounts | | 433,175 | 433,175 |
| Interest Bearing Liabilities | 16 | 11,436 | 23,113 |
| Total Non-Current Liabilities | | 507,877 | 525,629 |
| Total Liabilities | | 1,053,203 | 1,106,496 |
| Net Assets | | (175,423) | (226,894) |
| EQUITY | | | |
| Contributed Equity | 10 | 200,100 | 200,100 |
| Accumulated Losses | 11 | (375,523) | (426,994) |
| Total Equity | | (175,423) | (226,894) |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|-------------------------------|------|------------------|------------------|
| Balance at 1 January | | (226,894) | (71,686) |
| Total Comprehensive Income | | 51,471 | (155,208) |
| Shares issued during the year | | - | - |
| Balance at 31 December | | <u>(175,423)</u> | <u>(226,894)</u> |

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

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------------|------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from Customers | | 2,800,266 | 2,103,406 |
| Payments to Suppliers & Employees | | (2,648,376) | (2,159,556) |
| Interest Received | | 3,414 | 33 |
| Interest Paid | | (1,665) | (13,685) |
| Net Cash provided by/(used in) Operating Activities | 18 | <u>153,639</u> | <u>(69,802)</u> |
| Cash Flows from Investing Activities | | | |
| Proceeds from Sale of Plant & Equipment | | - | - |
| Purchase of Plant & Equipment and Intangibles | | (54,953) | (8,486) |
| Net Cash used in Investing Activities | | <u>(54,953)</u> | <u>(8,486)</u> |
| Cash Flows from Financing Activities | | | |
| Proceeds from Issue of Shares | | - | - |
| Payment of Finance Lease Liabilities | | (14,010) | (25,626) |
| Net Cash used in Financing Activities | | <u>(14,010)</u> | <u>(25,626)</u> |
| Net increase/(decrease) in Cash Held | | 84,676 | (103,914) |
| Cash and Cash Equivalents at Beginning of Year | | 6,985 | 110,899 |
| Cash and Cash Equivalents at End of Year | 5 | <u>91,661</u> | <u>6,985</u> |

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

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are prepared for CADRE design Pty. Limited as an individual entity.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors of the Company on 25 February 2010.

The entity is a small proprietary company limited by shares. It is domiciled and incorporated in Australia, with the address of its registered office and principal place of business being Suite 1, Level 3, 60 Bowman Street, Pyrmont, New South Wales.

The principal activities are the design and development of eLearning content and software for the corporate and government sectors and the development of online interactive educational content and tools for university, college and school markets. Operations during the year were predominantly in the government, health, higher education, mining, and financial services sectors nationally and the higher education publishing market in the USA.

a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on a going concern basis using accrual accounting in accordance with Australian Accounting Standards, AASB interpretations, the New South Wales Public Finance and Audit Act 1983, the Finance and Audit Regulation 2010, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of CADRE design Pty. Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

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 the CADRE design Pty. Limited's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 and below.

Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences and tax losses as management considers that it is probable that future taxable profits will be available to utilise the deferred tax assets. Significant management judgement is required to determine the amount of the deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

All amounts are in Australian Dollars.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

b) New Australian Accounting Standards issued but not effective

CADRE design Pty. Limited did not early adopt any new accounting standards that are not yet effective.

The following new Accounting Standards have been issued but are not yet effective:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project
- AASB 124 Related Party Disclosures (2009), AASB 2009-12 Amendments to Australian Accounting Standards
- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions
- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights
- AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement
- Interpretation 19 Extinguishing Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19

These Standards will not have a significant impact on the results of the entity.

c) Plant and Equipment

Plant and Equipment is stated at historical cost, less, where applicable, any accumulated depreciation and any accumulated impairment. Plant and Equipment is depreciated using the diminishing value method over the estimated useful life of the specific asset, which ranges from 3 to 20 years. Estimated useful lives for each asset class are detailed below.

| Asset Class | Estimated Useful Life |
|------------------------|------------------------------|
| Computer Equipment | 3, 4, 10 years |
| Furniture and Fittings | 10, 15, 20 years |
| Leasehold Improvements | 6 years |
| Motor Vehicles | 8 years |
| Office Equipment | 10 years |

d) Intangible Assets

Intangible Assets comprise of commercially purchased software and are stated at historical cost, less, where applicable, any accumulated amortisation and any accumulated impairment. Intangible Assets are amortised using the prime cost or straight line method over the estimated useful life of the specific asset, which is 2.5 or 4 years

e) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for any impairment of receivables. Any changes are accounted for in the statement of comprehensive income when impaired, derecognised or through the amortisation process.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Foreign currency debtors reported as current receivables have been translated using the closing exchange rate at 31 December 2010.

f) Insurance

CADRE design Pty. Limited 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. CADRE design Pty. Limited is a named protected entity of The University of Western Sydney in accordance with Unimutual's rules and requirements, except for Worker's Compensation Insurance.

Workers' Compensation insurance is currently held with GIO General Ltd. Property and liability protections (including General and Product Liability, Professional Liability and Directors and Officers Liability) are arranged with Unimutual by the University of Western Sydney.

g) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either the company or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities.

Unless otherwise stated, all such amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the balance sheet.

h) Accounting for Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except in circumstances where the GST incurred is not recoverable from the Australian Taxation Office, i.e. when input tax classification applies or no tax invoice is held. 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 shown in the Statement of Financial Position include GST. The net amount of GST payable to the Australian Taxation Office is included within trade and other payables in the Balance Sheet.

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.

i) Revenue

All revenue relating to the Company's core operations is classified as revenue from operating activities. Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable economic benefits will flow to the company and the revenue can be reliably measured.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

Revenue from the sale of goods and services is recognised upon delivery of goods or services to the customer where those goods and services have been delivered. Revenue from the rendering of services for projects that are in progress and have not been delivered is recognised in accordance with the stage of completion method. Stage of completion is estimated by management by reference to a percentage evaluation of the project milestones of each project in progress at balance date. Where the project outcome cannot be reliably estimated, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest revenue is recognised as it accrues using the effective interest method.

j) Leases

Leases of fixed assets are classified as finance leases, where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Company.

Finance leases are capitalised by recording an asset (Note 7) and a liability (Note 16) at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Finance lease assets are depreciated using the diminishing value method over the estimated useful life of the specific asset.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

k) Foreign Currency Translation

Both the functional and presentation currency of CADRE design Pty. Limited is Australian Dollars (A\$).

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

l) Payables

Payables represent liabilities for goods and services provided to the Company and other amounts. These financial liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

m) Contributed Equity

Contributions of equity by the owners is classified as contributed equity. The amount of contributed equity reflects the authorised, issued and paid up capital of the company (Note 10).

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

n) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The valuation of the accrued liability is based on actual leave entitlements and salary levels at the end of the reporting year and includes provision for payroll on-costs of superannuation, payroll tax and workers' compensation insurance.

o) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

2. Revenue

The Company's main clients are United States education publishers, Australian national and international corporations and Government departments.

During the year the Australian Dollar appreciated against the United States Dollar. Exchange rate fluctuations have an impact on revenue.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Revenue (continued)

| | 2010 | 2009 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| eLearning Sales | 1,818,706 | 1,641,747 |
| Multimedia Sales | 554,251 | 456,439 |
| Hosting and Support Sales | 99,287 | 45,340 |
| Total eLearning & Multimedia Sales | <u>2,472,244</u> | <u>2,143,526</u> |

3. Employee Related Expenses

| | 2010 | 2009 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Non-Academic | | |
| Salaries | 1,235,466 | 1,152,020 |
| Payroll Tax | 88,616 | 87,057 |
| Superannuation | 124,899 | 110,168 |
| Annual Leave | 110,134 | 97,437 |
| Long Service Leave | 20,954 | 9,824 |
| Worker's Compensation | 3,923 | 3,147 |
| Other | 19,548 | 16,419 |
| Total Employee Related Expenses | <u>1,603,540</u> | <u>1,476,072</u> |

4. Income Tax

| | 2010 | 2009 |
|--|------------------------|------------------------|
| | \$ | \$ |
| The prima facie tax payable on profit from ordinary activities is reconciled to the income tax expense as follows: | | |
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009: 30%) | 15,441 | (13,145) |
| Tax effect of: | | |
| Non-allowable items | 11,629 | 19,957 |
| Additional allowable items | <u>(24,743)</u> | <u>(16,304)</u> |
| | 2,327 | (9,492) |
| Deferred Tax Asset relating to temporary differences | 12,001 | (10,578) |
| Unused tax losses for which no Deferred Tax Asset has been recognised | - | 128,760 |
| Previously unrecognised tax losses now recouped to reduce current tax expense | (14,328) | - |
| Under/(over) provision in prior years | <u>-</u> | <u>2,700</u> |
| Income Tax Expense/(Income) | <u>-</u> | <u>111,390</u> |
| | 2010 | 2009 |
| | \$ | \$ |
| Deferred Tax Asset | | |
| Opening Balance | (92,310) | (203,700) |
| Income Tax Expense/(Income) | <u>-</u> | <u>111,390</u> |
| Closing Balance - Expected to be settled in more than 12 months | <u>(92,310)</u> | <u>(92,310)</u> |

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

5. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | 2010 | 2009 |
|---------------------------|----------------------|---------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 91,661 | 6,985 |
| Total | <u>91,661</u> | <u>6,985</u> |

6. Trade and Other Receivables

| | 2010 | 2009 |
|-------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Trade Receivables | 306,535 | 428,413 |
| Accrued Revenue | 262,770 | 243,120 |
| Prepayments | 5,720 | 5,720 |
| | <u>575,025</u> | <u>677,253</u> |

7. a) Plant and Equipment

| | 2010 | 2009 |
|----------------------------------|----------------------|-----------------------|
| | \$ | \$ |
| Plant and Equipment at Cost | 235,169 | 207,596 |
| Accumulated Depreciation | (137,415) | (106,832) |
| Total Plant and Equipment | <u>97,754</u> | <u>100,764</u> |

A Reconciliation of the carrying amount of Plant & Equipment at the beginning and at the end of the current reporting period is set out below.

| | | |
|---|----------------------|-----------------------|
| Opening Carrying Value | 100,764 | 137,599 |
| Additions | 32,360 | 6,374 |
| Disposals | (181) | (100) |
| Depreciation Expense | (35,189) | (43,109) |
| Closing Carrying Value Plant and Equipment | <u>97,754</u> | <u>100,764</u> |

b) Intangible Assets

| | | |
|--------------------------------|----------------------|---------------------|
| Intangible Assets at Cost | 27,213 | 23,545 |
| Accumulated Amortisation | (6,182) | (21,255) |
| Total Intangible Assets | <u>21,031</u> | <u>2,290</u> |

Intangible Assets comprise commercially purchased software that is amortised over its useful life using rates prescribed by the Australian Taxation Office.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

7. b) Intangible Assets (continued)

A Reconciliation of the carrying amount of Intangible Assets at the beginning and at the end of the current reporting period is set out below.

| | | |
|---|----------------------|---------------------|
| Opening Carrying Value | 2,290 | 5,996 |
| Additions | 22,593 | 2,112 |
| Disposals | (1) | - |
| Amortisation Expense | (3,851) | (5,818) |
| Closing Carrying Value Intangible Assets | <u>21,031</u> | <u>2,290</u> |

8. Trade and Other Payables

| | 2010 | 2009 |
|------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Trade Payables | 163,807 | 237,510 |
| Accrued Expenses | 113,511 | 89,988 |
| | <u>277,318</u> | <u>327,498</u> |

9. Provisions

| | 2010 | 2009 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Current | | |
| a) Provision for Annual Leave | | |
| Expected to be settled within 12 months | 61,946 | 82,323 |
| Expected to be settled in more than 12 months | 5,007 | 4,914 |
| Balance at the End of the Year | <u>66,953</u> | <u>87,237</u> |
| b) Provision for Long Service Leave | | |
| Expected to be settled within 12 months | - | - |
| Expected to be settled in more than 12 months | 46,674 | 29,145 |
| Balance at the End of the Year | <u>46,674</u> | <u>29,145</u> |
| Total Current Provisions | <u>113,627</u> | <u>116,382</u> |
| Non-current | | |
| a) Provision for Long Service Leave | | |
| Balance at the End of the Year | <u>20,916</u> | <u>26,991</u> |
| Total Non-current Provisions | <u>20,916</u> | <u>26,991</u> |
| Total Provisions | <u>134,543</u> | <u>143,373</u> |

10. Contributed Equity

| | 2010 | 2009 |
|---|----------------|----------------|
| | \$ | \$ |
| Authorised, Issued and Paid-Up Capital: | | |
| 200,100 Ordinary Shares of \$1 each | <u>200,100</u> | <u>200,100</u> |

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

11. Accumulated Funds

| | 2010 | 2009 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Balance at the Beginning of the Year | (426,994) | (271,786) |
| Profit/(Loss) for the Period | 51,471 | (155,208) |
| Balance at the End of the Year | <u><u>(375,523)</u></u> | <u><u>(426,994)</u></u> |

12. Directors

Directors of the Company who held office during the 2010 financial year were:

David Hegarty - Managing Director
Rhonda Hawkins - Chair
Kerry Hudson
Stuart Campbell - appointed 25 June 2010

Directors of the Company act in an honorary capacity.

13. Remuneration of Auditors

Audit fees payable to The Audit Office of New South Wales are \$11,900 excluding GST (\$11,500 excluding GST in 2009). The Auditors did not receive any other benefits during the period.

| | 2010 | 2009 |
|-------------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Audit Fee CADRE design Pty. Limited | 11,900 | 11,500 |
| Audit Fee CADRE design Unit Trust | - | - |
| | <u><u>11,900</u></u> | <u><u>11,500</u></u> |

14. Contingent Liabilities

The Company has a lease for its premises that contains a make good provision when vacating the premises that may cause an expense to be incurred, however an amount cannot be reliably measured. The Company is not aware of any other contingent liabilities in existence as at 31 December 2010.

15. Commitments for Expenditure

a) Capital Commitments

The Company has not entered into any other contractual capital commitments that are not otherwise included in the Financial Statements as at 31 December 2010.

b) Other Expenditure Commitments

The Company has not entered into any other contractual expenditure commitments that are not otherwise included in the Financial Statements as at 31 December 2010.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

16. Leases

| | 2010 | 2009 |
|--|----------------------|----------------------|
| | \$ | \$ |
| a) Finance lease liabilities | | |
| Payable | | |
| - not later than 1 year | 12,911 | 14,010 |
| - later than 1 year but not later than 5 years | 11,835 | 24,746 |
| - later than 5 years | - | - |
| Minimum lease payments | <u>24,746</u> | <u>38,756</u> |
| Future finance charges | <u>(1,633)</u> | <u>(3,656)</u> |
| | <u>23,113</u> | <u>35,100</u> |
| Representing lease liabilities: | | |
| Current | 11,677 | 11,987 |
| Non-current | <u>11,436</u> | <u>23,113</u> |
| | <u>23,113</u> | <u>35,100</u> |

The Company has a master asset finance agreement with National Australia Bank with a limit of \$100,000, subject to annual review. As at 31 December 2010 \$23,042 (\$34,995 in 2009) of the facility had been used, with \$76,958 (\$65,045 in 2009) remaining unused.

b) Non-cancellable operating lease commitments

| | | |
|--|-----------------------|----------------------|
| Payable | | |
| - not later than 1 year | 141,664 | 68,767 |
| - later than 1 year but not later than 5 years | 212,497 | - |
| - later than 5 years | - | - |
| | <u>354,161</u> | <u>68,767</u> |

The above commitments include input tax credits of \$32,196 (2009 - \$6,252) that are expected to be recoverable from the Australian Tax Office.

17. Financial Risk Management

CADRE design Pty. Limited's activities expose it to a number of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the major areas of risk, being foreign exchange, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the company. Due to the nature of the business operations, hedging activities, such as foreign exchange contracts, are not economically viable for the Company. The Company uses different methods to measure and manage the different types of risk to which it is exposed. These methods include aging analysis for credit risk, sensitivity analysis for foreign exchange risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

Risk management is carried out on a day-by-day basis by the Managing Director and Financial Controller under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as banking and foreign exchange. Certain areas of risk, such as credit and liquidity risk, are reviewed by the Board at every meeting.

a) Market risk

i) Foreign Exchange risk

Some of the Company's main clients are United States education publishers who are billed in US dollars (USD) and remit in USD. The only foreign currency that the company is exposed to is USD and the currency risk arises from the fluctuation in the value of financial instruments due to changes in USD currency exchange rates. The financial instruments that currency risk applies to are trade debtors and cash at

USD denominated invoices are translated using current monthly exchange rates and USD denominated current debtors have been translated at the closing exchange rate at 31 December 2010. The Company maintains an onshore USD bank account to receive remittances in USD and to also pay USD amounts due where applicable. The balance of the USD bank account is translated each month using the closing exchange rate at the end of each month. Amounts in the USD bank account are translated into Australian dollars and transferred into the Australian dollar bank account regularly, only being held long enough to take advantage of short term currency fluctuations, where possible. All gains or losses on currency exchange are recorded against revenue as they occur.

The following table details the Company's sensitivity to a 10% increase and decrease in the Australian dollar against the USD. The sensitivity analysis includes only outstanding USD denominated monetary items, being debtor's invoices and cash at bank, and adjusts their translation at the period end for a 10% change in the foreign currency rate. A positive number indicates an increase in profit and equity where the Australian dollar weakens against the USD and a negative number indicates a decrease in profit and equity where the Australian dollar strengthens against the USD.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

| 31 December 2010 | Carrying amount \$ | -10% | | +10% | |
|-------------------------|--------------------------|--------------|--------------|----------------|----------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Trade Debtors | 52,720 | 5,858 | 5,858 | (4,793) | (4,793) |
| Cash at Bank | 100 | 11 | 11 | (9) | (9) |
| Total | 52,820 | 5,869 | 5,869 | (4,802) | (4,802) |

| 31 December 2009 | Carrying amount \$ | -10% | | +10% | |
|-------------------------|--------------------------|--------------|--------------|----------------|----------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Trade Debtors | 20,269 | 2,252 | 2,252 | (1,843) | (1,843) |
| Cash at Bank | 75 | 8 | 8 | (7) | (7) |
| Total | 20,344 | 2,260 | 2,260 | (1,850) | (1,850) |

ii) Interest rate risk

Interest rate risk affects cash at bank and investments where the value of these instruments is subject to fluctuation due to changes in market interest rates.

The Company has cash deposits at bank, which are at floating interest rates, and interest bearing liabilities in the form of finance leases at fixed interest rates. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

| 31 December 2010 | Carrying amount \$ | -1% | | +1% | |
|---------------------------|--------------------------|--------------|--------------|--------------|--------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 91,661 | (917) | (917) | 917 | 917 |
| Total | 91,661 | (917) | (917) | 917 | 917 |

| 31 December 2009 | Carrying amount \$ | -1% | | +1% | |
|---------------------------|--------------------------|--------------|--------------|--------------|--------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 6,985 | (70) | (70) | 70 | 70 |
| Total | 6,985 | (70) | (70) | 70 | 70 |

iii) Other price risk

The Company's exposure to 'other price risk' is minimal.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The risk arises from credit granted to clients for work performed. The Company's clients predominantly consist of major United States education publishers, Australian national and international corporations and Government departments. The credit worthiness of these clients is relatively high and the major clients have had an ongoing relationship with the Company for a number of years.

The Company has a small customer base with exposure to the United States which gives rise to credit risk. The Company's management continuously monitors the aging of its trade receivables and reports regularly to the Board. As the Company does not hold any collateral, nor have any netting arrangements, the maximum exposure to credit risk is the total fair value of Receivables, being \$569,305 in 2010 (\$671,533 in 2009).

The Company does not consider that any of the financial instruments reported at 31 December 2010 is impaired. Due to the nature of the business, the Company considers that trade receivables become past due at 90 days from the invoice date.

| 31 December 2010 | Carrying amount \$ | 2010 | | 2009 | |
|-------------------------|--------------------------|----------------|------------------------------|----------------|------------------------------|
| | | Current \$ | Past Due (>90 days) \$ | Current \$ | Past Due (>90 days) \$ |
| Financial Assets | | | | | |
| Trade Debtors | 284,156 | 212,077 | 72,079 | 393,200 | 12,835 |
| Total | 284,156 | 212,077 | 72,079 | 393,200 | 12,835 |

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates its forecast and actual cash flows monthly. A \$50,000 overdraft facility has been set up. Actual and forecast cash flows are reviewed by the Board at every Board meeting.

Irrespective of market risk and credit risk, as at 31 December 2010 the Company has surplus Total Current Assets of \$666,686 (\$684,238 in 2009) over Total Current Liabilities of \$545,326 (\$580,867 in 2009). 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. The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

| 31 December 2010 | Nominal amount \$ | Interest Rate Exposure | | Maturity Dates | | |
|---|-------------------------|---------------------------|------------------------------|----------------|-----------------|----------------|
| | | Fixed Interest Rate | Variable Interest Rate | <1 Year \$ | 1-5 Years \$ | >5 Years \$ |
| Financial Liabilities | | | | | | |
| Finance Leases (Interest Bearing Liabilities) | 24,746 | 6.29% | - | 12,911 | 11,835 | - |
| Payables | 319,668 | - | - | 277,318 | 42,350 | - |
| Shareholder Current Accounts | 433,175 | - | - | - | 108,295 | 324,880 |
| Total | 777,589 | 6.29% | - | 290,229 | 162,480 | 324,880 |

| 31 December 2009 | Nominal amount \$ | Interest Rate Exposure | | Maturity Dates | | |
|---|-------------------------|---------------------------|------------------------------|----------------|-----------------|----------------|
| | | Fixed Interest Rate | Variable Interest Rate | <1 Year \$ | 1-5 Years \$ | >5 Years \$ |
| Financial Liabilities | | | | | | |
| Finance Leases (Interest Bearing Liabilities) | 38,756 | 6.33% | - | 14,010 | 24,746 | - |
| Payables | 369,848 | - | - | 327,498 | 42,350 | - |
| Shareholder Current Accounts | 433,175 | - | - | - | 108,295 | 324,880 |
| Total | 841,779 | 6.33% | - | 341,508 | 175,391 | 324,880 |

Notes:

1. The amounts disclosed are contractual undiscounted cash flows of each class of financial liability and therefore may not reconcile to the Statement of Financial Position.

d) Fair value estimation

Because of their short term nature the carrying values of all financial instruments recognised in the Statement of Financial position approximates their fair value.

18. Reconciliation of Operating (Loss) after Income Tax to Net Cash Flows from Operating Activities

| | 2010 \$ | 2009 \$ |
|---|----------------|-----------------|
| Operating (Loss) after Income Tax | 51,471 | (155,208) |
| Depreciation/Amortisation | 39,040 | 48,928 |
| Disposal of Assets | 182 | 100 |
| Movement in Payables * | (48,158) | 141,962 |
| Movement in Receivables * | 119,934 | (224,688) |
| Movement in Provisions * | (8,830) | 7,714 |
| Movement in Deferred Tax Assets * | - | 111,390 |
| Movement in Tax Liabilities * | - | - |
| Movement in Prepayments * | - | - |
| Net Cash from Operating Activities | 153,639 | (69,802) |

* Movement only attributable to operating activities

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

19. Related Party Transactions

| | 2010 \$ | 2009 \$ |
|---|----------------|----------------|
| a) The Company is a controlled entity of the University of Western Sydney which holds an 85% shareholding. The Company provided specialist multimedia services under normal commercial terms and conditions in relation to projects undertaken by the University and another controlled entity of the University. | | |
| University of Western Sydney | 376,288 | 42,593 |
| UWS College Pty Ltd | 29,703 | 22,387 |
| The University provided specialist services to the Company under normal commercial terms and conditions. | | |
| University of Western Sydney | 2,560 | - |
| The following amount was received in advance from the University for specialist multimedia services to be provided under normal commercial terms and conditions in relation to projects to be undertaken by the University in the following year: | | |
| University of Western Sydney | 104,064 | 125,000 |
| b) The following amounts were payable to related parties as at the end of the year: | | |
| University of Western Sydney | 371,015 | 383,199 |
| David Hegarty (15% Shareholder) | 64,976 | 64,976 |
| CADRE design Unit Trust | 42,350 | 42,350 |
| The following amount was receivable from a related party as at the end of the year: | | |
| University of Western Sydney | 4,400 | 13,090 |
| c) One Director received remuneration in his role as an Executive Officer. Remuneration includes salary, all allowances and benefits (including motor vehicles and employer superannuation) and fringe benefits tax on allowances and benefit payments, which are all short-term employee benefits by nature. Remuneration is reviewed and approved annually by the Board of Directors. | | |
| | 2010 Number | 2009 Number |
| \$170,000 to \$179,999 | 1 | 1 |
| Total | <u>1</u> | <u>1</u> |

20. University of Western Sydney Guarantee

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.

CADRE DESIGN PTY. LIMITED
ACN 082 376 716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

21. Events After the Reporting Period

The Company is not aware of any events occurring after the reporting period that would render any particulars included in the Financial Statements as at 31 December 2010 to be misleading or inaccurate.

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

To the Directors
SGSM Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of SGSM Limited for the year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Peter Boulous
Director Financial Audit Services

23 March 2011
SYDNEY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

SGSM Limited

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

I have audited the accompanying financial statements of the SGSM Limited (the Company), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's 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 2010 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* (the 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 give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 Company's preparation and fair presentation of the financial statements 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.

I believe that 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
- about the effectiveness of its internal controls
- that it has carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, *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 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous-CA
Director, Financial Audit Services

23 March 2011
SYDNEY

DIRECTORS' REPORT

MEMBERS OF THE BOARD OF THE COMPANY

DIRECTOR: Professor Janice Reid AM

| | |
|---------------------------------------|---|
| QUALIFICATIONS AND EXPERIENCE: | B.Sc.(Adel), M.A.(Hawaii), PhD (Stan), M.A.(Stan) A current and former member of various Boards. |
| SPECIAL RESPONSIBILITIES: | Vice-Chancellor, UWS |
| PARTICULARS OF SHARES IN THE COMPANY: | Nil |
| DIRECTORS INTEREST IN CONTRACTS: | Nil |

DIRECTOR: Mr. Geoffrey Roberson

| | |
|---------------------------------------|--|
| QUALIFICATIONS AND EXPERIENCE: | Solicitors Admission Board (S.A.B.) Partner, Champions Legal; Past President, Law Society of New South Wales; and Past President, Parramatta City Chamber of Commerce |
| SPECIAL RESPONSIBILITIES: | Nil |
| PARTICULARS OF SHARES IN THE COMPANY: | Nil |
| DIRECTORS INTEREST IN CONTRACTS: | Nil |

DIRECTOR: Mr. M. John Phillips AO

| | |
|---------------------------------------|---|
| QUALIFICATIONS AND EXPERIENCE: | B.Ec. (Syd). Former Deputy Governor and Deputy Chairman of the Reserve Bank of Australia; Chairman, AGL; Chairman, Foreign Investment Review Board and Director of various companies. |
| SPECIAL RESPONSIBILITIES: | Chancellor, UWS |
| PARTICULARS OF SHARES IN THE COMPANY: | Nil |
| DIRECTORS INTEREST IN CONTRACTS: | Nil |

DIRECTOR: Prof Chung Tong Wu

| | |
|---------------------------------------|---|
| QUALIFICATIONS AND EXPERIENCE: | BArch Calif, MSc Columbia PhD Calif MPIA, RAIA Senior International Advisor, Urban Research Centre |
| SPECIAL RESPONSIBILITIES: | Nil |
| PARTICULARS OF SHARES IN THE COMPANY: | Nil |
| DIRECTORS INTEREST IN CONTRACTS: | Nil |

DIRECTOR/COMPANY SECRETARY: Mr. Peter Pickering (Appointed 26/11/2010)

| | |
|---------------------------------------|---|
| QUALIFICATIONS AND EXPERIENCE: | B.Com (Hons), Dip CM FCPA, FCIS, FAICD |
| SPECIAL RESPONSIBILITIES: | Finance Director, UWS |
| PARTICULARS OF SHARES IN THE COMPANY: | Nil |
| DIRECTORS INTEREST IN CONTRACTS: | Nil |

REGISTERED OFFICE

College of Business
Building EB, Parramatta Campus
Cnr. Victoria Road and James Ruse Drive
RYDALMERE NSW 2116

SGSM LIMITED
ACN 095 399 358

AUDITOR

The Audit Office of New South Wales
Level 15
1 Margaret Street
SYDNEY NSW 2001

ABOUT THE COMPANY

The SGSM Limited was incorporated on 15th December 2000 as a company limited by guarantee. Since the incorporation the company has not traded. If the company should begin to trade, its principles are to provide marketing, management and administrative support of postgraduate award and professional and executive management programs.

STATEMENT BY THE DIRECTORS

The Directors of SGSM Limited submit the Statement of Financial Position of the company and related Statement of Comprehensive Income for the year ended 31st December 2010 and report as follows:-

1. The Board of Directors of the company met NIL (0) times during 2010
2. The net surplus of the company for the year was \$NIL.
3. For the financial year ended 31st December 2010 the total income for the company was \$NIL with operating expenses of \$NIL
4. During the financial year no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments due and receivable by directors shown in the accounts, or the fixed salary of a full time employee of the company or a related corporation) by reason of a contract made by the company or a related corporation with the directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.
5. As at 31 December 2010 the company reflected an accumulated surplus of \$NIL
6. No matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect:
 - i) the operations of the company,
 - ii) the results of those operations, or
 - iii) the state of affairs of the company
7. No dividends have been paid during the year and no recommendation is made as to dividends.
8. Although the company's objectives are not expected to change, the Company does not expect to trade during 2011.
9. The Auditor's Independence Declaration is attached to this report.

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act 2001

this 16th day of March 2011.



DIRECTOR

Prof. Janice Reid



DIRECTOR

Peter Pickering

SGSM LIMITED
ACN 095 399 358

Statement by Directors in Accordance with the requirements of Section 41C of the Public Finance and Audit Act, 1983 and the Corporations Act 2001.

In the opinion of the Directors of SGSM Ltd:

1. The accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2010 and transactions for the year ended 31 December 2010.
2. With the continuing support of the University of Western Sydney, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
3. The financial statements of the of the Company have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.
4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would materially impact on the position shown in the financial statements.
5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

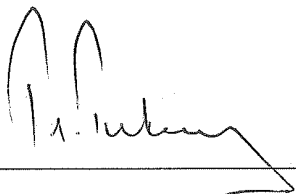
Signed on behalf of the Board and in accordance with its resolution at

this 16th day of March 2011.



DIRECTOR

Prof. Janice Reid



DIRECTOR

Peter Pickering

SGSM LIMITED
ACN 095 399 358

Statement of Comprehensive Income
for the Year ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|----------------------------|------|------------|------------|
| Revenue | | 0 | 0 |
| Expenses | | <u>0</u> | <u>0</u> |
| Total Comprehensive Income | | <u>0</u> | <u>0</u> |

Statement of Financial Position
as at 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|-------------------|------|------------|------------|
| TOTAL ASSETS | | <u>0</u> | <u>0</u> |
| TOTAL LIABILITIES | | <u>0</u> | <u>0</u> |
| NET ASSETS | | <u>0</u> | <u>0</u> |
| TOTAL EQUITY | | <u>0</u> | <u>0</u> |

Statement of Changes in Equity
for the year ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|------------|------------|
| Balance at 1 January 2010 | | <u>0</u> | <u>0</u> |
| Total Comprehensive Income for the period | | <u>0</u> | <u>0</u> |
| Balance at 31 December 2010 | | <u>0</u> | <u>0</u> |

The accompanying notes form part of these financial statements.

SGSM LIMITED
ACN 095 399 358

Statement of Cash Flows
for the year ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|-----------------|-----------------|
| Cash Flows from operating activities | | | |
| Inflows: Receipts from customers | | 0 | 0 |
| Outflows: Payments to suppliers and employees | | 0 | 0 |
| Net cash from operating activities | | <u>0</u> | <u>0</u> |
| Net increase/(decrease) in cash held | | 0 | 0 |
| Cash at beginning of the financial year | | <u>0</u> | <u>0</u> |
| Cash at end of the financial year | | <u>0</u> | <u>0</u> |

The accompanying notes form part of these financial statements.

SGSM LIMITED
ACN 095 399 358

**Notes to and forming part of the Accounts
for the year ended 31 December 2010**

1. The Reporting Entity

The financial statements of SGSM Ltd. for the year ended 31 December 2010 have been authorised for issue in accordance with a resolution of Directors on 16th March 2011.

SGSM Ltd is a not for profit entity and has been established as a wholly owned entity of the University of Western Sydney (UWS). The Company is limited by guarantee and was registered on 15 December 2000.

The Directors of the Company for the year ended 31 December 2010 were:

- Janice Reid, AM
- John Phillips, AO
- Geoffrey Roberson
- Chung Tong Wu
- Peter Pickering (appointed 26/11/10)

2. Statement of Significant Accounting Policies

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

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.

No critical accounting estimates or judgements have been made.

New Australian Accounting Standards issued but not effective

The Company did not early adopt any new accounting standards that are not yet effective.

The company has assessed the impact of the new standards and considers the impact to be insignificant.

b) Historical cost convention

These financial statements have been prepared under the historical cost convention.

c) Revenue Recognition

In accordance with AASB118 'Revenue', information is disclosed regarding the revenues arising from various types of transactions or other events.

d) Comparatives

Where required comparative figures have been adjusted to conform to changes in presentation for the current financial year.

SGSM LIMITED
ACN 095 399 358

**Notes to and forming part of the Accounts
for the year ended 31 December 2010**

e) Tax Status

The Directors believe the company is a non-profit organisation for income tax purposes and as such has no liability for income tax.

3. Cash Flow Information

Reconciliation of Net Cash Provided by / (Used in) continuing operations to Net result from continuing operations:

| | 2010 | 2009 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Surplus for the year | 0 | 0 |
| Net Cash provided by / (used in) operating activities | <u>0</u> | <u>0</u> |

4. Auditors Remuneration

The audit fee payable to The Audit Office of New South Wales was \$1,000, (2009: \$1,000). The auditors did not receive any other benefits throughout the year. The fee will be paid by the University of Western Sydney.

5. Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities in existence as at 31 December 2010.

6. After Balance Date Events

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature likely to significantly affect the operation of the Company, the results of its operations or the state of affairs of the Company in subsequent financial years.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

To the Directors

Television Sydney Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Television Sydney Foundation Limited for the year ended 31 December 2010, 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.

A handwritten signature in black ink, appearing to read 'Peter Boulous', written over a circular stamp or seal.

Peter Boulous
Director Financial Audit Services

28 March 2011
SYDNFY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Television Sydney Foundation Limited

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

I have audited the accompanying financial statements of the Television Sydney Foundation Limited (the Company), which comprise the statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion the financial statements:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2010 and of 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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.

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

My opinion does *not* provide assurance:

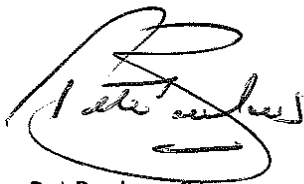
- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where 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, *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 role 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 Television Sydney Foundation Limited on 28 March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

31 March 2011
SYDNEY

Television Sydney Foundation Limited
ACN 126 629 034

DIRECTOR'S REPORT

The Directors of Television Sydney Foundation Limited (a company limited by guarantee) present their financial statements on the Company for the year ended 31 December 2010 and report as follows:

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

| | | |
|----------------------|---------------------|---|
| Geoffrey M. Roberson | Non Executive Chair | Appointed – 19 July 2007 |
| Rhonda C. Hawkins | Non Executive | Appointed – 19 July 2007 |
| Delia M. Browne | Non Executive | Appointed – 19 July 2007 |
| Laurence J. Patton | Executive Director | Appointed as director on 26 March 2009 and as an Executive Director on 17 June 2009 |

COMPANY SECRETARY

Mr. Paul Francis de Mestre, BA. LLB (University of Sydney) was appointed as Company Secretary on 17 December 2008. Mr. Paul Francis de Mestre is the principal of the law firm de Mestre and Company Solicitors and has been practicing law for over twenty years.

OBJECTIVES

The Company's objectives are to:

- Provide support and assistance to Television Sydney (TVS) Limited (A.C.N.104 674 124, "TVS") and to encourage and foster the interest and financial support of TVS;
- Act as the trustee of the Gift Fund;
- Solicit donations and gifts to the Gift Fund and to raise money for the Gift Fund by any other appropriate means;
- Carry out all other tasks or activities, which are necessary or incidental to the achievement of the objects of the Entity.

STRATEGY

The Foundation is in the process of securing inclusion on the Register of Cultural Organisations administered by the Office of the Arts in the Department of Prime Minister and Cabinet. Once this has been achieved the Foundation will finalise arrangements with the Australian Taxation Office to secure tax deductibility for donors to the Foundation. This was and remains the company's principle KPI.

The Foundation then plans to use both on-screen promotions through community television station TVS and personal approaches from its directors to seek donations. Funds secured will be used to assist not-for-profit community based groups to produce television programs for TVS. The successful creation of new programs for TVS will be the company's second and ongoing KPI.

PRINCIPAL ACTIVITIES

Television Sydney Limited was incorporated on 19 July 2007 as a company limited by guarantee. Since incorporation, the company has not traded. On 19 August 2009, the Company via a deed of settlement agreed to be the sole trustee of the Television Sydney Foundation, a public fund established of providing support to Television Sydney (TVS) Limited. As at 31 December 2010, the activities of the Television Sydney Foundation had not commenced.

OPERATING RESULTS

In the financial year ended 31 December 2010 Television Sydney Foundation Trust made a net loss of \$9,318 (Nil in 2009), with revenue being \$NIL and expenses of \$9,318 (Nil in 2009). The contributors were;

- A transfer of costs of \$7,318 from Television Sydney (TVS) Limited and the University of Western Sydney representing amounts paid on behalf of Television Sydney Foundation in the current and previous years
- An accrual for expenses of \$2,000 representing audit and company secretarial expenses not yet invoiced

Television Sydney Foundation Limited
ACN 126 629 034

DIRECTOR'S REPORT

MEMBERS

During the period 1 January 2010 to 30 May 2010, Education Training Community Television (ETC TV) Limited (A.C.N. 104 674 517, "ETC") was the only member of the Company. ETC was an entity controlled by the University of Western Sydney ("UWS") and was also an entity associated with Metro Screen Limited (A.C.N. 002 223 832, "Metro Screen"). Since 31 May 2010, the Company has had two members: UWS as the Community Member and Metro Screen as the Educational Member. Throughout the entirety of the financial year ending 31 December 2010, the Company remained a controlled entity of UWS.

LIABILITY OF MEMBERS

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 member of the company is liable to contribute an amount not greater than \$5.00.

If the Company is wound up during the time of a member's membership or within one year afterwards, each Educational member of the company is liable to contribute an amount not greater than \$5.00.

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 \$10.00.

SIGNIFICANT CHANGES DURING THE YEAR

On 31 May 2010, the Company's sole member resolved by special resolution to change the Company's Constitution. The result of change to the Company's Constitution was that ETC was no longer a member and UWS and Metro Screen became members of the Company.

AFTER BALANCE DATE EVENTS

There were no matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

FUTURE DEVELOPMENTS

The Company is likely to continue in its role as the sole trustee of the Television Sydney Foundation and not engage in any trading activities in its own right.

ENVIRONMENTAL ISSUES

The economic entity's operations are not subject to any significant environmental regulation under the law of the Commonwealth and State.

DIRECTORS AND EXECUTIVE EMOLUMENTS

No directors or retirement benefits were paid by the Company to directors during the current and previous financial year. However, please note the following:

- Mr. Geoffrey Roberson is the Managing Director of Champion Legal. Champion Legal provided legal services at normal commercial rates to the Company's parent entity the University of Western Sydney and controlled entities during the financial year.
- Ms. Rhonda Hawkins was employed and received remuneration for her role as Deputy Vice Chancellor of the Company's ultimate parent entity, the University of Western Sydney during the financial year.
- The Company's Executive Director, Mr. Laurence Patton was employed and received remuneration as Chief Executive Officer of TVS until April 2010 when he resigned from this role. Television Sydney (TVS) Limited is a controlled entity of the Company's parent entity the University of Western Sydney.

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2010, no directors meetings were held: However, during the financial year ended 31 December 2010 and pursuant to clause 17.1, of the Company's Constitution, the directors passed a number of resolutions via circular resolutions.

The Board of Directors has not formed any committees

Television Sydney Foundation Limited
ACN 126 629 034

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

DIRECTOR: Mr. Geoffrey Roberson

| | |
|---------------------------------------|--|
| QUALIFICATIONS AND EXPERIENCE: | Hon. DLitt (University of Western Sydney) Solicitor Accredited Specialist in Commercial Litigation Managing Director, Champion Legal Board member since Company incorporation in July 2007 |
| SPECIAL RESPONSIBILITIES: | Chair of the Board of Directors |
| PARTICULARS OF SHARES IN THE COMPANY: | Not applicable as Company does not have share capital |
| DIRECTORS INTEREST IN CONTRACTS: | See Directors Emoluments |

DIRECTOR: Ms. Delia Maria Browne

| | |
|---------------------------------------|--|
| QUALIFICATIONS AND EXPERIENCE: | Bachelor of Arts (University of Sydney) Bachelor of Laws (University of Auckland, NZ) National Copyright Director of Copyright Advisory Group; Past senior lawyer for Minter Ellison; Former Executive Director of Arts Law Centre of Australia Board member since Company incorporation in July 2007 |
| SPECIAL RESPONSIBILITIES: | Nil |
| PARTICULARS OF SHARES IN THE COMPANY: | Not applicable as Company does not have share capital |
| DIRECTORS INTEREST IN CONTRACTS: | Nil |

DIRECTOR: Ms. Rhonda Clare Hawkins

| | |
|---------------------------------------|---|
| QUALIFICATIONS AND EXPERIENCE: | Bachelor of Science (University of Sydney) Master of Public Policy (University of Sydney) Fellow of Australian Institute of Company Directors Deputy Vice Chancellor and University Provost (Corporate Strategy and Services), University of Western Sydney Board member since Company incorporation in July 2007 |
| SPECIAL RESPONSIBILITIES: | Nil |
| PARTICULARS OF SHARES IN THE COMPANY: | Not applicable as Company does not have share capital |
| DIRECTORS INTEREST IN CONTRACTS: | See Directors and Executive Emoluments |

Television Sydney Foundation Limited
ACN 126 629 034

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (Continued)

DIRECTOR: Mr. Laurence John Patton

| | |
|---------------------------------------|--|
| QUALIFICATIONS AND EXPERIENCE: | Master of Commerce (University of New South Wales) Graduate Certificate in Management (University of New England) Fellow of Australian Institute of Company Directors Member of Fundraising Institute of Australia Executive Chairman of Conexion Event Management Pty Ltd Non-Executive Director of Heart Foundation of Australia (NSW Division) Former Chief Executive Officer of Television Sydney (TVS) Limited. Board member since March 2009. |
| SPECIAL RESPONSIBILITIES: | Nil |
| PARTICULARS OF SHARES IN THE COMPANY: | Not applicable as Company does not have share capital |
| DIRECTORS INTEREST IN CONTRACTS: | See Directors and Executive Emoluments |

AUDITORS INDEPENDENCE DECLARATION

The Auditors independence declaration is attached.

INDEMNIFYING OFFICERS OR AUDITORS INDEPENDENCE DECLARATION

During or since the end of the financial period the Company has not given an indemnity or not entered into agreement to indemnify or paid or agreed to pay insurance policies to cover the Company's Auditor. The Company's parent entity the University of Western Sydney, has entered into an insurance policy to provide cover to the Company's Officeholders.

PROCEEDINGS 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 party to any such proceedings during the financial year ended 31 December 2010.

REGISTERED OFFICE

C/o de Mestre and Company Solicitors
Level 12, 70 Castlereagh Street, Sydney, NSW, 2000, Australia.

PRINCIPAL PLACE OF BUSINESS

Building BD, Werrington South Campus, University of Western Sydney, Great Western Highway, Werrington, NSW 2747, Australia.

Television Sydney Foundation Limited
ACN 126 629 034

AUDITOR

The Audit Office of New South Wales
Level 15
1 Margaret Street
SYDNEY NSW 2001

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act 2001

this **28** day of March 2011.



DIRECTOR

Laurie Patton



DIRECTOR

Rhonda Hawkins

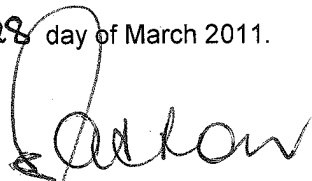
Television Sydney Foundation Limited
ACN 126 629 034

STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983 and the Corporations Act 2001.

In the opinion of the Directors of Television Sydney Foundation Limited:

1. The accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2010 and the performance of the Company for the year then ended.
2. With the continuing support of the University of Western Sydney, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
3. The financial statements of the Company have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.
4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would materially impact on the position shown in the financial statements.
5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed on behalf of the Board and in accordance with its resolution at
this 28 day of March 2011.



DIRECTOR

Laurie Patton



DIRECTOR

Rhonda Hawkins

Television Sydney Foundation Limited
ACN 126 629 034

Statement of Comprehensive Income
for the year ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|---------------------|-----------------|
| Revenue from Continuing Operations | | | |
| Reimbursement from Trust | | 9,823 | 0 |
| Total Revenue from Continuing Operations | | <u>9,823</u> | <u>0</u> |
| Expenses from Continuing Operations | | | |
| ASIC Fees | | 1,013 | 0 |
| Audit Fees | | 2,100 | 0 |
| Bank Fees | | 210 | 0 |
| Internet/Website Fees | | 0 | 0 |
| Company Secretarial Fees | | 6,500 | 0 |
| Other Fees | | 0 | 0 |
| Total Expenses from Continuing Operations | | <u>9,823</u> | <u>0</u> |
| Operating Result | | <u>0</u> | <u>0</u> |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income for the Year | | <u>0</u> | <u>0</u> |

The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes

Television Sydney Foundation Limited
ACN 126 629 034

Statement of Financial Position
as at 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|---------------------|-----------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 3 | 0 | 0 |
| Receivable from Television Sydney Foundation | | 9,823 | 0 |
| Total Current Assets | | 9,823 | 0 |
| Total Assets | | <u>9,823</u> | <u>0</u> |
| Current Liabilities | | | |
| Accrued Expenses | | 2,000 | 0 |
| Payable to University of Western Sydney | | 7,823 | 0 |
| Total Current Liabilities | | 9,823 | 0 |
| Total Liabilities | | <u>9,823</u> | <u>0</u> |
| Net Assets | | <u>0</u> | <u>0</u> |
| Equity | | | |
| Capital | | 0 | 0 |
| Retained Earnings | | 0 | 0 |
| Total Equity | | <u>0</u> | <u>0</u> |

The above Statement of Financial Position
should be read in conjunction with the accompanying notes

Television Sydney Foundation Limited
ACN 126 629 034

Statement of Changes in Equity
for the year ended 31 December 2010

| | Notes | 2010 \$ | 2009 \$ |
|---|-------|-----------------|-----------------|
| Balance at 1 January | | <u>0</u> | <u>0</u> |
| Total Comprehensive Income for the period | | 0 | 0 |
| Balance at 31 December | | <u>0</u> | <u>0</u> |

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

Television Sydney Foundation Limited
ACN 126 629 034

Statement of Cash Flows
for the year ended 31 December 2010

| | Notes | 2010 \$ | 2009 \$ |
|---|-------|-----------------|-----------------|
| Cash Flows from operating activities | | | |
| Inflows: Advance from Television Sydney (TVS) Ltd | | 100 | 0 |
| Outflows: Payments to suppliers and employees | | (100) | 0 |
| Net cash from operating activities | 4 | <u>0</u> | <u>0</u> |
| Net increase/(decrease) in cash held | | 0 | 0 |
| Cash at beginning of the financial year | | 0 | 0 |
| Cash at end of the financial year | | <u>0</u> | <u>0</u> |

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

Television Sydney Foundation Limited
ACN 126 629 034

Notes to and forming part of the Accounts
for the year ended 31 December 2010

1. The Reporting Entity

The financial statements of Television Sydney Foundation Limited (formerly Television Sydney Limited) for the financial year ended 31 December 2010 have been authorised for issue in accordance with a resolution of Directors on 23 March 2011.

Television Sydney Foundation Limited is a not-for-profit entity that has been established as a controlled entity of the University of Western Sydney (UWS). The Company is limited by guarantee and was registered on 19 July 2007.

The Directors of the Company for the reporting period were:

Geoffrey Mark Roberson

Delia Maria Browne

Rhonda Clare Hawkins

Laurence John Patton

2. Statement of Significant Accounting Policies

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

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.

No critical accounting estimates have been made.

New Australian Accounting Standards issued but not effective

The Company did not early adopt any new accounting standards that are not yet effective.

The Foundation has assessed the impact of these new standards and considers the impact to be insignificant.

b) Historical cost convention

These financial statements have been prepared under the historical cost convention.

c) Revenue Recognition

In accordance with AASB118 'Revenue', information is disclosed regarding the revenues arising from various types of transactions or other events.

Television Sydney Foundation Limited
ACN 126 629 034

**Notes to and forming part of the Accounts
for the year ended 31 December 2010**

d) Comparatives

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e) Tax Status

The Directors believe the company is a non-profit organization for income tax purposes and as such has no liability for income tax.

3. Other Financial Assets

| | 2010 | 2009 |
|-------------------------------------|-----------------|-----------------|
| | \$ | \$ |
| Cash at Bank | 0 | 0 |
| Cash on Hand | 0 | 0 |
| Total Other Financial Assets | <u>0</u> | <u>0</u> |

4. Reconciliation of Net Cash Provided by / (Used in) continuing operations to Net result from continuing operations:

| | 2010 | 2009 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Profit/(Loss) for the year | 0 | 0 |
| Increase in Receivables | (9,823) | 0 |
| Increase in Payables & Accruals | 9,823 | 0 |
| Net Cash provided by / (used in) operating activities | <u>0</u> | <u>0</u> |

5. Auditors Remuneration

The audit fee payable to The Audit Office of New South Wales was \$1,000, (2009: \$1,000) The auditors did not receive any other benefits throughout the year. The fee will be paid by the University of Western Sydney.

6. Other Fees paid on behalf of the Company

Television Sydney (TVS) Limited

The following fees, relating to 2009 were paid on behalf of the Company by Television Sydney (TVS) Limited. These have been invoiced to the Company in the current financial year.

Television Sydney Foundation Limited
ACN 126 629 034

**Notes to and forming part of the Accounts
for the year ended 31 December 2010**

| | 2010 | 2009 |
|------------------|-----------------|---------------------|
| | \$ | \$ |
| ASIC Filing Fees | 0 | 948 |
| Bank Fees | 0 | 110 |
| Total | <u>0</u> | <u>1,058</u> |

University of Western Sydney

The following fees, relating to 2009, were paid on behalf of the Company by University of Western Sydney. The Company Secretarial Fees were invoiced to the Company in the current financial year, while the legal fees were not.

| | 2010 | 2009 |
|--------------------------|-----------------|----------------------|
| | \$ | \$ |
| Company Secretarial Fees | 0 | 6,500 |
| Legal Fees | 0 | 9,104 |
| Total | <u>0</u> | <u>15,604</u> |

7. Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities in existence as at 31 December 2010.

8. After Balance Date Events

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature likely to significantly affect the operation of the Company, the results of its operations or the state of affairs of the Company in subsequent financial years.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Television Sydney Foundation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Television Sydney Foundation (the Foundation), which comprise the statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 31 December 2010, and of its financial performance 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The directors of the Foundation are responsible for the preparation of the financial statements that give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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 Foundation'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 that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

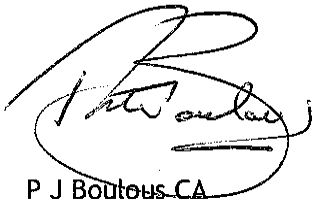
My opinion does *not* provide assurance:

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



P J Boulous CA
Director, Financial Audit Services

31 March 2011
SYDNEY

Television Sydney Foundation

Financial Statements – 31 December 2010

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Directors Declaration
Statement of Comprehensive Income
Statement of Financial Position
Statement of Cash Flows
Statement of Changes in Equity
Notes to and forming part of the Financial Statements

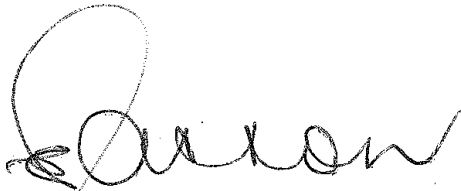
TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438
DIRECTORS DECLARATION
(Public Finance and Audit Act 1983)

In accordance with a resolution of the Directors of the trustee company Television Sydney Foundation Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements present a true and fair view of the financial position of the Company as at 31 December 2010 and the performance of the Foundation 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, Public Finance and Audit Regulation 2010. The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory financial reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
3. We are not aware of any circumstance that has arisen which would render any particulars included in the financial statements to be misleading or inaccurate; and
4. With the continuing support of the University of Western Sydney, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

Signed on behalf of the Board and in accordance with its resolution.

this 28 day of March 2011



DIRECTOR
Laurie Patton



DIRECTOR
Rhonda Hawkins

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|-----------------------|-----------------|
| Revenue from Continuing Operations | | | |
| Total Revenue from Continuing Operations | | <u>0</u> | <u>0</u> |
| Expenses from Continuing Operations | | | |
| ASIC Fees | | 0 | 0 |
| Audit Fees | 5 | 0 | 0 |
| Bank Fees | | 15 | 0 |
| Internet/Website Fees | | 80 | 0 |
| Company Secretarial Fees | | 0 | 0 |
| Other Fees | | 0 | 0 |
| Reimburse Trustee Company-Television Sydney Foundation Ltd | | 9,223 | 0 |
| Total Expenses from Continuing Operations | | <u>9,318</u> | <u>0</u> |
| Operating Result | | <u>(9,318)</u> | <u>0</u> |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income for the Year | | <u>(9,318)</u> | <u>0</u> |

The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|-----------------------|-----------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 6 | 1 | 0 |
| GST Credit Receivable | | 608 | 0 |
| Total Current Assets | | 609 | 0 |
| Total Assets | | <u>609</u> | <u>0</u> |
| Current Liabilities | | | |
| Payable to Television Sydney Foundation Limited | | 9,823 | 0 |
| Payable to University of Western Sydney | | 103 | 0 |
| Total Current Liabilities | | 9,926 | 0 |
| Total Liabilities | | <u>9,926</u> | <u>0</u> |
| Net Assets | | <u>(9,317)</u> | <u>0</u> |
| Equity | | | |
| Settlement Capital | 3 | 1 | 0 |
| Retained Earnings | 7 | (9,318) | 0 |
| Total Equity | | <u>(9,317)</u> | <u>0</u> |

The above Statement of Financial Position
should be read in conjunction with the accompanying notes

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|--------------|---------------------|---------------------|
| Cash Flows from operating activities | | | |
| Inflows: Advance from University of Western Sydney | | 15 | 0 |
| Outflows: Payments to suppliers and employees | | 15 | 0 |
| Net cash from operating activities | 8 | <u>0</u> | <u>0</u> |
| Net increase/(decrease) in cash held | | 0 | 0 |
| Cash at beginning of the financial year | | 1 | 0 |
| Cash at end of the financial year | | <u>1</u> | <u>0</u> |

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

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|-----------------------|-----------------|
| Balance at 1 January | | <u>1</u> | <u>0</u> |
| Total Comprehensive Income for the year | | (9,318) | 0 |
| Balance at 31 December | | <u>(9,317)</u> | <u>0</u> |

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

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of significant accounting policies

The financial statements of the Television Sydney Foundation (the Foundation) for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on the 23 March 2011.

The ultimate parent of the Foundation is the University of Western Sydney. The Foundation's accounting records are maintained by the University of Western Sydney.

The Foundation is a not for profit entity. Its objectives are to:

- Provide support and assistance to Television Sydney (TVS) Limited (A.C.N.104 674 124, "TVS") and to encourage and foster the interest and financial support of TVS
- Act as the trustee of the Gift Fund;
- Solicit donations and gifts to the Gift Fund and to raise money for the Gift Fund by any other appropriate means;
- Carry out all other tasks or activities, which are necessary or incidental to the achievement of the objects of the Entity.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010, applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and other mandatory financial reporting requirements.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity are prepared on an accrual and going concern basis. The Statement of Cash Flows is prepared on a cash basis using the 'direct' method.

The financial statements are prepared in accordance with the historical cost convention. All amounts are expressed in Australian currency.

(b) Financial Instruments

The Foundation's principal financial instruments comprise payables, receivables and other financial assets.

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

The Board reviews and agrees policies for managing each of the risks identified below.

Risk Exposures and Responses

Interest rate risk

The Foundations exposure to interest rate risk is considered minimal

Price risk

The Foundation's exposure to price risk is considered minimal.

Credit risk

The Foundation's exposure to credit risk is considered minimal.

Liquidity risk

The Foundation's exposure to liquidity risk is considered minimal.

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Revenue Recognition

Revenue is measured at the fair value of the contributions received or receivable.

Revenue on interest income is recognised as it accrues using the effective interest method.

Revenue from other sources is recognised to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

(d) Critical Accounting Estimates

The preparation of the 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 the Trust's accounting policies.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

(e) New Australian Accounting Standards issued but not yet effective

The Foundation did not adopt any new Accounting Standards issued but not yet effective.

The Foundation has assessed the impact of these new standards and Interpretations and considers the impact to be insignificant.

(f) Comparatives

Where appropriate and practical the previous year's comparative information had been adjusted to conform to the current year's presentation.

(g) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Foundation and interest if applicable.

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually paid within 30 days of recognition.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except:

- i) where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the acquisition cost of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the cash flows statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(i) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. An allowance for impairment is made against any doubtful debts based on a review of all outstanding amounts at balance date. The credit risk is the carrying amount (net of any allowance impairment). No interest is earned on trade debtors. The carrying amount approximates fair value.

Trade and other receivables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually receipted within 30 days of recognition.

2. Trustees

The Television Sydney Foundation Limited has been appointed as Trustee of the Trust. The Directors of the Company in office as at 31 December 2010 were:

Director

Geoffrey M. Roberson

Rhonda C. Hawkins

Delia M. Browne

Laurence J. Patton

Paul F. de Mestre (Company Secretary)

3. Deed of Trust

The Deed of Trust was settled between the settlor and Television Sydney Foundation Limited as Trustee to the value of \$1 on 19 August 2009.

4. Tax Status

The Foundation has been granted tax-exempt status and is not required to lodge an Australian income tax return.

5. Audit Fees

Audit fees payable to The Audit Office of New South Wales are \$1,000 (\$Nil for 2009), excluding GST. The Auditors did not receive any other benefits during the period.

| | 2010 | 2009 |
|--|---------------------|-----------------|
| | \$ | \$ |
| Audit Fee Television Sydney Foundation Limited | 1,000 | 0 |
| | <u>1,000</u> | <u>0</u> |

6. Cash and Cash Equivalents

| | 2010 | 2009 |
|---------------------------|-----------------|-----------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 1 | 0 |
| | <u>1</u> | <u>0</u> |

TELEVISION SYDNEY FOUNDATION
ABN 84 474 829 438

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

7. Retained Earnings

| | 2010 | 2009 |
|----------------------------------|-----------------------|-----------------|
| | \$ | \$ |
| Retained Earnings at 1 January | 0 | 0 |
| Operating Result for the Year | (9,318) | 0 |
| Retained Earnings at 31 December | <u>(9,318)</u> | <u>0</u> |

8. Reconciliation of Net Operating Result to Net Cash Flows from Operating Activities:

| | 2010 | 2009 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Loss for the Year | (9,318) | 0 |
| Increase / (Decrease) in Payables | 9,926 | 0 |
| (Increase) / Decrease in Receivables | (608) | 0 |
| Net Cash from Operating Activities | <u>0</u> | <u>0</u> |

9. Contingent Liabilities

The Directors of the Trustee Company are not aware of any contingent liabilities in existence as at 31 December 2010 (Nil in 2009).

10. Commitments

The Television Sydney Foundation Trust has not entered into any commitments, which are not otherwise included in the financial statements as at 31 December 2010 (Nil in 2009).

11. Economic Dependency

With the continuing support of the University of Western Sydney, the Foundation will be able to meet it's commitment as an when they fall due

12. After Balance Sheet Date Events

There are no events after Balance Sheet Date that have a material impact on the accounts

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

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 2010, 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.

Peter Boulous
Director Financial Audit Services

11 April 2011
SYDNEY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Television Sydney (TVS) Limited

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

I have audited the accompanying financial statements of the Television Sydney (TVS) Limited (the Company), which comprise the statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion the financial statements:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2010 and of 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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.

I believe that 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, *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 role 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 Television Sydney (TVS) Limited on 11 April 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

12 April 2011
SYDNEY

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

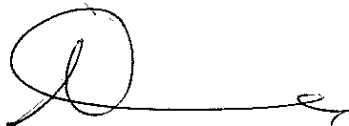
**STATEMENT BY DIRECTORS IN ACCORDANCE WITH THE REQUIREMENTS OF
SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983
AND THE CORPORATIONS ACT 2001**

In accordance with a resolution of the Directors of Television Sydney (TVS) Limited:

1. The accompanying financial statements and notes thereto present a true and fair view of the financial position of the Company as at 31 December 2010 and its financial performance for the year then ended.
2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due given the underlying guarantee received by the Directors from the University of Western Sydney regarding payment of debts of the Company.
3. The financial statements of the Company to which this statement relates have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010, and the Corporations Act 2001.
4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would materially impact upon the position shown in the financial report.
5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Signed at Sydney this 11th day of April 2011

on behalf of the Board and in accordance with its resolution



DIRECTOR



DIRECTOR

TELEVISION SYDNEY (TVS) LIMITED

ACN 104 674 124

DIRECTORS' REPORT

Your directors present their report on the year ended 31st December 2010. Prior period results are for the year 1st January 2009 to 31st December 2009

Information on the Directors

The names of directors in office at any time during or since the end of the year are:

| Directors Name | Role | Dates of Appointment / Resignation |
|----------------------|---|---|
| Harold C Mitchell | Non Executive Chairman | Appointed 27 September 2006 - Appointed Chair on 18 August 2010 |
| Geoffrey M Roberston | Non Executive | Appointed 3 June 2004 - Resigned as Chair On 18 August 2010 |
| Rhonda C Hawkins | Non Executive | Appointed 21 November 2007 |
| Alexander F Marinos | Non Executive | Appointed 6 February 2008 |
| Wayne McKenna | Non Executive | Appointed 6 February 2008 |
| Sharon Bell | Non Executive | Appointed 15 December 2009 |
| Christina Alvarez | Non Executive | Appointed 16 December 2009 |
| Angelo Kourtis | Non Executive | Appointed 21 May 2010 |
| Christopher Winter | Non Executive - Alternate for Christina Alvarez | Appointed 16 Dec 2009 |
| Peter Malecki | Non Executive - Alternate for Rhonda Hawkins | Appointed 1 Feb 10 |
| Lynetta S Burns | Non Executive - Alternate for Wayne McKenna | Appointed 19 Mar 2010 |

Company Secretary

Mr. Paul Francis de Mestre, BA. LLB (University of Sydney) was appointed as Company Secretary on 17 December 2008. Mr. Paul Francis de Mestre is the principal of the law firm de Mestre and Company Solicitors and has been practicing law for over twenty years. Paul is also the current Company Secretary for another University of Western Sydney subsidiary Television Sydney Foundation Limited (A.C.N. 126 629 034).

Chief Executive Officer

On 19 August 2010, Rachel Bentley was appointed Chief Executive Officer and replaced Mr. Laurie Patton who resigned in April 2010.

Objectives

The Company's objectives are to:

- Hold a community television license to establish, operate and program a Community Television Station ("CTS") in Sydney, Australia;
- Establish, operate and program a CTS in Sydney;
- Provide programs relevant to the people of the Sydney broadcast service area;
- Promote the provision of programs with Australian content;
- Promote 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);
- Provide opportunities for the broadcast of programs produced by community groups and students;
- Provide television industry training opportunities for community groups and students within the Sydney community;
- Through the community's representatives, encourage community participation in the programming and operations of the CTS (consistent with the license conditions contained in the Broadcasting Services Act).

STRATEGY

The strategy to achieve a functional community television is achieved through a consultative governance model and a close involvement and resource support by University of Western Sydney. The strategy requires:

1. Dedicated airtime access for screening UWS student works.
2. Dedicated airtime access for community groups and program makers.
3. Retention or agreed shares of intellectual property rights by UWS for all programs it funds and produces.
4. A small TV production unit with access to the studio at Werrington.
5. Agreements between UWS and Metroscreen, and TVS and Metroscreen, in relation to program making and the support of community groups and program makers.
6. A strong focus on building and nurturing relationships and collaborative partnerships with the community by both UWS and TVS.

TELEVISION SYDNEY (TVS) LIMITED

ACN 104 674 124

7. A funding model for TVS and the production unit that builds the financial sustainability of the station and the production services to support the academic and engagement goals of the University.

The strategy also requires that:

1. The quality of the programs produced locally is of an appropriate standard for broadcast.
2. The programming for the station remains attractive to viewers and sponsors.
3. An appropriate mix of commercially available and community and University produced material is broadcast.
4. There is demonstrable commitment by all key stakeholders to the stations excellence, viability, reputation and broadcasting Standards.

Principal Activities

The principal activity of the Company was to operate a Community Television Station in accordance the license 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.

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

1. Financial Statements
2. Advertising and Sponsorship Revenues
3. Audience Estimates
4. ACMA feedback and decisions on compliance measures

Operating Results

The deficiency for the year of the company amounted to (\$535,474), 2009 (\$268,060).

In accordance, with Company's Constitution, no dividends have been paid during the year and no recommendation is made as to dividends.

Members

During the period 1 January 2010 to 30 May 2010, Education Training Community Television (ETC TV) Limited (A.C.N. 104 674 517, "ETC") was the only member of the Company. ETC was an entity controlled by the University of Western Sydney ("UWS") and was also an entity associated with Metro Screen Limited (A.C.N. 002 223 832, "Metro Screen"). Since 31 May 2010, the Company has had two members: UWS as the Community Member and Metro Screen as the Educational Member. Throughout the entirety of the financial year ending 31 December 2010, the Company remained a controlled entity of UWS.

Liability of Members

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 member of the company is liable to contribute an amount not greater than \$10.00.

If the Company is wound up during the time of a member's membership or within one year afterwards, each 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.

Significant changes during the year

On 31 May 2010, the Company's sole member resolved by special resolution to change the Company's Constitution. The result of change to the Company's Constitution was ETC was no longer a member and UWS and Metro Screen became members of the Company.

TELEVISION SYDNEY (TVS) LIMITED

ACN 104 674 124

After Balance Date Events

Since the end of the financial year there have been no significant events which may significantly affect:

- (i) The results of those operations, or
- (II) The state of affairs of the company.

Future Developments

The Company will continue to operate a Community Television Station.

Environmental Issues

The economic entity's operations are not subject to any significant environmental regulation under the law of the Commonwealth and State.

Directors Emoluments

No directors or retirement benefits were paid by the Company to directors during the current and previous financial year. However, please note the following:

- Geoffrey Roberson is the Managing Director of Champion Legal Champion Legal provided legal services at normal commercial rates to the Company's parent entity the University of Western Sydney and controlled entities during the financial year.
- Rhonda Hawkins was employed and received remuneration for her role as Deputy Vice Chancellor of the Company's parent entity, the University of Western Sydney during the financial year.
- Professor Wayne McKenna was employed and received remuneration for his role as Executive Dean, College of Arts, of the Company's parent entity, the University of Western Sydney during the financial year.
- Angelo Kourtis was employed and received remuneration for his role as Executive Director, University Outreach and Partnerships of the Company's parent entity, the University of Western Sydney during the financial year.
- Peter Malecki was employed and received remuneration for his role as Senior Commercial Lawyer, of the Company's ultimate parent entity, the University of Western Sydney during the financial year.
- Lynette Sheridan Burns was employed and received remuneration for her role as Head of School, Communication Arts and Professor of Journalism at the Company's parent entity, the University of Western Sydney during the financial year.

Meetings of Directors

During the financial year ended 31 December 2010, the following directors board meetings were held:

| DIRECTORS' MEETINGS | |
|---|-----------------|
| Number eligible to attend | Number Attended |
| Harold Charles Mitchell | 5 |
| Geoffrey Mark Roberson | 5 |
| Rhonda Clare Hawkins | 3 |
| Alexander F Marinos | 3 |
| Wayne McKenna | 3 |
| Sharon Bell | 4 |
| Christina Louise Alvarez | 3 |
| Angelo Nicholas Kourtis | 3 |
| Christopher Henry Winter (as alternate for Christina Alvarez) | 1 |
| Peter Anthony Maleki (as alternate for Rhonda Hawkins) | 2 |
| Lynette Sheridan Burns (as alternate for Wayne McKenna) | 1 |

In addition to the above meetings and pursuant to clause 17.1 of the Television Sydney (TVS) Limited Constitution, the directors passed a number of resolutions via circular resolutions during the year ending 31 December 2010.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

Information on Directors

Director: Mr. Geoffrey Mark Roberson

Qualifications and Experience:

Hon. DLitt (UWS)

Solicitor

Accredited Specialist in Commercial Litigation

Managing Director, Champion Legal

Board member since June 2004

Special Responsibilities:

Chair of the Board of Directors until 18 August 2010)

Not applicable as the Company does not have share capital

Particulars of shares in the Company:

Directors Interest in Contracts:

See Directors Emoluments

Director: Harold Charles Mitchell

Qualificatio Honorary degree of Doctor of Laws

Honorary degree of Doctor of Laws

Current Executive Chairman of Mitchell Communication Group

Extensive experience in the advertising and media industries

In 2004, was awarded Officer of the Order of Australia for his services as a benefactor and fundraiser in support of artistic and cultural Endeavour.

On 28 July 2005, he was awarded the Richard Pratt Business Leader Award

On 14 June 2010, he was awarded the Companion of the Order of Australia for eminent service to the community through leadership and philanthropic endeavours in the fields of art, health and education and as a supporter of humanitarian aid in Timor-Leste and Indigenous communities

Board member since September 2006

Chair of the Board from 18 August 2010

Not applicable as the Company does not have share Nil

Special Responsibilities:

Particulars of shares in the Company:

Directors Interest in Contracts:

Director: Rhonda Clare Hawkins

Qualifications and Experience:

Bachelor of Science from the University of Sydney, and a Master of Public Policy from the University of Sydney.

Fellow of Institute of Company Directors

Deputy Vice Chancellor and University Provost, (Corporate Strategy and Services), University of Western Sydney

Board member since 21 November 2007

Nil

Special Responsibilities:

Particulars of shares in the Company:

Directors Interest in Contracts:

Not applicable as the Company does not have share See Directors Emoluments

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

Information on Directors (Continued)

Director: Alexander Marinos

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Bachelor of Arts (Honours) Degree, Majoring in Drama from the University of New South Wales; Certificate IV in Workplace Training & Assessment (2010 Sydney Institute) Extensive experience in the performing arts as an Actor, Writer, Director, and Broadcaster. In 1994 awarded Order of Australia Medal, for services to the performing arts; 2002 Centenary of Federation Medal Board member since February 2008 |
| Special Responsibilities: | Nil |
| Particulars of shares in the Company: | Not applicable as the Company does not have share capital |
| Directors Interest in Contracts: | Nil |

Director: Conal Wayne Francis McKenna

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Bachelor of Arts (Hons), Leeds University, UK PhD in English, Leeds University, UK Current Deputy Vice-Chancellor (Academic and Research) University of Western Sydney. Former Executive Dean, College of Arts, University of Western Sydney. Professor of English, University of Western Sydney. Board member since February 2008 |
| Special Responsibilities | Nil |
| Particulars of shares in the Company: | Not applicable as the Company does not have share capital |
| Directors Interest in Contracts: | See Directors Emoluments |

Director: Christina Louise Alvarez

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Bachelor of Arts (Media), from Macquarie University Master of Arts (Public Broadcast Management), from Ohio University Current Chief Executive Officer at Metro Screen, Broadcast Media and Film Industry Current Director, Sydney Film Festival Former General Manager at FBI 94.5 FM Former Deputy Manager at Community Broadcasting Association of Australia Board member since 16 December 2009 |
| Special Responsibilities: | Christina Alvarez was an alternate director for Delia Browne during the period 25 March 2005 to 19 August 2009. Christina Alvarez was an alternate director for Barry Melville during the period 26 August 2009 to 24 November 2009. |
| Particulars of shares in the Company: | Not applicable as the Company does not have share capital |
| Directors Interest in Contracts: | Nil |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

Information on Directors (Continued)

Director: Sharon Bell

| | |
|---------------------------------------|---|
| Qualifications and Experience: | BA (Hons II) in Geography from the University of Sydney BA (Hons I) Anthropology from the University of Sydney PhD in Anthropology from the University of Sydney Current Senior Program Developer at L.H. Martin Institute at the University of Melbourne Current Professorial Fellow at the University of Melbourne Former Deputy Vice Chancellor at the University of Canberra Former Pro-Vice Chancellor (Equity and Community Partnerships) at Griffith University Former Dean of the Faculty of Creative Arts and Dean of Arts at the University of Wollongong Former Head of Fulltime Program and Head of Studies at the Australian Film, Television and Radio School |
| Special Responsibilities: | Nil |
| Particulars of Shares in the Company: | Not applicable as the Company does not have share capital |
| Directors Interest in Contracts: | Nil |

Director: Angelo Nicholaos Kourtis

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Executive Director, University Outreach and Partnerships Board member during the period 14 December 2004 to 19 August 2009 |
| Special Responsibilities: | Nil |
| Particulars of shares in the Company: | Not applicable as the Company does not have share capital |
| Directors Interest in Contracts: | See Directors Emoluments |

Director: Christopher Henry Winter

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Manager New Services, ABC Innovation at ABC Current Member, at Queensland Government ICT Ministerial Advisory Group Current Director (Board) at Metro Screen Current Member, Information Technology Industry, Science and Research |
| Special Responsibilities | Christopher Winter is an alternate director for Christina Alvarez appointed on 16 December 2009. |
| Particulars of shares in the Company: | Not applicable as Company does not have share capital |
| Directors Interest in Contracts: | Nil |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

Information on Directors (Continued)

Director: Peter Anthony Malecki

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Bachelor of Arts with the degree of Bachelor of Laws from the University of New South Wales Current Senior Commercial Lawyers for University of Western Sydney |
| Special Responsibilities | Peter Malecki is an alternate director for Rhonda Hawkins appointed on 1 February 2010. |
| Particulars of shares in the Company: | Not applicable as Company does not have share capital |
| Directors Interest in Contracts: | See Directors Emoluments |

Director: Lynette Sheridan Burns

| | |
|---------------------------------------|---|
| Qualifications and Experience: | Bachelor of Arts (Journalism), RMIT University PhD, University of Newcastle, Australia Head of School, Communication Arts, University of Professor of Journalism, University of Western Sydney |
| Special Responsibilities | Lynette Sheridan Burns is an alternate director for |
| Particulars of shares in the Company: | Not applicable as Company does not have share capital |
| Directors Interest in Contracts: | See Directors Emoluments |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

Auditors Independence Declaration

The auditors independence declaration is attached.

Indemnifying Officers

During or since the end of the financial period the Company has not given an indemnity or entered into agreement to indemnify or paid or agreed to pay insurance policies to cover the Company's Auditor. The Company's parent entity the University of Western Sydney, has entered into an insurance policy to provide cover to the Company's Officeholders.

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 party to any such proceedings during the financial year ended 31 December 2010.

Registered Office

C/o de Mestre and Company, Solicitors
Level 12, 70 Castlereagh Street, Sydney, NSW, 2000, Australia.

Principal Place of Business

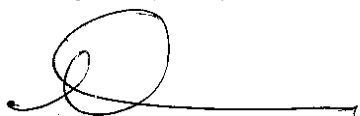
School of Communication, Design & Media
Great Western Highway
University of Western Sydney
Werrington NSW 2747

Auditor

The Audit Office of New South Wales
Level 15, 1 Margaret Street,
Sydney NSW 2001

Signed in accordance with a resolution of the Board of Directors

Dated this 11th day of April 2011.



Director



Director

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|-------------------------|-------------------------|
| Revenue from continuing operations | | | |
| Program Income | 2 | 606,236 | 637,038 |
| Miscellaneous Income | | 1,450 | 245 |
| Special Funding | | 250,000 | 237,300 |
| Interest Income | | 11,127 | 7,057 |
| Total Revenue from continuing operations | | <u>868,813</u> | <u>881,640</u> |
| Expenses from continuing operations | | | |
| Borrowing Costs | | 71,527 | 56,320 |
| Depreciation and amortisation | | 67,329 | 57,833 |
| Employee Benefits | 3 | 578,707 | 571,724 |
| Transmission Expenses | | 465,744 | 376,603 |
| Other | | 220,980 | 87,220 |
| Total Expenses from continuing operations | | <u>1,404,287</u> | <u>1,149,700</u> |
| Operating loss for the year | | <u>(535,474)</u> | <u>(268,060)</u> |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income for the Year | | <u>(535,474)</u> | <u>(268,060)</u> |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--------------------------------------|---------|---------------------------|---------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 4 | 210,278 | 347,924 |
| Trade and Other Receivables | 5 | 172,822 | 78,878 |
| Related Party Receivables | 5 & 16b | 0 | 1,885 |
| Transmission Licence Start Up Fee | 6b | 40,000 | 40,000 |
| Total Current Assets | | <u>423,100</u> | <u>468,687</u> |
| Non-Current Assets | | | |
| Plant and Equipment | 6a | 235,069 | 179,203 |
| Transmission Licence Start Up Fee | 6b | 158,569 | 198,569 |
| Total Non-Current Assets | | <u>393,638</u> | <u>377,772</u> |
| Total Assets | | <u>816,738</u> | <u>846,459</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 7 | 124,057 | 937,421 |
| Provisions | 8 | 38,474 | 52,185 |
| Related Party Loans | 16b | 2,972,209 | 1,639,381 |
| Total Current Liabilities | | <u>3,134,740</u> | <u>2,628,987</u> |
| Non-Current Liabilities | | | |
| Related Party Loans | 16b | 1,539,874 | 1,539,874 |
| Total Non-Current Liabilities | | <u>1,539,874</u> | <u>1,539,874</u> |
| Total Liabilities | | <u>4,674,614</u> | <u>4,168,861</u> |
| Net Assets | | <u>(3,857,876)</u> | <u>(3,322,402)</u> |
| EQUITY | | | |
| Accumulated Losses | 10 | (3,857,876) | (3,322,402) |
| Total Equity | | <u>(3,857,876)</u> | <u>(3,322,402)</u> |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|---------------------------|---------------------------|
| Balance at 1 January | | (3,322,402) | (3,054,342) |
| Total Comprehensive Income (Loss) for the Year | | (535,474) | (268,060) |
| Balance at 31 December | | <u>(3,857,876)</u> | <u>(3,322,402)</u> |

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

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------------|------------------------|
| Cash Flows provided by Operating Activities | | | |
| Receipts provided by Customers | | 626,345 | 648,453 |
| Special Funding | | 275,000 | 237,300 |
| Interest Received | | 11,127 | 7,057 |
| Payments to Suppliers & Employees | | (966,924) | (769,837) |
| Net Cash provided by/(used in) Operating Activities | 15 | <u>(54,452)</u> | <u>122,973</u> |
| Cash Flows provided by Investing Activities | | | |
| Purchase of Plant and Equipment | 6 | (83,194) | (11,138) |
| Net Cash used in Investing Activities | | <u>(83,194)</u> | <u>(11,138)</u> |
| Net Increase/(Decrease) in Cash Held | | (137,646) | 111,835 |
| Cash and Cash Equivalents at Beginning of Year | | 347,924 | 236,089 |
| Cash and Cash Equivalents at End of Year | 4 | <u>210,278</u> | <u>347,924</u> |

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

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company is limited by guarantee.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors of the Company on 11 April 2011.

a) Basis of preparation

This general purpose financial statement has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010 and the Corporations Act 2001.

Standards issued but not yet effective

Television Sydney (TVS) Limited has not early adopted the new Accounting Standards which have been issued and are not yet effective. These standards will not have a significant impact on the results of the entity.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

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 the Television Sydney (TVS) Limited's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

- b) These general purpose financial statements have been prepared on a going concern basis using accrual accounting and historical costs.
- c) All amounts are in Australian Dollars.
- d) Financial instruments give rise to positions that are a financial asset of either the company or its counterparty and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and payables and other interest bearing liabilities.

e) Revenue

All revenue relating to the Company's core operations is classified as revenue from operating activities.

Revenue from the sale of goods and services is recognised upon delivery of goods or services to the customer.

Interest revenue is recognised as it accrues using the effective interest method.

f) Plant and Equipment

Plant and Equipment is stated at cost, less, where applicable, any accumulated depreciation and any accumulated impairment.

Plant and Equipment is Depreciated over its expected years of life as follows:

| | Years of Life |
|------------------------|---------------|
| Plant & Equipment | 20 |
| Transmission Equipment | 3 |
| Furniture & Fittings | 3 |
| Computer Equipment | 3 |
| Transmission Setup Fee | 10 |

- g) Foreign currency debtors if any are translated using the closing exchange rate at 31 December 2010.

h) Accounting for Goods and Services Tax (GST)

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

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

i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for any impairment of receivables. Any changes are accounted for in the income statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Summary of Significant Accounting Policies (Cont'd)

j) Payables

Payables represent liabilities for goods and services provided to the Company and other amounts. These financial liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

k) Transmission Lease Asset

Transmission lease start up costs are recognised as a prepayment in the balance sheet and amortised over 10 years, which is the transmission licence term.

l) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The valuation of the accrued liability is based on actual leave entitlements and salary levels at the end of the reporting year and includes provision and payroll on-costs of superannuation and workers' compensation insurance.

m) Income Tax

The Directors believe the company is a non-profit organisation for income tax purposes and as such has no liability for income tax.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Revenue

The Company's main clients are agents for sponsors and Australian program producers.

3. Employee Benefits

| | 2010 | 2009 |
|--------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Salaries | 468,441 | 463,946 |
| Superannuation | 50,541 | 46,823 |
| Annual Leave | (13,711) | 5,130 |
| Other | 73,436 | 55,825 |
| Total Employee Benefits | <u>578,707</u> | <u>571,724</u> |

The Chief Executive Officer's salary for the period August to December 2010 was paid by UWS and they have absorbed the cost and will not be seeking recovery from TVS.

4. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

| | 2010 | 2009 |
|---------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 210,278 | 347,924 |
| Total | <u>210,278</u> | <u>347,924</u> |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

5. Trade and Other Receivables

| | 2010 | 2009 |
|---------------------------|-----------------------|----------------------|
| | \$ | \$ |
| Trade Receivables | 133,899 | 11,780 |
| Prepayments | 38,923 | 67,098 |
| Related Party Receivables | 0 | 1,885 |
| | <u>172,822</u> | <u>80,763</u> |

6. a) Plant and Equipment

| | 2010 | 2009 |
|------------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Plant and Equipment at Cost | 795,915 | 712,720 |
| Accumulated Depreciation | <u>(560,846)</u> | <u>(533,517)</u> |
| TOTAL PLANT & EQUIPMENT | <u>235,069</u> | <u>179,203</u> |

A Reconciliation of the carrying amount of Plant & Equipment at the beginning and at the end of the current financial year is set out below.

| | | |
|---|-----------------------|-----------------------|
| Opening Carrying Value | 179,203 | 185,898 |
| Additions | 83,194 | 11,138 |
| Depreciation Expense | <u>(27,328)</u> | <u>(17,833)</u> |
| CLOSING CARRYING VALUE PLANT & EQUIPMENT | <u>235,069</u> | <u>179,203</u> |

b) Transmission Start Up Fee

| | | |
|--|-----------------------|-----------------------|
| Transmission Fee - at Cost | 400,000 | 400,000 |
| Accumulated amortisation | <u>(201,431)</u> | <u>(161,431)</u> |
| TOTAL TRANSMISSION START UP FEE | <u>198,569</u> | <u>238,569</u> |

The carrying value of the Transmission Start Up Fee is shown in the balance sheet as:

| | | |
|-------------|-----------------------|-----------------------|
| Current | 40,000 | 40,000 |
| Non-Current | <u>158,569</u> | <u>198,569</u> |
| | <u>198,569</u> | <u>238,569</u> |

A Reconciliation of the carrying amount of Transmission Start Up Fee at the beginning and at the end of the current financial year is set out below.

| | | |
|---|-----------------------|-----------------------|
| Opening Carrying Value | 238,569 | 278,569 |
| Amortisation Expense | <u>(40,000)</u> | <u>(40,000)</u> |
| CLOSING CARRYING VALUE TRANSMISSION START UP FEE | <u>198,569</u> | <u>238,569</u> |

7. Trade and Other Payables

| | 2010 | 2009 |
|------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Trade Payables | 49,490 | 84,258 |
| Accrued Expenses | <u>74,567</u> | <u>853,163</u> |
| | <u>124,057</u> | <u>937,421</u> |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

8. Provisions

| | 2010 | 2009 |
|----------------------------|----------------------|----------------------|
| | \$ | \$ |
| Current | | |
| Provision for Annual Leave | 38,474 | 52,185 |
| Total Provisions | <u><u>38,474</u></u> | <u><u>52,185</u></u> |

9. Liability of Members

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 member of the company is liable to contribute an amount not greater than \$10.00.

If the Company is wound up during the time of a member's membership or within one year afterwards, each 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.

10. Accumulated Funds

| | 2010 | 2009 |
|---|---------------------------|---------------------------|
| | \$ | \$ |
| Balance at the Beginning of the Year | (3,322,402) | (3,054,342) |
| (Loss) for the Period | (535,474) | (268,060) |
| Balance at the End of the Year | <u><u>(3,857,876)</u></u> | <u><u>(3,322,402)</u></u> |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

11. Directors Emoluments

Directors of the Company act in an honorary capacity and therefore have not received any remuneration or benefits.

12. Remuneration of Auditors

Audit fees payable to The Audit Office of New South Wales are \$11,000 including GST. The Auditors did not receive any other benefits during the period.

| 2010 | 2009 |
|---------------|---------------|
| \$ | \$ |
| 11,000 | 12,100 |
| <u>11,000</u> | <u>12,100</u> |

13. Capital Expenditure Commitments

a) Other Expenditure Commitments

The Company has not entered into any contractual expenditure commitments that are not otherwise included in the Financial Statements as at 31 December 2010.

14. Financial Risk Management

Television Sydney (TVS) Limited's activities expose it to a number of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the major areas of risk, being interest rate, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the company. Due to the nature of the business operations, hedging activities, such as foreign exchange contracts, are not economically viable for the Company. The Company uses different methods to measure and manage the different types of risk to which it is exposed. These methods include aging analysis for credit risk, sensitivity analysis for interest rate risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

Risk management is carried out on a day-by-day basis by the CEO and CFO under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as banking and foreign exchange. Certain areas of risk, such as credit and liquidity risk, are reviewed by the Board at every meeting.

a) Market risk

i) Foreign Exchange risk

The Company's exposure to 'foreign exchange risk' is minimal.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

ii) Interest rate risk

The Company has cash deposits at bank, which are at floating interest rates, and interest bearing liabilities in the form of related party loans. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

| 31 December 2010 | Carrying amount \$ | -1% | | +1% | |
|------------------------------|--------------------------|---------------|---------------|-----------------|-----------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 210,278 | (2,103) | (2,103) | 2,103 | 2,103 |
| Receivables | 172,822 | (1,728) | (1,728) | 1,728 | 1,728 |
| Financial Liabilities | | | | | |
| Related Party Loan Payable | 4,512,083 | 45,120 | 45,120 | (45,120) | (45,120) |
| Payables | 124,057 | 1,240 | 1,240 | (1,240) | (1,240) |
| Total | (4,253,040) | 42,529 | 42,529 | (42,529) | (42,529) |

| 31 December 2009 | Carrying amount \$ | -1% | | +1% | |
|------------------------------|--------------------------|---------------|---------------|-----------------|-----------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 347,924 | (3,479) | (3,479) | 3,479 | 3,479 |
| Receivables | 80,763 | (808) | (808) | 808 | 808 |
| Financial Liabilities | | | | | |
| Related Party Loan Payable | 3,179,255 | 31,792 | 31,792 | (31,792) | (31,792) |
| Payables | 937,421 | 9,374 | 9,374 | (9,374) | (9,374) |
| Total | (3,687,989) | 36,879 | 36,879 | (36,879) | (36,879) |

iii) Other price risk

The Company's exposure to 'other price risk' is minimal.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The risk arises from credit granted to clients for work performed. The Company's clients predominantly consist of agents for sponsors and Australian program producers. The credit worthiness of these clients is relatively high and the major clients have had an ongoing relationship with the Company for a number of years.

The Company's management continuously monitors the aging of its trade receivables and reports regularly to the Board. As the Company does not hold any collateral, nor have any netting arrangements, the maximum exposure to credit risk is the total fair value of Receivables, being \$71,562 in 2010 (\$11,780 in 2009).

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

| | 2010 | | 2009 | |
|-------------------------|---------------|---------------|--------------|---------------|
| | Current | Past Due | Current | Past Due |
| | | (>30 days) | | (>30 days) |
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Trade Debtors | 57,309 | 14,253 | 1,210 | 10,570 |
| Total | 57,309 | 14,253 | 1,210 | 10,570 |

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates its forecast and actual cash flows monthly. Actual and forecast cash flows are reviewed by the Board at every Board meeting.

Irrespective of market risk and credit risk, as at 31 December 2010 the Company has Total Current Assets of \$423,100 (\$468,687 in 2009) over Total Current Liabilities of \$3,134,740 (\$2,628,987 in 2009). 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. The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

| 31 December 2010 | Nominal amount | Interest Rate Exposure | | Maturity Dates | | |
|------------------------------|------------------|------------------------|------------------------|------------------|-----------|------------------|
| | | Fixed Interest Rate | Variable Interest Rate | <1 Year | 1-5 Years | >5 Years |
| | \$ | | | \$ | \$ | \$ |
| Financial Liabilities | | | | | | |
| Payables | 124,057 | 0 | 0 | 124,057 | 0 | 0 |
| Related Party Loans | 4,512,083 | 0 | 0 | 2,972,209 | 0 | 1,539,874 |
| Total | 4,636,140 | 0.00% | 0.00% | 3,096,266 | 0 | 1,539,874 |

| 31 December 2009 | Nominal amount | Interest Rate Exposure | | Maturity Dates | | |
|------------------------------|------------------|------------------------|------------------------|------------------|-----------|------------------|
| | | Fixed Interest Rate | Variable Interest Rate | <1 Year | 1-5 Years | >5 Years |
| | \$ | | | \$ | \$ | \$ |
| Financial Liabilities | | | | | | |
| Payables | 937,421 | 0.00% | 0.00% | 937,421 | 0 | 0 |
| Related Party Loan Payable | 3,179,255 | 0.00% | 0.00% | 1,639,381 | 0 | 1,539,874 |
| | | - | - | | - | - |
| Total | 4,116,676 | 0.00% | 0.00% | 2,576,802 | 0 | 1,539,874 |

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Financial Risk Management (continued)

1. The amounts disclosed are contractual undiscounted cash flows of each class of financial liability and therefore may not reconcile to the balance sheet.

d) Fair value estimation

The company does not hold any derivatives, either publicly traded, contracts classified as held for trading, or over-the-counter derivatives. Unless otherwise stated, all financial instrument amounts are carried in the accounts at net fair value which is considered to equate with the carrying amount as per the Statement of Financial Position.

15. Reconciliation of Operating Profit/(Loss) to Net Cash Flows from Operating

| | 2010 | 2009 |
|---|------------------------|-----------------------|
| | \$ | \$ |
| Profit/(Loss) | (535,474) | (268,060) |
| Depreciation/Amortisation | 67,328 | 57,833 |
| Movement in Payables | 519,463 | 355,712 |
| Movement in Debtors | (120,233) | 7,860 |
| Movement in Provisions | (13,711) | 5,131 |
| Movement in Prepayments | 28,175 | (35,503) |
| Net Cash from Operating Activities | <u>(54,452)</u> | <u>122,973</u> |

16. Related Party Transactions

| | 2010 | 2009 |
|---|------------------|------------------|
| | \$ | \$ |
| a) The following amounts were payable by related parties as at the end of the period: | | |
| Education Training Community Television (ETC TV) Limited | <u>0</u> | <u>1,885</u> |
| | <u>0</u> | <u>1,885</u> |
| b) The following amounts were payable to related parties as at the end of the period: | | |
| University of Western Sydney | 4,512,083 | 3,179,255 |
| Transmission Equipment Payable (UWS) | <u>23,453</u> | <u>823,966</u> |
| | <u>4,535,536</u> | <u>4,003,221</u> |

University of Western Sydney - Repayment of \$2,972,209 owed to the University of Western Sydney is deferred. Interest is payable on that amount at 2% (2009 2%) above the published rate of the Reserve Bank of Australia but has been waived up to the current (and prior) period.

TELEVISION SYDNEY (TVS) LIMITED
ACN 104 674 124

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

17. University of Western Sydney Guarantee

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.

18. Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities at 31 December 2010.

19. Events after the Balance Date

The Company is not aware of any after balance date events that would render any particulars included in the Financial Statements as at 31 December 2010 to be misleading or inaccurate.

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

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 2010, 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.

A handwritten signature in black ink, appearing to read "Peter Boulous". The signature is stylized with a large, looping initial "P" and "B".

Peter Boulous
Director Financial Audit Services

16 March 2011
SYDNEY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of Western Sydney Foundation Limited

To Members of the New South Wales Parliament and Members of the 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 statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion the financial statements:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2010 and of 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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.

I believe that 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, *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, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role 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 University of Western Sydney Foundation Limited on 16 March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

23 March 2011
SYDNEY

University of Western Sydney – Foundation Ltd

Financial Statements – 31 December 2010

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UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

DIRECTORS' REPORT

The Directors of the University of Western Sydney Foundation Limited (limited by guarantee) submit the financial statements for the year ended 31 December 2010 and report as follows:

Information on the Directors

1. The Directors of the Company at the date of this report are:

| DIRECTOR | QUALIFICATIONS AND EXPERIENCE | SPECIAL ROLES | PARTICULARS OF SHARES IN THE COMPANY | DIRECTORS INTEREST IN CONTRACTS |
|----------------------------|--|----------------------|---|--|
| John PHILLIPS | AO, BEc (<i>Sydney</i>), FCPA, FAIB Chancellor, UWS since 2001. Foreign Investment Review Board. Past Deputy Governor and Deputy Chairman of Board of Reserve Bank. | Chair | Nil | Nil |
| Prof Janice REID | AM, BSc (<i>Adel</i>), MA (<i>Hawaii</i>), PhD (<i>Stan</i>), MA (<i>Stan</i>), Vice-Chancellor, UWS since 1998. | Nil | Nil | Nil |
| Mark RICHARDSON | BSc(Hons) MBA. MAICD Wolseley Partners Managing Director. Chairman of Stream. Alternate Director of Transonic. | Nil | Nil | Nil |
| Prof Chung-Tong WU | BArch (<i>Calif</i>), MSc (<i>Columbia</i>) PhD (<i>Calif</i>) MPIA, RAIA. Professorial Fellow, Urban Research Centre. | Nil | Nil | Nil |
| Lindley EDWARDS | BBus (Banking&Accounting); BBus (Accounting); PGDipCorpGovernance; MAICD; FINSIA. Group CEO AFG Venture Group, CRC Ctee Member | Nil | Nil | Nil |
| Prof Richard BAWDEN | PhD (1966) University of Queensland, BSc (Agric). Hons. (1961) University of London Chair UWS Hawkesbury Foundation <i>Professor Emeritus</i> University of Western Sydney (UWS) Australia <i>Adjunct Professor</i> , Michigan State University (MSU) <i>Visiting Professor</i> , Open University (OU) UK. <i>Managing Director</i> : Richard Bawden and Associates (2006 – current) <i>Managing Director</i> : Hynwest (Consulting) Pty Ltd (1980–current) <i>Director</i> : Systemic Development Institute (SDI) (1998-current) | Nil | Nil | Nil |

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

DIRECTORS' REPORT

| <i>DIRECTOR</i> | QUALIFICATIONS AND EXPERIENCE | SPECIAL ROLES | PARTICULARS OF SHARES IN THE COMPANY | DIRECTORS INTEREST IN CONTRACTS |
|------------------------|---|-------------------------------------|---|--|
| Roy MEDICH | Managing Director, Medich Holdings | Nil | Nil | Nil |
| John BANKS | Director, Talent2 | Nil | Nil | Nil |
| Kathleen SHANE | MEd (<i>QldUT</i>), BEd (<i>Murd</i>), DipTeach (<i>CTC</i>) Senior Executive Officer, Office of DVC Academic and Enterprise | Company Secretary (Not Director) | Nil | Nil |

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

DIRECTORS' REPORT

2. The Board of Directors of the company met 5 times during 2010. Attendances were:

| | No. of meetings eligible to attend | No. of meetings attended |
|---|---|-------------------------------------|
| Mr. John Phillips (Chair) | 5 | 5 |
| Prof. Janice Reid | 5 | 4 |
| Mr. Mark Richardson | 5 | 3 |
| Prof. Chung-Tong Wu | 5 | 5 |
| Mr. Roy Medich | 5 | 3 |
| Mr. John Banks | 5 | 1 |
| Ms. Lindley Edwards | 5 | 2 |
| Prof. Richard Bawden (appointed 26/05/2010) | 2 | 1 |
| Mr. Ian Stone (resigned 27/04/2010) | 1 | 0 |
| Mr. Brian Lindsay (resigned 26/04/10) | 2 | 2 |
| Dr. Maria Pethard (resigned 31/12/2010) | 5 | 2 |
| Ms. Vivienne James (resigned 31/12/2010) | 5 | 5 |
| Ms. Kathleen Shane (Company Secretary) | 5 | 5 |

3. Principal Activities

The Company was incorporated on 6 May 1991. The principal activities of the Company during the period have been to manage the University of Western Sydney Foundation Trust and to act as the Trustee of the Trust.

The main function of the Company is fundraising in support for the University and the effective management control of all Trust funds held within the Foundation Trust account.

4. Operating Results and Review of Operations for the Year

In the financial year ended 31 December 2010 the total income received by the Trust was \$3,113,523 (\$11,095,665 in 2009) with operating expenses of \$1,199,411 (\$519,980 in 2009). The main contributors were:

- During 2010 the University agreed to transfer \$883,000 to the Foundation to support the "Peter Brennan Chair in General Practice" project.
- In 2010 the Foundation also received general donations/student scholarship funds of \$1,136,882 for support of student scholarships and endowed academic positions. In 2010 interest was paid on invested funds of \$893,989.
- The Foundation's expenditure in 2010 for student scholarships and prizes was \$725,350.
- The Foundation received dividends of \$56,391 and bequests of \$40,500 during 2010.

5. After Balance Date Events

No matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect:

- i) the operations of the Company
- ii) the results of those operations, or
- iii) the state of affairs of the Company.

DIRECTORS' REPORT

6. Director Related Benefits

During the financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member or with a company in which he/she has a financial interest.

7. Significant change in state of affairs

There have been no significant changes in the state of affairs of the Company during the financial period.

8. Indemnifying Officers

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company.

9. No dividends have been paid during the year and no recommendation is made as to dividends.

10. In the financial year subsequent to the year ended 31 December 2010, the Company expects to continue to support and assist the University of Western Sydney in the provision of scholarships and contributions to educational facilities. The Company intends to continue to encourage the donation of gifts and support to the Foundation via its Trust and/or to the University.

11. The Auditor's Independence Declaration is attached to this report.

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act 2001.

This 16th day of March 2011.



DIRECTOR
John Phillips



DIRECTOR
Prof. Janice Reid

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

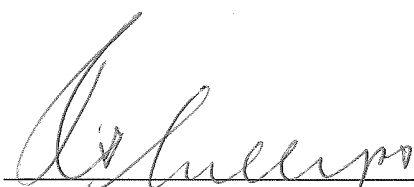
DIRECTORS DECLARATION
(Public Finance and Audit Act 1983)

In accordance with a resolution of the Directors of the University of Western Sydney Foundation Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 and the Corporations Act 2001, we state that:

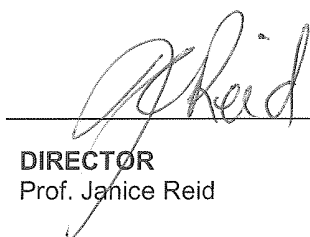
1. The attached general purpose financial statements present a true and fair view of the financial position of the Company as at 31 December 2010 and the performance of the Company for the year then ended;
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010 and the Corporations Act 2001. The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory financial reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
3. We are not aware of any circumstance that has arisen which would render any particulars included in the financial statements to be misleading or inaccurate; and
4. There are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed on behalf of the Board and in accordance with a resolution of the Directors.

This 16th day of March 2011.



DIRECTOR
John Phillips



DIRECTOR
Prof. Janice Reid

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

DIRECTORS DECLARATION
(Charitable Fundraising Act 1991)

Pursuant to condition 7(4) of the Authority to Fundraise under the Charitable Fundraising Act 1991, we state that:

1. The attached general purpose financial statements present a true and fair view of all income and expenditure of the Company and Trust with respect to fund raising appeals during the year ended 31 December 2010.
2. The Statement of Comprehensive Income gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the Company and Trust.
3. The provisions of the Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the authority have been complied with by the Company and Trust.
4. The internal controls exercised by the Company and Trust are appropriate and effective in accounting for all income received and applied by them for any fundraising appeals.

Signed on behalf of the Board and in accordance with a resolution of the Directors .

This 16th day of March 2011.



DIRECTOR
John Phillips



DIRECTOR
Prof. Janice Reid

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|---------------------|---------------------|
| Revenue from Continuing Operations | | | |
| Transfer from UWS Foundation Trust | | 0 | 1,838 |
| Transfer from University of Western Sydney | | 1,480 | 0 |
| Total Revenue from Continuing Operations | | <u>1,480</u> | <u>1,838</u> |
| Expenses from Continuing Operations | | | |
| Audit Fees | 12 | 1,480 | 1,587 |
| Meeting Fees | 13 | 0 | 251 |
| Total Expenses from Continuing Operations | | <u>1,480</u> | <u>1,838</u> |
| Operating Result | | <u>0</u> | <u>0</u> |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income for the Year | | <u>0</u> | <u>0</u> |

The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|----------------------------------|------|---------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & Cash Equivalents | 5 | 1,638 | 0 |
| Other Financial Assets | 6 | 0 | 1,594 |
| TOTAL CURRENT ASSETS | | <u>1,638</u> | <u>1,594</u> |
| TOTAL ASSETS | | <u>1,638</u> | <u>1,594</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Payables | 7 | 1,628 | 1,584 |
| TOTAL CURRENT LIABILITIES | | <u>1,628</u> | <u>1,584</u> |
| TOTAL LIABILITIES | | <u>1,628</u> | <u>1,584</u> |
| NET ASSETS | | <u>10</u> | <u>10</u> |
| EQUITY | | | |
| Settlement Capital | 4 | 10 | 10 |
| Retained Earnings | | 0 | 0 |
| TOTAL EQUITY | | <u>10</u> | <u>10</u> |

The above Statement of Financial Position
should be read in conjunction with the accompanying notes

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|----------|---------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Receipts | | 1,480 | 1,838 |
| Payments to Suppliers | | (1,436) | (1,478) |
| Net Cash Flows provided by/(used in) Operating Activities | 8 | <u>44</u> | <u>360</u> |
| Cash Flows from Investing Activities | | | |
| Investment in Financial Assets | | 0 | (360) |
| Redemption of Investments | | 1,594 | 0 |
| Net cash provided by / (used in) investing activities | | <u>1,594</u> | <u>(360)</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | 1,638 | 0 |
| Cash and Cash Equivalents at the Beginning of the Year | | 0 | 0 |
| Cash and Cash Equivalents at the End of the Year | | <u>1,638</u> | <u>0</u> |

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

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|----------------------|----------------------|
| Total equity at the beginning of the year | | 10 | 10 |
| Total Comprehensive income for the year | | 0 | 0 |
| Total equity at the end of the year | | <u>10</u> | <u>10</u> |

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

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of significant accounting policies

The financial statements of the University of Western Sydney Foundation Ltd (the Company) for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on the 16th March 2011.

The ultimate parent of the Company is the University of Western Sydney. The Company's accounting records are maintained by the University of Western Sydney.

The company is a not-for-profit entity. The Company's primary activity throughout 2010 has been to manage the UWS Foundation Trust and act as a Trustee of the Trust.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010, applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), other mandatory financial reporting requirements and the Corporations Act 2001.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Change in Equity are prepared on an accrual and going concern basis. The Statement of Cash Flows is prepared on a cash basis using the 'direct' method.

The financial statements are prepared in accordance with the historical cost convention. All amounts are expressed in Australian currency.

(b) Financial Instruments

The Company's principal financial instruments comprise payables and other financial assets.

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

The Board reviews and agrees policies for managing each of the risks identified below.

Risk Exposures and Responses

Interest rate risk

The Company has no long term debt obligation, interest rate risk is considered minimal.

Price risk

The Company's exposure to price risk is considered minimal.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise other financial assets. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount. Exposure at 31 December 2010 is addressed in each applicable note.

Liquidity risk

Exposure to liquidity risk is considered minimal.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Critical Accounting Estimates

The preparation of the 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 the Company's accounting policies.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

(d) New Australian Accounting Standards issued but not yet effective

The Company did not adopt any new Accounting Standards issued but not yet effective.

The Company has assessed the impact of these new standards and Interpretations and considers the impact to be insignificant.

(e) Comparatives

Where appropriate and practical the previous year's comparative information had been adjusted to conform to the current year's presentation.

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company and interest if applicable.

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually paid within 30 days of recognition.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except:

- i) where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the acquisition cost of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the cash flows statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(h) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. An allowance for impairment is made against any doubtful debts based on a review of all outstanding amounts at balance date. The credit risk is the carrying amount (net of any allowance impairment). No interest is earned on trade debtors. The carrying amount approximates fair value.

Trade and other receivables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually receipted within 30 days of recognition.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

2. Directors

The Directors of the Company in office as at 31 December 2010 were:

Director
John Phillips (Chair)
Prof. Janice Reid
Mark Richardson
Prof. Chung-Tong Wu
Roy Medich
John Banks
Lindley Edwards
Prof. Richard Bawden
Kathleen Shane (Company
Secretary)

Directors of the Company act in an honorary capacity. No emoluments or other benefits were paid for their services in 2010 (2009: \$ Nil).

3. A Company Limited Guarantee

The Foundation is a company incorporated under the Corporations Act 2001 as a company limited by guarantee. The amount of the guarantee is limited to \$5 for every member and is not capable of being called up except for the purpose of winding up.

4. Deed of Trust

A trust deed dated 9 May 1991 was settled between the settlor and the University of Western Sydney Foundation Limited. Under the trust deed the company acts as trustee of the University of Western Sydney Foundation Trust. Under the Trust deed, the settlor provided the company with the original settlement capital of \$10.

5. Cash & Cash Equivalents

| | 2010 | 2009 |
|---------------------------|--------------|-------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 1,638 | 0 |

6. Other Financial Assets

| | 2010 | 2009 |
|--|-------------|--------------|
| | \$ | \$ |
| Fair value through profit or loss: ING Investment Management | 0 | 1,594 |

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

7. Payables

Amounts included under this item are as follows:

| | 2010 | 2009 |
|--------------------|---------------------|---------------------|
| | \$ | \$ |
| Audit Fees Payable | 1,480 | 1,440 |
| GST Payable | 148 | 144 |
| | <u>1,628</u> | <u>1,584</u> |

8. Reconciliation of Operating Result to Net Cash Flows from Operating Activities:

| | 2010 | 2009 |
|---|------------------|-------------------|
| | \$ | \$ |
| Profit for the Year | 0 | 0 |
| Increase/(Decrease) in Payables | 44 | 360 |
| Net Cash from Operating Activities | <u>44</u> | <u>360</u> |

9. Contingent Liabilities

The Company is not aware of any contingent liabilities in existence as at 31 December 2010 (Nil in 2009).

10. Commitments

The Company has not entered into any commitments which are not otherwise included in the Financial Statements as at 31 December 2010 (Nil in 2009).

11. Economic Dependency

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

12. Audit Fees

Audit fees payable to The Audit Office of New South Wales are \$1,480 (\$1,440 in 2009) ex. GST. The Auditors did not receive any other benefits during the period.

| | 2010 | 2009 |
|----------------------------------|--------------|--------------|
| | \$ | \$ |
| Audit Fee UWS Foundation Limited | 1,480 | 1,440 |

UNIVERSITY OF WESTERN SYDNEY FOUNDATION LIMITED
A.C.N. 050 679 671

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

13. Meeting Expenses

Meeting expenses of \$Nil were incurred during 2010, (\$251 in 2009). In accordance with the Trust deed these fees are subsequently reimbursed by the Trust.

14. Related Party Disclosure

The Parent entity is the University of Western Sydney

15. After Balance Sheet Date Events

There are no events after Balance Sheet Date that have a material impact on the accounts

END OF AUDITED FINANCIAL

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of Western Sydney Foundation Trust

To Members of the New South Wales Parliament

Report on the Financial Statements

I have audited the accompanying financial statements of the University of Western Sydney Foundation Trust (the Trust), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, and the Directors' declaration statement.

Qualified Auditor's Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been necessary had I been able to satisfy myself as to the completeness of donated and fundraising revenue, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 December 2010, and its financial performance 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
- are in accordance with the *Charitable Fundraising Act 1991* (CF Act) and the Charitable Fundraising Regulation 2008 (CF Regulation), including showing a true and fair view of the Trust's financial result of fundraising appeals for the year ended 31 December 2010

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

Basis for Qualified Auditor's Opinion

As is common for entities that have donations and fundraising as sources of revenue, it is impracticable for the Trust to maintain an effective system of internal control over donated and fundraising revenues it receives until their initial entry into the financial records. Accordingly, as the evidence available to me regarding revenue from these sources was limited, my audit procedures with respect to these revenues were restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion on whether all donated and fundraising revenues received by the Trust during the year ended 31 December 2010 have been recorded in its financial records. My auditor's report for the year ended 31 December 2009 was similarly qualified.

The Directors' Responsibility for the Financial Statements

The Directors of the Trust are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the CF Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements 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. Except as discussed in the qualification paragraph, I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 Trust's preparation and fair presentation of the financial statements 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 Trust'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 that 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 has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal control
- that the Trust has complied with requirements and conditions of the CF Act, and CF Regulation that do not relate to the preparation and presentation of the financial statements
- 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.

Report on Other Aspects of the *Charitable Fundraising Act 1991*

In addition, I have audited the Trust's operations in order to express an opinion on the matters specified at sections 24(2)(b), 24(2)(c) and 24(2)(d) of the CF Act for the year ended 31 December 2010.

Qualified Auditor's Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been necessary had I been able to satisfy myself as to the completeness of donated and fundraising revenue:

- the Trust has properly kept the ledgers and associated records during the year ended 31 December 2010 in accordance with the CF Act and CF Regulation (section 24(2)(b) of the CF Act)
- the Trust has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 31 December 2010 in accordance with the CF Act and the CF Regulation (section 24(2)(c) of the CF Act)
- there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (section 24(2)(d) of the CF Act).

My opinion should be read in conjunction with the rest of this report, including the inherent limitations.

Basis for Qualified Auditor's Opinion

As is common for entities that have donations and fundraising as sources of revenue, it is impracticable for the Trust to maintain an effective system of internal control over donated and fundraising revenues it receives until their initial entry into the financial records. Accordingly, as the evidence available to me regarding revenue from these sources was limited, my audit procedures with respect to these revenues were restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion on whether all donated and fundraising revenues received by the Trust during the year ended 31 December 2010 have been recorded in its financial records. My auditor's report for the year ended 31 December 2009 was similarly qualified.

The Directors' Responsibility under the CF Act

The Directors of the Trust are responsible for complying with the requirements and conditions of the CF Act and CF Regulation. This responsibility includes establishing and maintaining internal control over the conduct of all fundraising appeals; ensuring that all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for; and maintaining proper books of account and records.

The Directors are also responsible for ensuring that the Trust will be able to pay its debts as and when they fall due.

Auditor's Responsibility

My responsibility is to express an opinion on the matters specified at sections 24 (2)(b), 24 (2)(c), and 24 (2)(d) of the CF Act. Except as discussed in the qualification paragraph, I conducted my audit in accordance with applicable Australian Auditing Standards and Standards on Assurance Engagements to obtain reasonable assurance whether the Trust has, in all material respects, complied with specific requirements of the CF Act and CF Regulation, and whether there are reasonable grounds to believe the Trust will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (future debts).

This audit involved performing procedures to obtain audit evidence about the Trust's compliance with the CF Act and CF Regulation and its ability to pay future debts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material breaches of compliance and inability to pay future debts. In making those risk assessments, the auditor considers relevant internal controls 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 Trust's internal control.

My procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Trust's compliance with specific requirements of the CF Act and CF Regulation, and assessing the reasonableness and appropriateness of management's assessment regarding the Trust's ability to pay future debts.

Inherent Limitations

Because of inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the CF Act may occur and not be detected. My procedures have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered all requirements of the CF Act and CF Regulation.

Any projection of the evaluation of compliance with the CF Act to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Whilst evidence is available to support the Trust's ability to pay future debts, such evidence is future orientated and speculative in nature. As a consequence, actual results are likely to be different from the information on which the opinion is based, since anticipated events frequently do not occur as expected or assumed and the variations between the prospective opinion and the actual outcome may be significant.

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, Standards on Assurance Engagements 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 role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

24 March 2011
SYDNEY

University of Western Sydney – Foundation Trust Financial Statements – 31 December 2010

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Statement of Changes in Equity
Notes to and forming part of the Financial Statements

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

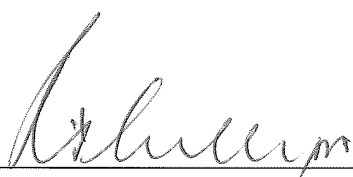
DIRECTORS DECLARATION
(Public Finance and Audit Act 1983)

In accordance with a resolution of the Directors of the trustee company University of Western Sydney Foundation Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements present a true and fair view of the financial position of the Company as at 31 December 2010 and the performance of the Trust 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, Public Finance and Audit Regulation 2010. The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory financial reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
3. We are not aware of any circumstance that has arisen which would render any particulars included in the financial statements to be misleading or inaccurate; and
4. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

Signed on behalf of the Board and in accordance with a resolution of the Directors.

this 16th day of March 2011.



DIRECTOR

John Phillips



DIRECTOR

Prof. Janice Reid

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|-------------------------|--------------------------|
| Revenue from Continuing Operations | | | |
| Student Scholarships and Prizes | | 356,812 | 525,596 |
| General Donations | | 780,070 | 897,594 |
| Transfers from University of Western Sydney - Endowment Fund | 5 | 883,000 | 8,400,000 |
| Bequests | | 40,500 | 0 |
| Sponsorships | | 0 | 100,000 |
| Interest Income | 6 | 893,989 | 1,172,475 |
| Dividends | | 56,391 | 0 |
| Distributions | | 228,650 | 0 |
| Other Investment Income | 6 | (125,889) | 0 |
| Total Revenue from Continuing Operations | | <u>3,113,523</u> | <u>11,095,665</u> |
| Expenses from Continuing Operations | | | |
| Student Scholarships and Prizes | | 725,350 | 302,495 |
| Audit Fees | 7 | 5,920 | 6,350 |
| Transfer to UWS Foundation Limited | | 0 | 1,838 |
| Transfers to University of Western Sydney | 8 | 456,000 | 207,000 |
| Sponsorship | | 12,000 | 0 |
| Other Expenses | | 141 | 24 |
| Event Expenses | | 0 | 2,273 |
| Total Expenses from Continuing Operations | | <u>1,199,411</u> | <u>519,980</u> |
| Operating Profit | | 1,914,112 | 10,575,685 |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income for the Year | | 1,914,112 | 10,575,685 |

The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|----------------------------------|------|--------------------------|--------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Other Financial Assets | 9 | 10,195,676 | 5,000,000 |
| Cash and Cash Equivalents | 10 | 16,987,132 | 21,178,236 |
| Trade and Other Receivables | 11 | 993,250 | 83,500 |
| TOTAL CURRENT ASSETS | | 28,176,058 | 26,261,736 |
| TOTAL ASSETS | | <u>28,176,058</u> | <u>26,261,736</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 12 | 6,388 | 6,178 |
| TOTAL CURRENT LIABILITIES | | 6,388 | 6,178 |
| TOTAL LIABILITIES | | <u>6,388</u> | <u>6,178</u> |
| NET ASSETS | | <u>28,169,670</u> | <u>26,255,558</u> |
| EQUITY | | | |
| Retained Surplus | 13 | 28,169,670 | 26,255,558 |
| TOTAL EQUITY | | <u>28,169,670</u> | <u>26,255,558</u> |

The above Statement of Financial Position
should be read in conjunction with the accompanying notes

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 | 2009 |
|--|-------------|-------------------------|--------------------------|
| <i>Cash Flows from Operating Activities</i> | | \$ | \$ |
| Transfers from University of Western Sydney – Endowment Fund | | 0 | 8,400,000 |
| Receipts from General Donations | | 780,070 | 897,594 |
| Interest Received - University of Western Sydney | | 893,989 | 1,172,475 |
| Receipts from Scholarships | | 330,062 | 449,596 |
| Receipts from Bequests | | 40,500 | 0 |
| Receipts from Sponsorships | | 0 | 100,000 |
| Receipts from Dividends | | 56,391 | 0 |
| Receipts from Distributions | | 228,650 | 0 |
| Other Investment Income | | (125,889) | 0 |
| Payments for Scholarships | | (725,350) | (302,495) |
| Transfers to University of Western Sydney | | (456,000) | (207,000) |
| Payments for Sponsorship | | (12,000) | 0 |
| Payments to Other Suppliers | | (5,851) | (9,201) |
| Net Cash Flows provided by/(used in) Operating Activities | 14 | <u>1,004,572</u> | <u>10,500,969</u> |
| Cash Flows from Investing Activities | | | |
| Investment in Financial Assets | | (5,195,675) | 10,677,267 |
| Net cash (used in) investing activities | | (5,195,675) | 10,677,267 |
| Net increase/(decrease) in cash and Cash Equivalents | | (4,191,103) | 21,178,235 |
| Cash and Cash Equivalents at the Beginning of the Year | | 21,178,235 | - |
| Cash and Cash Equivalents at the End of the Year | | 16,987,132 | 21,178,235 |

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

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|------------------------------|------------------------------|
| Total equity at the beginning of the year | | 26,255,558 | 15,679,872 |
| Total Comprehensive Income for the year | | 1,914,112 | 10,575,686 |
| Total equity at the end of the year | | <u>28,169,670</u> | <u>26,255,558</u> |

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

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of significant accounting policies

The financial statements of the University of Western Sydney Foundation Trust (the Trust) for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on the 16th March 2011.

The ultimate parent of the Trust is the University of Western Sydney. The Trust's accounting records are maintained by the University of Western Sydney.

The UWS Foundation Trust is a not for profit entity. Its objective is to raise funds in support of the University, and the effective management control of all Trust funds held within the Foundation Trust account. In partnership with the local community and the business world, the UWS Foundation delivers educational opportunities by fundraising for scholarships, prizes, research, academic programs, teaching facilities and other special projects.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010, applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and other mandatory financial reporting requirements.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity are prepared on an accrual and going concern basis. The Statement of Cash Flows is prepared on a cash basis using the 'direct' method.

The financial statements are prepared in accordance with the historical cost convention. All amounts are expressed in Australian currency.

(b) Financial Instruments

The Trust's principal financial instruments comprise payables, receivables and other financial assets.

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

The Board reviews and agrees policies for managing each of the risks identified below.

Risk Exposures and Responses

Interest rate risk

Fair value interest risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates.

The Trust exposure to interest risk is minimal as it has no borrowings and the amounts held in ING investment portfolio are strictly monitored.

Price risk

The Trust's exposure to price risk is considered minimal.

Credit risk

Credit risk arises from the financial assets of the Trust, which comprise other financial assets and trade receivables. The Trust's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount. Exposure at 31 December 2010 is addressed in each applicable note.

Liquidity risk

Exposure to liquidity risk is considered minimal.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 or Other Price Risk.

| 31 December 2010 | | Interest Rate Risk | | | |
|-----------------------------------|------------------------|---------------------------|-----------|---------------|-----------|
| | | RESULT | | EQUITY | |
| Financial Assets | Carrying Amount | -1% | 1% | -1% | 1% |
| Other Financial Asset | 10,195,676 | (101,957) | 101,957 | (101,957) | 101,957 |
| Cash & Cash Equivalents | 16,987,132 | (169,871) | 169,871 | (169,871) | 169,871 |
| Receivables | 993,250 | | | | |
| Financial Liabilities | | | | | |
| Payables | 6,388 | | | | |
| Total Increase/ (Decrease) | | (271,828) | 271,828 | (271,828) | 271,828 |

| 31 December 2009 | | Interest Rate Risk | | | |
|-----------------------------------|------------------------|---------------------------|-----------|---------------|-----------|
| | | RESULT | | EQUITY | |
| Financial Assets | Carrying Amount | -1% | 1% | -1% | 1% |
| Other Financial Asset | 5,000,000 | (50,000) | 50,000 | (50,000) | 50,000 |
| Cash & Cash Equivalents | 21,178,235 | (211,782) | 211,782 | (211,782) | 211,782 |
| Receivables | 83,500 | | | | |
| Financial Liabilities | | | | | |
| Payables | 6,178 | | | | |
| Total Increase/ (Decrease) | | (261,782) | 261,782 | (261,782) | 261,782 |

(c) Revenue Recognition

Revenue is measured at the fair value of the contributions received or receivable.

Revenue on interest income is recognised as it accrues using the effective interest method.

Revenue from other sources is recognised to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(d) Critical Accounting Estimates

The preparation of the 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 the Trust's accounting policies.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

(e) New Australian Accounting Standards issued but not yet effective

The Trust did not adopt any new Accounting Standards issued but not yet effective.

The Trust has assessed the impact of these new standards and Interpretations and considers the impact to be insignificant.

(f) Comparatives

Where appropriate and practical the previous year's comparative information had been adjusted to conform to the current year's presentation.

(g) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Trust and interest if applicable.

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually paid within 30 days of recognition.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except:

- j) where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the acquisition cost of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the cash flows statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(i) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. An allowance for impairment is made against any doubtful debts based on a review of all outstanding amounts at balance date. The credit risk is the carrying amount (net of any allowance impairment). No interest is earned on trade debtors. The carrying amount approximates fair value.

Trade and other receivables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually receipted within 30 days of recognition.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Trustees

The University of Western Sydney Foundation Limited has been appointed as Trustee of the Trust. The Directors of the Company in office as at 31 December 2010 were:

Director
John Phillips (Chair)
Prof. Janice Reid
Prof. Chung-Tong Wu
Mark Richardson
Roy Medich
John Banks
Ms Lindley Edwards
Prof. Richard Bawden (appointed 26/05/2010)
Kathleen Shane (Company Secretary)

3. Deed of Trust

The Deed of Trust was settled between the settlor and the University of Western Sydney Foundation Limited as Trustee to the value of \$10 on 9 May 1991.

4. Tax Status

The Trust has been granted tax-exempt status and is not required to lodge an Australian income tax return.

5. Endowment Fund

During 2010 the University agreed to transfer \$883,000 to the Foundation to support the "Peter Brennan Chair in General Practice" project.

Below are the details of the transfers:

| | 2010 | 2009 |
|--|-----------------------|-------------------------|
| | \$ | \$ |
| Contribution to Endowment Fund - College of Arts | 0 | 6,650,000 |
| Contribution to Endowment Fund – Education Australia | 0 | 1,000,000 |
| Contribution to Endowment Fund – UWS College | 0 | 750,000 |
| Contribution to Endowment Fund – UWS School of Medicine | 883,000 | 0 |
| Total Transfers from University of Western Sydney | <u>883,000</u> | <u>8,400,000</u> |

6. Investment Income

During the year ending 31st December 2010 the Trust separated its investments from the University of Western Sydney parent entity. The University parent entity continues to invest on behalf of the Trust.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Investment income was received in the form of interest, dividends and distributions from Managed Funds, totalling \$1,179,030. Other investment income which represented changes to fair value of financial assets designated as at fair value through profit & loss amounts to a unrealised loss of \$125,889.

7. Audit Fees

Audit fees payable to The Audit Office of New South Wales are \$7,400 (\$7,937 for 2009), excluding GST. The Auditors did not receive any other benefits during the period.

| | 2010 | 2009 |
|----------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Audit Fee UWS Foundation Trust | 5,920 | 6,350 |
| Audit Fee UWS Foundation Limited | 1,480 | 1,587 |
| | <u>7,400</u> | <u>7,937</u> |

8. Transfers to University of Western Sydney

The Foundation during the year received donated funds and scholarship funds on behalf of UWS Colleges of \$456,000 (\$207,000 in 2009). During the year these funds were transferred to the Colleges for appropriation. Below are the details of the transfers:

| | 2010 |
|--|-----------------------|
| | \$ |
| College of Business – Donation from NSW Trustee and Guardian to support Fellow in Elder Law | 50,000 |
| College of Health & Science – Donation from Willimbury Pty Ltd for Men's Health Information & Resource Centre's Revolving Door Project. | 10,000 |
| College of Health & Science– Donation for the School of Medicine , Peter Brennan Chair | 150,000 |
| College of Health & Science – Donation from Inghams Enterprises Pty Ltd - Prostrate Cancer Research | 150,000 |
| College of Health & Science – Donation from Merck Sharp & Dohme for support of "Discovery Science @ UWS" | 10,000 |
| College of Health & Science – Donation from Medich Bachelor of Medical Research scholarship | 10,000 |
| College of Health & Science – Donation from John Cootes Furniture for Men's Health Information & Resource Centre's Revolving Door Project. | 50,000 |
| College of Health & Science – Miscellaneous Donation for studies in Traditional Chinese Medicine in the Centre for Complementary Medicine | 26,000 |
| Total Transfers to University of Western Sydney | <u>456,000</u> |

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

9. Other Financial Asset

| | 2010 | 2009 |
|--|--------------------------|-------------------------|
| | \$ | \$ |
| Fair value through profit or loss: ING Investment Management | 10,195,676 | 5,000,000 |
| | <u>10,195,676</u> | <u>5,000,000</u> |

10. Cash and Cash Equivalents

| | 2010 | 2009 |
|---------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 16,987,132 | 21,178,235 |
| | <u>16,987,132</u> | <u>21,178,235</u> |

11. Trade and Other Receivables

| | 2010 | 2009 |
|---------------------|-----------------------|----------------------|
| | \$ | \$ |
| Trade Debtors | 110,250 | 83,500 |
| Receivable from UWS | 883,000 | 0 |
| | <u>993,250</u> | <u>83,500</u> |

As of 31 December 2010, trade debtors of \$22,250 (2009: \$2,500) were past due but not impaired. These relate to customers for whom there is no recent history of default. The ageing analysis of the receivable is as follows:

| | 2010 | 2009 |
|---------------|-------------|-------------|
| | \$ | \$ |
| 3 to 6 months | 20,000 | 2,500 |
| Over 6 months | 2,250 | 0 |

12. Trade and Other Payables

Amounts included under this item are as follows:

| | 2010 | 2009 |
|----------------------|---------------------|---------------------|
| | \$ | \$ |
| Audit Fees Payable | 5,920 | 5,616 |
| GST & Other Payables | 468 | 562 |
| | <u>6,388</u> | <u>6,178</u> |

13. Retained Earnings

| | 2010 | 2009 |
|----------------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Retained Earnings at 1 January | 26,255,558 | 15,679,872 |
| Profit for the Year | 1,914,112 | 10,575,686 |
| Retained Earnings at 31 December | <u>28,169,670</u> | <u>26,255,558</u> |

\$26,780,455 (\$14,177,100 in 2009) of the accumulated funds results from donations and fundraising for specific purposes. These are held by the Trust for such purposes.

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

14. Reconciliation of Operating Result to Net Cash Flows from Operating Activities:

| | 2010 | 2009 |
|---|-------------------------|--------------------------|
| | \$ | \$ |
| Profit for the Year | 1,914,112 | 10,575,686 |
| Increase / (Decrease) in Payables | 210 | 1,283 |
| (Increase) / Decrease in Receivables | (909,750) | (76,000) |
| Net Cash from Operating Activities | <u>1,004,572</u> | <u>10,500,969</u> |

15. Contingent Liabilities

The Directors of the Trustee Company are not aware of any contingent liabilities in existence as at 31 December 2010 (Nil in 2009).

16. Commitments

The University of Western Sydney Foundation Trust has not entered into any commitments, which are not otherwise included in the financial statements as at 31 December 2010 (Nil in 2009).

17. Economic Dependency

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

18. Related Party Disclosure

(a) Parent Entity

The Parent Entity is University of Western Sydney

19. After Balance Sheet Date Events

There are no events after Balance Sheet Date that have a material impact on the accounts.

20. Information to be furnished under the Charitable Fundraising Act 1991.

20.1 Fundraising Appeals conducted during the year.

Fundraising activities conducted during the year were;

i) Prize Appeals

- a. 2009 Academic Year Prize Appeal College of Arts
- b. 2009 Academic Year Prize Appeal College of Business
- c. 2009 Academic Year Prize Appeal College of Health and Science

ii) Scholarship Appeals

- a. 2010 Academic Year Scholarship Appeal
- b. 2010 Foundation Dinner Law Scholarship Endowment Appeal

UNIVERSITY OF WESTERN SYDNEY FOUNDATION TRUST
A.B.N 13 921 771 681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

- iii) Alumni Appeals
 - a. 2010 Gradlife Magazine June Alumni Appeal
 - b. 2010 Gradlife Magazine November Alumni Appeal
- iv) 2010 University Priorities Appeal
- v) MCAE 35th Anniversary Commemorative Award Appeal

20.2 Results of Fundraising Appeals

| | Note | 2010 \$ | 2009 \$ |
|---|------|------------|------------|
| (a) Gross Proceeds from fundraising | i) | 3,113,523 | 11,095,665 |
| Less costs of fundraising appeals | ii) | (18,061) | (10,485) |
| Net surplus obtained from fundraising appeals | | 3,095,462 | 11,085,180 |
| (b) Contributions to the University of Western Sydney | iii) | 1,181,350 | 509,495 |
| Transfers to accumulated funds | | 1,914,112 | 10,575,685 |
| | | 3,095,462 | 11,085,180 |

- i) Gross proceeds from fundraising appeals include the receipt of investment income earned on funds previously raised and invested.
- ii) As the purpose of the Trust is fundraising, the cost of fundraising appeals includes all expenditures except for contributions to the University of Western Sydney.
- iii) Contributions to the University of Western Sydney include student scholarships and prizes and support to the Schools of Contemporary Arts and Computing and Information Technology.

20.3 Comparative figures and ratios for the reporting period.

| | Note | 2010 \$ | 2010 % | 2009 \$ | 2009 % |
|-------------------------------------|------|------------|-----------|------------|-----------|
| a) Total cost of fundraising/ | | 18,061 | | 10,485 | |
| Gross income from fundraising | | 3,113,523 | 0.58 | 11,095,665 | 0.09 |
| b) Net surplus from fundraising/ | | 3,095,462 | | 11,085,180 | |
| Gross income from fundraising | | 3,113,523 | 99.42 | 11,095,665 | 99.91 |
| c) Total cost of services provided/ | i) | 1,181,350 | | 509,495 | |
| Total expenditure | | 1,199,411 | 98.49 | 519,980 | 97.98 |
| d) Total cost of services provided/ | i) | 1,181,350 | | 509,495 | |
| Total income received | | 3,113,523 | 37.94 | 11,095,665 | 4.59 |

- i) Total costs of services provided represents total Foundation contributions to the University of Western Sydney

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UWS COLLEGE PTY LIMITED

To Members of the New South Wales Parliament and Members of UWS College Pty Limited

I have audited the accompanying financial statements of UWS College Pty Limited (the Company), which comprises the statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion, the financial statements:

- give a true and fair view the financial position of the Company as at 31 December 2010 and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with *section 41B* of the 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 and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the PF&A Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. 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 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 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 role by the possibility of losing clients or income.



P J Boulous CA
Director, Financial Audit Services

30 March 2011
SYDNEY

UWSCollege Pty Ltd

Annual Financial Statements – 31 December 2010

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UWS COLLEGE PTY LTD

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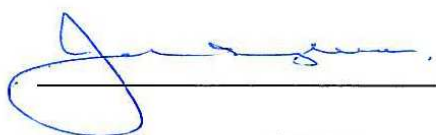
**Statement by Directors in Accordance with the requirements of
Section 41C (1B) and (1C) of the Public Finance and Audit Act, 1983**

In the opinion of the Directors of UWS College Pty Ltd:

1. The accompanying financial statements and notes thereto present a true and fair view of the financial position of the Company as at 31 December 2010 and transactions for the year then ended.
2. At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
3. The financial statements of the Company have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and other mandatory financial reporting requirements.
4. In forming an opinion for the purpose of this statement, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial year. No circumstance has arisen or information become available that would materially impact on the position shown in the Accounts.
5. As at the date of signing this statement, we are unaware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed at Werrington this 14 day of March 2011.

On behalf of the Board and in accordance with its resolution.



CHAIR

John Ingleson



DIRECTOR

Rhonda Hawkins

Statement of Comprehensive Income

For the year ended 31 December 2010

| | Notes | 2010 \$ | 2009 \$ |
|--|-------|-------------------|-------------------|
| Revenue from Continuing Operations | | | |
| Australian Government Grants | 2 | 103,974 | 131,269 |
| Fees and Charges | 3 | 23,801,619 | 16,169,236 |
| Interest Income | | 339,685 | 257,038 |
| Consultancy and Contracts | | 21,818 | 1,818 |
| Other Revenue | 4 | 1,692,237 | 1,881,693 |
| Total Revenue from Continuing Operations | | 25,959,333 | 18,441,054 |
| Expenses from Continuing Operations | | | |
| Employee Related Expenses | 5 | 13,662,317 | 9,832,882 |
| Depreciation and Amortisation | 9 | 399,280 | 168,234 |
| Repairs and Maintenance | | 412,464 | 37,136 |
| Other Expenses | 6 | 9,334,169 | 7,180,817 |
| Total Expenses from Continuing Operations | | 23,808,230 | 17,219,069 |
| Loss on Disposal of Assets | | (325) | (10,017) |
| Operating Result | | 2,150,778 | 1,211,968 |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income | | 2,150,778 | 1,211,968 |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 31 December 2010

| | Notes | 2010 \$ | 2009 \$ |
|--------------------------------------|-------|-------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 7 | 11,429,674 | 6,486,825 |
| Receivables | 8 | 1,904,439 | 2,735,150 |
| Total Current Assets | | 13,334,113 | 9,221,975 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 9 | 1,353,862 | 624,888 |
| Total Non-Current Assets | | 1,353,862 | 624,888 |
| Total Assets | | 14,687,975 | 9,846,863 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 10 | 5,162,795 | 3,189,965 |
| Provisions | 11 | 1,051,595 | 650,655 |
| Tuition Fees Advance Receipts | | 1,262,718 | 901,083 |
| Other Liabilities | | 8,772 | 0 |
| Total Current Liabilities | | 7,485,880 | 4,741,702 |
| Non-Current Liabilities | | | |
| Provisions | 11 | 339,680 | 393,524 |
| Total Non-Current Liabilities | | 339,680 | 393,524 |
| Total Liabilities | | 7,825,560 | 5,135,226 |
| Net Assets | | 6,862,415 | 4,711,637 |
| EQUITY | | | |
| Parent Entity Interest | | | |
| Retained Surplus | 12 | 6,862,415 | 4,711,637 |
| Parent Entity Interest UWS | | 6,862,415 | 4,711,637 |
| Total Equity | | 6,862,415 | 4,711,637 |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 31 December 2010

| | Retained surplus | Total |
|------------------------------------|---------------------|------------------|
| Balance at 1 January 2009 | 3,499,669 | 3,499,669 |
| Total Comprehensive Income | 1,211,968 | 1,211,968 |
| Balance at 31 December 2009 | 4,711,637 | 4,711,637 |
| Balance at 1 January 2010 | 4,711,637 | 4,711,637 |
| Total Comprehensive Income | 2,150,778 | 2,150,778 |
| Balance at 31 December 2010 | 6,862,415 | 6,862,415 |

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

Statement of Cash Flows
For the year ended 31 December 2010

| | Notes | 2010 \$ | 2009 \$ |
|---|-------|--------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Australian Government Grants | | 103,974 | 131,269 |
| Receipts From Student Fees and Other Customers | | 24,632,330 | 14,418,114 |
| Other Income Received | | 1,714,055 | 1,883,511 |
| Interest Received | | 339,685 | 257,038 |
| Payments to Suppliers and Employees (incl of GST) | | (23,354,387) | (16,009,218) |
| Intercompany Cash Holding | | 2,635,772 | 935,578 |
| Net Cash Provided by Operating Activities | 18 | 6,071,429 | 1,616,292 |
| Cash flows from Investing Activities | | | |
| Proceeds from Sale of Property, Plant and Equipment | | 137,850 | 82,550 |
| Payments for Property, Plant and Equipment | 9 | (1,266,430) | (623,395) |
| Net Cash used in Investing Activities | | (1,128,580) | (540,845) |
| Net Increase in Cash and Cash Equivalents | | 4,942,849 | 1,075,447 |
| Cash and Cash Equivalents at the Beginning of the Financial Year | | 6,486,825 | 5,411,378 |
| Cash and Cash Equivalents at the End of the Financial Year | 7 | 11,429,674 | 6,486,825 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of Significant Accounting Policies

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

The financial statements for the year ended 31 December 2010 was authorised for issue by the Directors on the 14 Day of March 2011.

(a) Basis of Preparation

The financial statements are a general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB interpretations, and other State/Australian Government legislative requirements.

The format of these financial statements is based upon the Financial Statement Guidelines for Australian Higher Education Providers for the 2010 Reporting Period provided by Department of Education, Employment and Workplace Relations. These guidelines have been used as a guide only as UWS College Pty Ltd is not a registered Higher Education Provider.

Compliance with IFRS

The financial statements and notes of UWS College Pty Ltd comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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 at fair value through profit or loss and certain classes of property, plant and equipment.

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 UWS College Pty Ltd accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Significant judgements

- i) The economic entity has elected to measure, property plant and equipment at fair value and to use that fair value as its deemed cost. The valuation of the Plant and Equipment component of Property, Plant and Equipment (Note 9) is the written down historical cost of those assets. Management has assumed that these values are an acceptable surrogate for fair value in the case of this category of asset.
- ii) Trade debtors (see Receivables Note 8) 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.

Critical estimates

Determining the carrying amount of provisions for employee long service leave entitlements (note 11, deferred superannuation (Note 8 and allowance for impairment of receivables) requires estimation of the uncertain future events on those liabilities at the reporting date.

The assumptions made in the assessment of each of the above liabilities are shown in the relevant notes to the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

b) New Australian Accounting Standards Issued but not yet Effective

The following new Accounting Standards have not been adopted and are not yet effective:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project
- AASB 124 Related Party Disclosures (2009), AASB 2009-12 Amendments to Australian Accounting Standards
- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions
- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues
- AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement
- Interpretation 19 Extinguishing Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19

These standards will not have a significant impact on the results of the entity.

(c) Property, Plant and Equipment

Land, buildings and the art collection of amounts \$5,000 and above are capitalised and shown at fair value.

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

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 economic entity 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.

The art collection is 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:

| | Useful Life Years |
|------------------------|--------------------------|
| Computing (Other) | 3 |
| Vehicles | 6.67 |
| Printers | 10 |
| Leasehold Improvements | 2 – 5 |

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(d) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand and cash held at bank which includes an amount held for UWS.

(e) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are due for settlement no more than 14 days from the date of recognition with the exception of deferred government contribution for superannuation.

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 cash flows. 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.

(f) Insurance

UWS College Pty Ltd insures 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.

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.

(g) Investments and Other Financial Assets

UWS College Pty Ltd classifies its investments in the following categories: "financial assets at fair value through profit or loss", "available-for-sale financial assets" and "receivables". The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(h) Accounting for Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST except in a circumstance where the GST incurred is not recoverable from the Australian Taxation Office, i.e. when input tax classification applies or no tax invoice is held. 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 shown in the Statement of Financial Position include GST. The net amount of GST receivable is not included within the Balance Sheet as UWS College Pty Ltd is grouped with the University of Western Sydney for GST purposes and any amounts are reflected within the parent entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(i) 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 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 economic entity'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 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:

(ii) 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. Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iii) 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.

(j) Leases

The Company has entered into a number of operating lease agreements for property and office equipment where the lessors effectively retain all risks and benefits incidental to ownership of the items held under the operating leases.

Instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(k) Foreign Currency Translation

Both the functional and presentation currency of UWS College Pty Ltd is Australian Dollars (A\$).

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

(l) Comparative Amounts

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

Changes to AASB119 Employee Benefits require that the recognition of the deferred superannuation expense reported in the Income Statement should be offset by the revenue recognised in respect of the receivable from the Australian Government.

Comparative amounts have been reclassified accordingly.

(m) 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 company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

2. Australian Government Financial Assistance

| | 2010 | 2009 |
|---|----------------|----------------|
| | \$ | \$ |
| Other Aust Govt Financial Assistance | | |
| Export Market Development Grant | 103,974 | 131,269 |
| Total Aust Govt Financial Assistance | 103,974 | 131,269 |

3. Student Fees and Charges

Course Fees and Charges

| | | |
|--|-------------------|-------------------|
| Fee-Paying Overseas Students | 8,986,897 | 7,992,852 |
| Fee-Paying Domestic Undergraduate Students | 162,467 | 77,090 |
| Fee-Paying Domestic Non-Award Students | 1,022,115 | 868,765 |
| Other Domestic Course Fees and Charges | | |
| Adult Migrant Education Program | 4,648,316 | 4,537,682 |
| UWS Undergraduate Students | 6,700,674 | 1,888,209 |
| Other | 418,866 | 275,279 |
| Total Course Fees and Charges | 21,939,335 | 15,639,877 |

Other Non-Course Fees and Charges

| | | |
|-------------------------------------|------------------|----------------|
| Examination Fees - IELTS | 1,484,526 | 361,680 |
| Other | 377,758 | 167,679 |
| Total Other Fees and Charges | 1,862,284 | 529,359 |

| | | |
|-------------------------------|-------------------|-------------------|
| Total Fees and Charges | 23,801,619 | 16,169,236 |
|-------------------------------|-------------------|-------------------|

4. Other Revenue

| | | |
|---|-----------|-----------|
| UWS Reimbursement of DSA Fund Expenditure | 1,653,510 | 1,846,311 |
| Other | 38,727 | 35,382 |

| | | |
|----------------------------|------------------|------------------|
| Total Other Revenue | 1,692,237 | 1,881,693 |
|----------------------------|------------------|------------------|

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

5. Employee Related Expenses

| | 2010 | 2009 |
|--|-------------------|------------------|
| | \$ | \$ |
| Academic | | |
| Salaries | 6,889,771 | 4,981,290 |
| Payroll Tax | 375,081 | 328,411 |
| Superannuation | 507,899 | 437,125 |
| Annual Leave | 264,558 | 187,610 |
| Workers' Compensation | 33,660 | 19,054 |
| Long Service Leave | 99,566 | 75,727 |
| Total Academic | 8,170,535 | 6,029,217 |
| Non Academic | | |
| Salaries | 4,127,626 | 2,854,391 |
| Payroll Tax | 330,981 | 196,106 |
| Superannuation | 458,635 | 261,536 |
| Annual Leave | 462,065 | 410,723 |
| Workers' Compensation | 27,984 | 11,086 |
| Long Service Leave | 84,491 | 69,823 |
| Total Non Academic | 5,491,782 | 3,803,665 |
| Total Employee Related Expenses | 13,662,317 | 9,832,882 |
| Total Employee Related Expenses, Including Deferred Government Employee Benefits for Superannuation | 13,662,317 | 9,832,882 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

6. Other Expenses

| | 2010 | 2009 |
|--|------------------|------------------|
| | \$ | \$ |
| Commission Expense | 1,191,274 | 997,478 |
| Occupancy Costs | 2,283,787 | 1,235,838 |
| Staff Development & Other Staff Costs | 361,347 | 215,239 |
| Business Travel | 58,677 | 126,706 |
| Service Fees | 2,861,845 | 1,812,439 |
| Consumables & Classroom Supplies | 439,409 | 355,593 |
| Communication Expenses | 27,439 | 51,747 |
| Corporate Advertising | 18,674 | 24,485 |
| Student & Course Promotion Expenses | 311,301 | 203,626 |
| Student Scholarship & Prizes | 470,844 | 135,020 |
| Study Tour Expenses | 45,653 | 116,179 |
| Minor Equipment < \$5,000 Purchased | 657,179 | 387,209 |
| Donations - UWS Foundation Trust & UWS | 0 | 1,080,000 |
| Service Fees ex UWS | 529,596 | 289,249 |
| Other Expenses | 77,145 | 150,009 |
| Total Other Expenses | 9,334,169 | 7,180,817 |

7. Cash & Cash Equivalents

| | | |
|--|-------------------|------------------|
| Cash at Bank | 11,429,674 | 6,486,825 |
| Total Cash & Cash Equivalents | 11,429,674 | 6,486,825 |

8. Receivables

| | | |
|---------------------------------|------------------|------------------|
| Student Fees | 373,590 | 1,438,663 |
| Less: Allowance for Impairments | (74,614) | (109,872) |
| Other Debtors | 1,303,819 | 1,329,699 |
| Prepayments | 301,644 | 76,660 |
| Total Receivables | 1,904,439 | 2,735,150 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

9. Property, Plant and Equipment

| | Property, Plant and Equipment* | Leasehold Improvements | Other Property, Plant and Equipment** | Total |
|------------------------------------|--------------------------------------|---------------------------|---|------------------|
| | \$ | \$ | \$ | \$ |
| At 1 January 2009 | | | | |
| - Cost | 264,513 | 115,445 | 11,908 | 391,866 |
| Accumulated Depreciation | (45,094) | (61,293) | 0 | (106,387) |
| Net Book Amount | 219,419 | 54,152 | 11,908 | 285,479 |
| Year Ended 31 December 2009 | | | | |
| Opening Net Book Amount | 219,419 | 54,152 | 11,908 | 285,479 |
| Additions | 155,074 | 468,321 | 0 | 623,395 |
| Disposals | (115,752) | 0 | 0 | (115,752) |
| Depreciation Charge | (43,574) | (124,660) | 0 | (168,234) |
| Closing Net Book Amount | 215,167 | 397,813 | 11,908 | 624,888 |
| At 31 December 2009 | | | | |
| - Cost | 270,732 | 583,766 | 11,908 | 866,406 |
| Accumulated Depreciation | (55,565) | (185,953) | 0 | (241,518) |
| Net Book Amount | 215,167 | 397,813 | 11,908 | 624,888 |
| Year Ended 31 December 2010 | | | | |
| Opening Net Book Amount | 215,167 | 397,813 | 11,908 | 624,888 |
| Additions | 374,762 | 891,668 | 0 | 1,266,430 |
| Disposals | (138,176) | - | 0 | (138,176) |
| Depreciation Charge | (60,546) | (338,734) | 0 | (399,280) |
| Closing Net Book Amount | 391,207 | 950,747 | 11,908 | 1,353,862 |
| At 31 December 2010 | | | | |
| - Cost | 466,594 | 1,475,434 | 11,908 | 1,953,936 |
| Accumulated Depreciation | (75,386) | (524,688) | 0 | (600,074) |
| Net Book Amount | 391,208 | 950,746 | 11,908 | 1,353,862 |

* Property, Plant & Equipment includes all Operational Assets.

** Other Property, Plant & Equipment includes Non-Operational Assets such as Artworks.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

10. Trade & Other Payables

| | 2010 | 2009 |
|---|------------------|------------------|
| | \$ | \$ |
| Trade Creditors | 334,490 | 851,563 |
| Accruals | 835,958 | 439,216 |
| Intercompany Cash Holding | 3,571,350 | 935,578 |
| Other Creditors | 420,997 | 963,608 |
| Total Trade & Other Payables | 5,162,795 | 3,189,965 |

11. Provisions

Current

| | | |
|--------------------|---------|---------|
| Annual Leave | 808,232 | 558,938 |
| Long Service Leave | 107,643 | 67,117 |
| Other | 135,720 | 24,600 |

| | | |
|---------------------------------|------------------|----------------|
| Total Current Provisions | 1,051,595 | 650,655 |
|---------------------------------|------------------|----------------|

Non-Current

| | | |
|--------------------|---------|---------|
| Long Service Leave | 339,680 | 393,524 |
|--------------------|---------|---------|

| | | |
|-------------------------------------|----------------|----------------|
| Total Non-Current Provisions | 339,680 | 393,524 |
|-------------------------------------|----------------|----------------|

| | | |
|-------------------------|------------------|------------------|
| Total Provisions | 1,391,275 | 1,044,179 |
|-------------------------|------------------|------------------|

The methodology for the calculation of Long Service Leave is consistent with the parent entity which is derived from Deloitte dated 4 March 2010.

12. Retained Surplus

| | | |
|--|------------------|------------------|
| Retained Earnings as at 1 January | 4,711,637 | 3,499,669 |
| Net Surplus | 2,150,778 | 1,211,968 |
| Retained Earnings as at 31 December | 6,862,415 | 4,711,637 |

13. Remuneration of Auditors

Audit Services

| | | |
|--|--------|--------|
| Fees Paid to The Audit Office of NSW (GST Inclusive) | 26,980 | 26,200 |
|--|--------|--------|

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

14. Contingencies

Contingent Liabilities

The Directors of the Company are currently aware of a legal case conducted by Bartier Perry with an estimated liability of \$15,000. Also The Directors of the Company are aware of Bank Guarantees totalling \$75,584. The Directors of the Company are not aware of any further instances.

Contingent Assets

The Directors of the Company are not aware of the existence of any contingent assets as at 31 December 2010 (2009 \$Nil).

15. Commitments

| Operating Lease Commitments | 2010 | 2009 |
|--|------------------|------------------|
| | \$ | \$ |
| Within 1 year | 1,955,642 | 1,780,804 |
| Later than 1 year but not later than 5 years | 0 | 21,900 |
| Later than 5 years | 0 | 0 |
| Total Operating Lease Commitments | 1,955,642 | 1,802,704 |

16. Related Parties

(a) Parent entities

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

UWS College Pty Ltd is licensed to conduct University of Western Sydney's Award courses in its Academic Pathways Programs. An agreed fee for program delivery to local Commonwealth supported students was negotiated for 2010 between the University of Western Sydney and UWS College Pty Ltd which reflected each party's contribution towards the costs of running the programs.

(b) Subsidiaries

UWS College Pty Ltd does not have any subsidiary interests.

(c) Transactions with related parties

The following transactions occurred with related parties:

| | |
|--|-------------|
| | 2010 |
| | \$ |
| Purchase of goods: | |
| Cadre Design – multimedia services | 32,674 |
| UWSConnect Limited – catering services | 48,606 |
| UWS – International Sales & Marketing | 461,000 |
| UWS – Capital Works | 2,198,589 |
| UWS – Building Lease | 2,142,631 |
| Income | |
| UWS – DSA Fund Reimbursement | 1,653,510 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

17. Events Occurring after the Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of these statements any item, transaction or event of a material and unusual nature likely to affect significantly the operation of the Company, the results of those operations or the state of affairs of the company in subsequent financial years.

18. Reconciliation of operating result after income tax to net cashflows from operating activities

| | 2010 | 2009 |
|--|------------------|------------------|
| | \$ | \$ |
| Operating Result from Ordinary Activities | 2,150,778 | 1,211,968 |
| Depreciation and Amortisation | 399,280 | 168,234 |
| Loss on Disposal of Capital Assets | 325 | 10,017 |
| (Increase) / Decrease in Trade Debtors | 1,055,696 | (1,187,076) |
| (Increase) / Decrease in Prepayments | (224,984) | (39,032) |
| Increase / (Decrease) in Accruals | 396,742 | 90,060 |
| Increase / (Decrease) in Trade Creditors | (1,059,684) | 802,898 |
| Increase / (Decrease) in Other Operating Liabilities | 370,408 | (540,861) |
| Increase / (Decrease) in Employee Benefits | 347,096 | 164,506 |
| Increase / (Decrease) in Intercompany Account Balance | 2,635,772 | 935,578 |
| Net Cash Provided by / (used in) Operating Activities | 6,071,429 | 1,616,292 |

19. Financial Risk Management

UWS College Pty Limited has a limited exposure to financial risks which are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Due to the nature of the business operation where a vast majority of transactions are conducted in Australian dollars, hedging activities, such as foreign exchange contracts, are not applicable for the Company. The Company holds no balances in foreign currency.

In terms of interest rate risk, the Company has no loans or finance leases, and deposits its cash in short term interest bearing accounts.

Risk management is carried out on a day-by-day basis by Management under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis.

The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated regularly, and in particular reviews the cash position of the College at every meeting.

UWS COLLEGE PTY LTD
A.C.N. 003 474 468

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

a) Market Risk

i) Interest Rate Risk:

The Company has cash deposits at bank, which are at floating interest rates. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

| 31 December 2010 | Carrying Amount \$ | (1%) | | 1% | |
|---------------------------|-----------------------|------------------|------------------|----------------|----------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 11,429,674 | (114,297) | (114,297) | 114,297 | 114,297 |
| Total | 11,429,674 | (114,297) | (114,297) | 114,297 | 114,297 |
| 31 December 2009 | Carrying Amount \$ | (1%) | | 1% | |
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 6,486,825 | (64,868) | (64,868) | 64,868 | 64,868 |
| Total | 6,486,825 | (64,868) | (64,868) | 64,868 | 64,868 |

ii) Other Price Risk:

The Company's exposure to 'other price risk' is minimal.

b) Credit Risk

Credit risk is that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The risk arises from credit granted to clients for work performed.

The Company's clients primarily consist of local and international students. Local students are mainly financed through Commonwealth Government Supported (CGS) funding, FEE-HELP, or through the Adult Migrant English Program (a federally funded initiative). International students are sourced through agents both local and offshore, and are subject to stringent financial guidelines set by the Department of Immigration and Citizenship for entry to Australia on student visas. The College's policy is that fees are paid in advance prior to the commencement of studies. Additionally, the federal government is the Company's largest source of income, through the AMEP and Commonwealth Government Supported students.

| | Carrying Amount \$ | 2010 | | | 2009 | | |
|-------------------------|-----------------------|----------------|--------------------|---------------------------|----------------|--------------------|---------------------------|
| | | Current \$ | 30 - 90 Days \$ | Past Due (>90 days) \$ | Current \$ | 30 - 90 Days \$ | Past Due (>90 days) \$ |
| Financial Assets | | | | | | | |
| Receivables | 1,602,795 | 491,015 | 874,037 | 237,743 | 604,047 | 829,000 | 1,225,443 |
| Total | 1,602,795 | 491,015 | 874,037 | 237,743 | 604,047 | 829,000 | 1,225,443 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

c) Liquidity Risk

i) Liquidity Risk:

The liquidity risk is that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates its forecast and actual cash flows monthly. Actual cash flows are reviewed by the Board at every Board meeting.

Irrespective of market risk and credit risk, as at 31 December 2010 the Company has surplus Current Assets of \$13,334,113 (2009: \$9,221,975) over Total Current Liabilities of \$7,485,881 (2009: \$4,741,702). Therefore, liquidity risk is considered to be minimal. The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

| 31 December 2010 | Nominal Amount \$ | Interest Rate Exposure | | Maturity Dates | | |
|------------------------------|-------------------------|---------------------------|------------------------------|------------------|-----------------|----------------|
| | | Fixed Interest Rate | Variable Interest Rate | <1 Year \$ | 1-5 Years \$ | >5 Years \$ |
| Financial Liabilities | | | | | | |
| Payables | 5,162,795 | 0 | 0 | 5,162,795 | 0 | 0 |
| Total | 5,162,795 | 0 | 0 | 5,162,795 | 0 | 0 |

| 31 December 2009 | Nominal Amount \$ | Interest Rate Exposure | | Maturity Dates | | |
|------------------------------|-------------------------|---------------------------|------------------------------|------------------|-----------------|----------------|
| | | Fixed Interest Rate | Variable Interest Rate | <1 Year \$ | 1-5 Years \$ | >5 Years \$ |
| Financial Liabilities | | | | | | |
| Payables | 3,189,965 | 0 | 0 | 3,189,965 | 0 | 0 |
| Total | 3,189,965 | 0 | 0 | 3,189,965 | 0 | 0 |

Notes:

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore may not reconcile to the Statement of Financial Position.

ii) Fair value estimation

Because of their short term nature the carrying values of all financial instruments recognised in the balance sheet approximates their fair value

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

To the Directors
UWS Residential Colleges Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UWS Residential Colleges Ltd for the year ended 31 December 2010, 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.

Peter Boulous
Director Financial Audit Services

16 March 2011
SYDNEY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UWS Residential Colleges Limited

To Members of the New South Wales Parliament and Members of UWS Residential Colleges Limited.

I have audited the accompanying financial statements of UWS Residential Colleges Limited (the Company), which comprise the statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion the financial statements:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2010 and of 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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.

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

My opinion does *not* provide assurance:

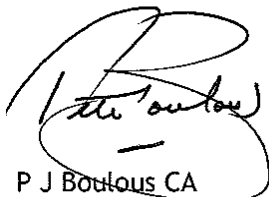
- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control.
- about the security and controls over the electronic publication of the audited financial statements on any website where 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, *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 role 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 UWS Residential Colleges Limited on 16 March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

23 March 2011
SYDNEY

UWS RESIDENTIAL COLLEGES LTD
(Formerly UWS Conference and Residential Colleges Limited)

Financial Statements and Notes
For the Year Ended 31 December 2010

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

Directors' Report

The directors of UWS Residential Colleges Ltd submit the Statement of Financial Position of the Company and related Statement of Comprehensive Income for the year ended 31st December 2010 and report as follows:

Information on the Directors

1. The directors of the Company at the date of this report are:

| | |
|---------------|---|
| E. Brackenreg | BA(Psych) (UWA), BSW (UWA), MBA (Deakin) |
| K. Sproats | Emeritus Professor Kevin Sproats B. Town Planning (Hons) Grad. Dip. Housing and Neighbourhood Studies; PHD (UNE) |
| A. Kourtis | BA (UWS) |

The company secretary at the date of this report is:

L. Towerton

2. The Board of Directors of the Company met only once during 2010. The number of meetings attended by each Director was:

| | No. of Meetings Attended | No. of Meetings Whilst in Office |
|------------------------------------|-----------------------------|-------------------------------------|
| E. Brackenreg | 1 | 1 |
| K. Sproats (appointed 11/03/2010) | 0 | 0 |
| A. Kourtis (appointed 11/03/2010) | 0 | 0 |
| D. Dwyer (resigned 17/03/2010) | 0 | 0 |
| R. McGuiggan (resigned 11/03/2010) | 1 | 1 |
| J. Sayer (resigned 30/06/2010) | 1 | 1 |

Principle Activities

3. UWS Residential Colleges Ltd was incorporated on 10th December 1996 as a company limited by guarantee. The principle objective of the Company is to provide and manage student residential accommodation in support of the University of Western Sydney's academic programs.

The Company name was changed from UWS Conference and Residential Colleges Limited to UWS Residential Colleges Limited on the 15th March 2010.

The Company aims to ensure the efficient and effective operation of the residential facilities of the University of Western Sydney in a manner conducive to academic and social development of residential students.

As of last year an agreement was made between UWS Residential Colleges Limited and the University of Western Sydney under which buildings, infrastructure, strategy and revenue were transferred to the direct control, management and ownership of the University. In December 2010 an asset transfer deed was signed between UWS Residential Colleges Limited and the University of Western Sydney to transfer all assets and liabilities remaining to the University. The entity will no longer trade from 24 December 2010 and will be deregistered in due course.

Operating results and review of operation for the Year

4. The net result of the Company for the year was \$Nil (Loss \$6,308,120 in 2009). The operations of UWS Residential Colleges Limited have been transferred fully to the University of Western Sydney at 24 December 2010 and from this date form part of the University's business.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

5. In the financial year ended 31 December 2010 the total income for the Company was \$2,375,572 (\$4,977,762 in 2009) with operating expenses of \$2,375,572 (\$11,285,882 in 2009).

The company has been in the process of transferring its operations to the University of Western Sydney. Due to the staggered transfers that have taken place over the past year, comparing current year results to that of previous years within this entity would not be meaningful.

As at 31 December 2010, the retained surplus of the Company reflected a \$Nil balance (\$Nil in 2009) because of changes to the current arrangements for the operation and management in UWS Residential Colleges Ltd and the contributions to UWS.

Significant Changes in the state of affairs

6. Transferring all assets and liabilities to the University of Western Sydney from UWS Residential College Ltd occurred as at 24th December 2010. This was approved and agreed by the Vice Chancellor and Deputy Vice Chancellor Corporate Strategy & Services at the end of the financial period. This change has significantly affected:
- i) the operations of the Company
 - ii) the results of those operations, or
 - iii) the state of affairs of the Company.

After balance date events

7. As at 24th of December 2010 all the operations of UWS Residential Colleges Limited have been transferred to the University of Western Sydney which will from this point continue the operation of the entity's activities. In this regard UWS Residential Colleges has become a non-trading entity with no assets or liabilities. In due course this entity will be dissolved and any costs associated with this will be covered by the University of Western Sydney.

Director related benefits

8. During the financial year no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments due and receivable by directors shown in the accounts, or the fixed salary of a full time employee of the Company or a related corporation) by reason of a contract made by the Company in which they have a substantial financial interest.


Indemnifying officers

9. The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company.

The Auditor's Independence Declaration is attached to this report.


Signed in accordance with a resolution of the directors made pursuant to the Corporations Act 2001 at Penrith,

this Sixteenth day of March 2011



Director

Angelo Kourtis



Director

Ellen Brackenreg

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799


Directors' Declaration

In accordance with a resolution of the Board of Directors of UWS Residential Colleges Ltd we declare on behalf of the Board that:

1. the accompanying financial statements and the notes thereto exhibit a true and fair view of the financial position as at 31 December 2010 and financial performance for the year ended 31 December 2010;
2. the financial statements have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001;
3. with the continued support from the University of Western Sydney, at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
4. we are not aware of any circumstances which, would render any particulars included in the financial statements to be misleading or inaccurate.

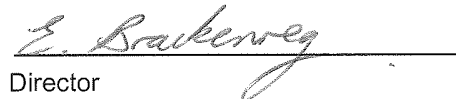
Signed in accordance with a resolution of the directors made pursuant to the Corporations Act 2001 at Penrith,

Signed this Sixteenth day of March 2011 on
behalf of the Board and in accordance with its resolutions.



Director

Angelo Kourtis



Director

Ellen Brackenreg

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

Statement of Comprehensive Income
For the Year Ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|-------------------------|---------------------------|
| Revenue from Continuing Operations | | | |
| Student Residential Fees | | 0 | 4,172,604 |
| Conference & Motel Income | | 0 | 353,427 |
| Interest | | 0 | 280,205 |
| Other Income | 11 | 0 | 171,526 |
| UWS Management Fee | 12 | 2,373,572 | 0 |
| Total Revenue from Continuing Operations | | <u>2,373,572</u> | <u>4,977,762</u> |
| Expenses from Continuing Operations | | | |
| Employee Related Expenses | 3 | 1,202,493 | 1,118,825 |
| Fees for Services Rendered | | 260,462 | 785,122 |
| Audit Fee | 4 | 14,950 | 14,500 |
| Consumables & Minor Equipment | | 178,939 | 368,253 |
| Maintenance | | 51,203 | 285,176 |
| Utilities | | 239,354 | 251,586 |
| Cleaning | | 222,885 | 288,043 |
| Depreciation | 14 | 14,989 | 23,323 |
| Impairment of Assets | | 0 | 300 |
| Irrecoverable GST & Fringe Benefits Tax | | 3,781 | 7,309 |
| Other Expenditure | | 184,516 | 173,077 |
| Losses on Disposal of Assets | 14 | 0 | 2,960 |
| Contributions to UWS | 17 | 0 | 7,967,408 |
| Total Expenses from Continuing Operations | | <u>2,373,572</u> | <u>11,285,882</u> |
| Operating Profit/(Loss) | | <u>0</u> | <u>(6,308,120)</u> |
| Other Comprehensive Income | | 0 | 0 |
| Total Comprehensive Income/(Loss) | | <u>0</u> | <u>(6,308,120)</u> |

The accompanying notes form part of these Financial Statements.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

Statement of Financial Position
As At 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--------------------------------------|------|-----------------|-----------------------|
| Current Assets | | | |
| Cash & Cash Equivalents | 7 | 0 | 561,927 |
| Trade & Other Receivables | 6 | 0 | 0 |
| Total Current Assets | | <u>0</u> | <u>561,927</u> |
| Non-Current Assets | | | |
| Plant & Equipment | 14 | 0 | 0 |
| Total Non-Current Assets | | <u>0</u> | <u>0</u> |
| Total Assets | | <u>0</u> | <u>561,927</u> |
| Current Liabilities | | | |
| Trade & Other Payables | 9 | 0 | 320,984 |
| Provisions | 5 | 0 | 189,214 |
| Total Current Liabilities | | <u>0</u> | <u>510,198</u> |
| Non-Current Liabilities | | | |
| Provisions | 5 | 0 | 51,729 |
| Total Non-Current Liabilities | | <u>0</u> | <u>51,729</u> |
| Total Liabilities | | <u>0</u> | <u>561,927</u> |
| Net Assets | | <u>0</u> | <u>0</u> |
| Equity | | | |
| Retained Surplus | 13 | 0 | 0 |
| Total Equity | | <u>0</u> | <u>0</u> |

The accompanying notes form part of these Financial Statements.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

Statement of Changes in Equity
For the Year Ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|-----------------|-------------------------|
| Total Equity at the beginning of the year | | <u>0</u> | <u>6,308,120</u> |
| Total Comprehensive Income for the Period | | 0 | (6,308,120) |
| Total Equity at the end of the year | | <u>0</u> | <u>0</u> |

The accompanying notes form part of these Financial Statements.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

Statement of Cash Flows
For the Year Ended 31 December 2010

| | Note | 2010 \$ | 2009 \$ |
|--|----------|-------------------------|---------------------------|
| Cash Flows from Operating Activities | | | |
| Student Residential Fees | | 0 | 3,862,909 |
| Conference Income | | 0 | 353,427 |
| Interest | | 0 | 280,205 |
| Other Income | | 0 | 171,525 |
| Reimbursement from UWS (Management Fees) | | 2,373,572 | 0 |
| Total Receipts | | <u>2,373,572</u> | <u>4,668,066</u> |
| Payments | | | |
| Salaries | | 1,464,420 | 1,165,481 |
| Suppliers | | 1,471,078 | 1,303,340 |
| Cash & Cash Equivalent Contributions to UWS | 17 | 0 | 8,939,295 |
| Total Payments | | <u>2,935,498</u> | <u>11,408,116</u> |
| Net Cash Provided by/(Used in) Operating Activities | 8 | <u>(561,926)</u> | <u>(6,740,050)</u> |
| Cash Flows from Investing Activities | | | |
| Payments for Plant, Equipment & Vehicles | 14 | 0 | (82,083) |
| Proceeds from Sale of Plant & Equipment | 14 | 0 | 99,227 |
| Net Cash Provided by/(Used in) Investing Activities | | <u>0</u> | <u>17,144</u> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | | (561,926) | (6,722,906) |
| Cash & Cash Equivalents at the Beginning of the Year | | 561,926 | 7,284,832 |
| Cash & Cash Equivalents at the End of the Year | 7 | <u>0</u> | <u>561,926</u> |

The accompanying notes form part of these Financial Statements.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2010

1. Reporting Entity

The Company is a not-for-profit entity, incorporated under the Corporations Act 2001 as a company limited by guarantee. The amount of the guarantee is limited to \$20 per member, which is not capable of being called up except for the purpose of winding up.

The Board resolved to issue the financial statements on 16th March 2011.

2. Statement of Significant Accounting Policies

2.1. Basis of Preparation

The financial statements are general purpose statements which have been prepared in accordance with the Public Finance and Audit Act 1983; the Public Finance and Audit Regulation 2010; Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the Corporations Act 2001.

The 2010 financial statements have been prepared on an accrual accounting basis and policies have been applied consistently throughout the year.

The financial statements have been prepared under the historical cost convention. As the activities of the company have been transferred to the University of Western Sydney, the company will be deregistered in due course and these will be the final set of accounts.

2.2. Critical Accounting Estimates

The preparation of the 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 the UWS Residential College Ltd's accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Significant Judgements

Judgement, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

New Australian Accounting Standards issued but not effective

The company did not adopt any new Accounting Standards issued but not yet effective.

The company has assessed the impact of these new standards and interpretations and considers the impact to be insignificant.

2.3. Accounting Support of the University of Western Sydney

The Company's accounts are kept on the University of Western Sydney's computerised system and maintained by the University accounting staff.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

2.4. Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

2.5. Tax Status

The Company is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997, as a public educational institution.

2.6. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except for receivables and payables which are recognised inclusive of GST. Irrecoverable GST is recognised as a separate item of expense.

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.

For the purposes of GST the Company is grouped with the University of Western Sydney and the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables of the University.

2.7. Plant and Equipment

Plant and Equipment have been determined to be any item with a useful life exceeding twelve months and with a cost in excess of \$5,000 individually (or forming part of a network costing more than \$ 5,000).

Plant and Equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. This approximates the fair value of these assets. 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 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 financial period in which they are incurred.

2.8. Depreciation

Depreciation is calculated using the straight line method to allocate their cost or revalued amounts over their estimated useful life as follows:

| | | |
|------------------------|-------|-------|
| Motor Vehicles | 6.67 | years |
| Leasehold Improvements | 6.00 | years |
| Equipment | 10.00 | years |

2.9. Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. An allowance for impairment is made against any doubtful debts based on a review of all outstanding amounts at balance date. The subsequent measurement is at the amortised cost, using the effective interest rate method, less an allowance for impairment. The carrying amount approximates net fair value.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

2.10. Financial Instruments

UWS Residential Colleges Ltd principal financial instruments comprise receivable, payable and cash. The Company's activities expose it to a number of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the major areas of risk, being interest rate risk, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the company. The Company uses different methods to measure and manage the different types of risk to which it is exposed. These methods include aging analysis and monitoring of specific credit allowance for credit risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

Risk management is carried out on a day-by-day basis by the General Manager under policies approved by the Board of Directors, and overall with financial reporting to the Board on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as interest rate risk and credit allowance. Certain areas of risk, such as credit and liquidity risk, are reviewed by the Board at every meeting.

a) Market Risk

i. Interest rate risk

The Company has cash deposits at bank, which are at floating interest rates. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

| 31 December 2010 | Carrying Amount \$ | -1% | | 1% | |
|---------------------------|-----------------------|--------------|--------------|--------------|--------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 0 | (0) | (0) | 0 | 0 |
| Total | 0 | | | | |

| 31 December 2009 | Carrying Amount \$ | -1% | | 1% | |
|---------------------------|-----------------------|--------------|--------------|--------------|--------------|
| | | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 561,927 | (5,619) | (5,619) | 5,619 | 5,619 |
| Total | 561,927 | | | | |

ii. Other price risk

The Company's exposure to 'other price risk' is minimal.

iii. Foreign exchange risk

The Company's exposure to foreign exchange risk is minimal.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

b) Liquidity Risk

The liquidity risk is that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates its forecast and actual cash flows monthly.

Irrespective of market risk and credit risk, as at 31 December 2010 the Company has Cash and Cash Equivalents of \$Nil (\$561,927 in 2009) over Total Current Liabilities of \$Nil (\$510,198 in 2009). Therefore, liquidity risk is considered to be minimal.

The maximum exposure to liquidity risk is the total fair value of Payables, being \$Nil in 2010 (\$320,984 in 2009). \$Nil is expected to be paid within 30 days.

c) Fair value estimation

Because of their short term nature the carrying values of all financial instruments recognised in the Statement of Financial Position approximates their fair value.

2.11. Payables

Payables represent liabilities for goods and services provided to the Company and other amounts. These financial liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables with no stated interest rate are measured at the original invoice amount.

2.12. Employee Benefits

2.12.1. Provision for Annual Leave

A liability in relation to employee annual leave arises from leave entitlements not taken at year-end. The valuation of the liability is based on actual entitlements and expected future increases in salary levels. The liability includes a provision for future payroll tax, superannuation and workers' compensation as required by Australian Accounting Standard AASB119: Employee Benefits. It is the policy of the Company to provide for the liability at the end of each reporting year.

Provisions not expected to be settled within 12 months are measured at the present value of the estimated future cash outflow.

2.12.2. Provision for Long Service Leave

In accordance with AASB119: Employee Benefits, short-term employee long service leave entitlements (i.e. due within 12 months) are measured at their nominal value taking into account expected future increases in salary levels. Long-term employee long service leave entitlements (i.e. due after 12 months) are based on the present value of the estimated cash flows taking into account expected future increases in salary rates. In accordance with AASB 101: Presentation of Financial Statements unconditional long service leave whilst presented as a current liability in the Statement of Financial Position, has been recognised and measured as a long term entitlement in accordance with AASB 119. The liability includes a provision for future payroll tax, superannuation and workers' compensation. It is the policy of the Company to provide for the liability at the end of each reporting year.

In Dec 2009, the Company, through the University, engaged Deloitte Consulting to undertake a valuation of the Company's long service liability. Assumptions used in this assessment included:

| | |
|--|-------------|
| | %pa |
| Estimate of LSL taken "in service" | 7.00 |
| Estimated rate of inflation/salary increase | 5.50 |
| Discount for future investment earnings | 5.70 |

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

3. Employee Related Expenses

| | 2010 | 2009 |
|----------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Salaries | 991,527 | 898,691 |
| Superannuation | 101,049 | 95,866 |
| Payroll Tax | 59,233 | 57,422 |
| Long Service Leave | 18,784 | 34,112 |
| Workers' Compensation | 31,900 | 32,734 |
| Employee Related Expenses | <u>1,202,493</u> | <u>1,118,825</u> |

4. Audit Fees

Audit fees of \$14,950 (\$14,500 in 2009) were accrued for payment to the Audit Office of New South Wales. The auditors did not receive any other benefits throughout the year.

5. Provisions

| | Note | 2010 | 2009 |
|---|-------------|-----------------|-----------------------|
| | | \$ | \$ |
| Current Provision expected to be settled within 12 months | | | |
| Employee Benefits | | | |
| Annual Leave | 5.1 | 0 | 62,972 |
| Long Service Leave | 5.2 | 0 | 8,773 |
| Subtotal | | <u>0</u> | <u>71,745</u> |
| Current Provision expected to be settled after more than 12 months | | | |
| Employee Benefits | | | |
| Annual Leave | 5.1 | 0 | 40,839 |
| Long Service Leave | 5.2 | 0 | 76,630 |
| Subtotal | | <u>0</u> | <u>117,469</u> |
| Total Current Provision | | <u>0</u> | <u>189,214</u> |
| Non-Current | | | |
| Long Service Leave | 5.2 | 0 | 51,729 |
| Total Non-Current Provision | | <u>0</u> | <u>51,729</u> |
| Total Provision | | <u>0</u> | <u>240,943</u> |

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

5.1. Provision for Annual Leave

| | 2010 | 2009 |
|--|-----------------|-----------------------|
| | \$ | \$ |
| Balance as at 1 January | 103,811 | 130,408 |
| Transfer to Provision | 0 | (1,508) |
| Payments | 0 | 0 |
| Transfer to UWS Venues | 0 | (25,089) |
| Transfer to UWS | (103,811) | 0 |
| Closing Balance as at 31 December | <u>0</u> | <u>103,811</u> |

5.2. Provision for Long Service Leave

| | 2010 | 2009 |
|--|-----------------|-----------------------|
| | \$ | \$ |
| Balance as at 1 January | 137,132 | 161,898 |
| Transfer to Provision | 20,332 | 34,112 |
| Payments | (1,548) | (21,574) |
| Transfer to UWS Venues | 0 | (37,304) |
| Transfer to UWS | (155,916) | 0 |
| Closing Balance as at 31 December | <u>0</u> | <u>137,132</u> |

6. Trade Receivables

Trade receivables comprised the following amounts:

| | 2010 | 2009 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Trade Debtors | 0 | 1,873 |
| Less Impairment | 0 | 0 |
| Prepayments | 0 | 1,570 |
| Transfer to UWS | 0 | (3,443) |
| Closing Balance as at 31 December | <u>0</u> | <u>0</u> |

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

7. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and funds held by the University of Western Sydney on behalf of the Company. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related Statement of Financial Position as follows:

| | 2010 | 2009 |
|--|-----------------|-----------------------|
| | \$ | \$ |
| Cash on Hand | 0 | 0 |
| Funds held by University of Western Sydney | 0 | 561,927 |
| Closing Balance as at 31 December | <u>0</u> | <u>561,927</u> |

8. Reconciliation of Operating (Loss)/Profit to Net Cash Provided by Operating Activities

| | 2010 | 2009 |
|--|-------------------------|---------------------------|
| | \$ | \$ |
| Operating Profit/(Loss) for the Year | 0 | (6,308,120) |
| Provision for Annual Leave | (103,810) | (26,597) |
| Provision for Long Service Leave | (137,132) | (24,766) |
| Impairment | 0 | (300) |
| (Increase)/Decrease in Receivables | 0 | 8,360 |
| (Increase)/Decrease in Prepayments | 0 | 1,089 |
| Depreciation | 0 | 23,323 |
| Loss on Sale of Assets | 0 | 2,960 |
| Increase/(Decrease) in Creditors | (320,984) | (530,780) |
| Transfer of Fixed Asset to UWS | 0 | 114,782 |
| Net Cash Provided by Operating Activities | <u>(561,926)</u> | <u>(6,740,049)</u> |

9. Trade and Other Payables

As at 31 December 2010, Trade and Other Payables totalled \$Nil (\$320,984 in 2009) in Current Liabilities.

Payables are recognised initially at fair value, usually based on the transaction cost or face value.

10. Economic Dependency

The Company is economically dependent on the University of Western Sydney, its parent entity. The University of Western Sydney provides the residential buildings and the university infrastructure without which the Company would be unable to function.

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

11. Other Income

| | 2010 | 2009 |
|---------------------------------|-----------------|-----------------------|
| | \$ | \$ |
| Laundromat Income | 0 | 27,393 |
| Visiting Fellows Cottage Rental | 0 | 83,229 |
| Payphone Income | 0 | 4,314 |
| Photocopying Income | 0 | 2,098 |
| Transfer from Impairment | 0 | 300 |
| Network Connection Fee | 0 | 21,510 |
| Miscellaneous | 0 | 32,682 |
| Total Other Income | <u>0</u> | <u>171,526</u> |

12. UWS Management Fee

| | 2010 | 2009 |
|---------------------|-------------|-------------|
| | \$ | \$ |
| UWS Management Fee* | 2,373,572 | 0 |

*Represents a monthly reimbursement by UWS parent entity of operating costs

13. Retained Surplus

| | 2010 | 2009 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Retained Surplus as at 1 January | 0 | 6,308,120 |
| Profit/(Loss) for the Year | 0 | (6,308,120) |
| Retained Surplus as at 31 December | <u>0</u> | <u>0</u> |

14. Plant and Equipment

| | 2010 | 2009 |
|------------------------------|-----------------|-----------------|
| | \$ | \$ |
| At Cost | 0 | 0 |
| Accumulated Depreciation | 0 | 0 |
| Plant & Equipment | <u>0</u> | <u>0</u> |

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

A reconciliation of the carrying amounts for various items representing Plant and Equipment is set out below:

| | 2010 | 2009 |
|-------------------------------|-----------------|-----------------|
| | \$ | \$ |
| Opening Carrying Value | 0 | 158,209 |
| Additions | 87,653 | 82,083 |
| Disposals | 0 | (102,187) |
| Transfer to UWS | (72,664) | (114,782) |
| Depreciation Expense | (14,989) | (23,323) |
| Closing Carrying Value | <u>0</u> | <u>0</u> |

| | 2010 | 2009 |
|-------------------------------------|-----------------|---------------------|
| | \$ | \$ |
| Written Down Value of Disposals | 0 | 95,724 |
| Proceeds from Disposals | 0 | (92,764) |
| Losses on Disposal of Assets | <u>0</u> | <u>2,960</u> |

14.1. Transfer to UWS Venues

| | 2010 | 2009 |
|-------------------------------------|-----------------|-----------------|
| | \$ | \$ |
| Written down Value of Disposals | 0 | 6,463 |
| Proceeds from Disposals | 0 | (6,463) |
| Losses on Disposal of Assets | <u>0</u> | <u>0</u> |

15. Director's Remuneration

Directors of the Company act in an honorary capacity. No emoluments or other benefits were paid for their services in 2010.

16. Executive Remuneration

UWS Residential Colleges Ltd has one senior executive with a remuneration of \$189,000 (\$180,000 in 2009) per annum. Remuneration includes salary, all allowances and benefits (including motor vehicle and superannuation), and all taxes (including fringe benefit tax).

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

17. Contributions to UWS

The establishment of a more direct connection between the University of Western Sydney (UWS) and the student accommodation activities will overcome limitations which were identified in the arrangements existing in 2009 and prior. As a result, the Board of Trustees of UWS resolved to support the transition of all the functions and staff of UWS Residential Colleges Limited into the University structure.

Stage 1 saw the ownership and control of buildings, infrastructure, strategic direction and entitlement to revenue streams be brought within the current UWS structure. The result being a donation to the university representing the net transfer value of assets at the end of the 2009 financial year. The day to day management continued under the existing corporate entity which was renamed UWS Residential Colleges Limited (RCL).

For 2010, UWS agreed to a management fee payable to RCL to cover the operational and management costs of the entity.

Stage 2 saw the transfer of the staff and day to day management activities as well as the associated provisions and remaining assets and liabilities for RCL to UWS on 24th December 2010. The University, as sole member, supports an application to ASIC for UWS Residential Colleges Limited (RCL) in due course to be de-registered as a separate corporate entity.

| | 2010 | 2009 |
|--|---------------------------|-------------------------|
| | \$ | \$ |
| Current Assets | | |
| Cash & Cash Equivalents | 0 | 8,939,295 |
| Trade & Other Receivables | 0 | 3,443 |
| Total Current Assets | 0 | 8,942,738 |
| Non-Current Assets | | |
| Plant & Equipment | 120,516 | 114,782 |
| Leasehold Improvements | 0 | 0 |
| Total Non-Current Assets | 120,516 | 114,782 |
| Total Assets | <u>120,516</u> | <u>114,782</u> |
| Current Liabilities | | |
| Trade & Other Payables | 1,035,593 | 1,090,112 |
| Provisions | 189,214 | 0 |
| Total Current Liabilities | 1,224,807 | 1,090,112 |
| Non-Current Liabilities | | |
| Provisions | 70,513 | 0 |
| Total Non-Current Liabilities | 70,513 | 0 |
| Total Liabilities | <u>1,295,320</u> | <u>1,090,112</u> |
| Net Assets/(Liabilities) Contributed to UWS | <u>(1,174,804)</u> | <u>7,967,408</u> |

UWS RESIDENTIAL COLLEGES LTD
ABN 94 076 732 799

18. Related Party Disclosure

18.1. Directors

The names of the persons who were Directors of the Company during the financial year were:

| Board Member | Commenced | Resigned |
|---------------------|------------------|-----------------|
| E. Brackenreg | 14 February 2005 | Current |
| K.Sproats | 11 March 2010 | Current |
| A. Kourtis | 11 March 2010 | Current |
| D. Dwyer | 20 February 2007 | 12 March 2010 |
| R. McGuiggan | 13 December 2006 | 11 March 2010 |
| J. Sayer (Chair) | 13 December 2006 | 30 June 2010 |

18.2. Related Party Transactions

| | 2010 | 2009 |
|---------------------------------|-------------|-------------|
| | \$ | \$ |
| Income Received from UWS | 2,373,572 | 28,605 |
| Expenditure Paid to UWS | 130,199 | 8,493,416 |
| Amount Payable to UWS | 0 | 0 |
| Amount Receivable from UWS | 0 | 0 |
| Expenditure paid to UWS College | 0 | 51 |
| Income Received from uwsconnect | 0 | 0 |
| Expenditure Paid to uwsconnect | 3,013 | 7,490 |

19. Contingent Liabilities

There are no material contingent liabilities affecting the Company at balance date.

20. Events Subsequent to Balance Date

As at 31st of December 2010 all the operations of UWS Residential Colleges Limited have been transferred to the University of Western Sydney which will from this point continue the operation of the entity's activities. In this regard UWS Residential Colleges Ltd has become a non-trading entity with no assets or liabilities. In due course this entity will be dissolved and any costs associated with this will be covered by the University of Western Sydney.

21. Commitments

There are no capital or operational expenditure commitments.

End of Audited Financial Statements



GPO BOX 12
Sydney NSW 2001

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 2010, 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.

A handwritten signature in black ink, appearing to read "Peter Boulous". The signature is written over a horizontal line.

Peter Boulous
Director, Financial Audit Services

21 February 2011
SYDNEY



GPO BOX 12
Sydney NSW 2001

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 comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's 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 2010 and its performance for the year ended on that date
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- are in accordance with section 41[B] of the *Public Finance and Audit Act 1983* (the 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 and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. 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:

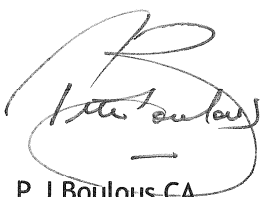
- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office 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 uwsconnect Limited on 21 February 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

28 February 2011
SYDNEY

uwsconnect Limited
ABN 45 1077 591 97

DIRECTORS DECLARATION

In the opinion of the Directors of uwsconnect Limited

1. The accompanying Financial Statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2010 and performance for the year ended 31 December 2010.
2. At the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
3. The Financial Statements of the Company has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements and the *Corporations Act 2001*.
4. In forming an opinion for the purpose of this declaration, the Directors have had regard to circumstances that have arisen and information that has become available since the end of the financial period. No circumstance has arisen or information become available that would materially impact on the position shown in the Financial Statements.
5. As at the date of signing this declaration we are unaware of any circumstances which would render any particulars included in these Financial Statements to be misleading or inaccurate.

Signed on behalf of the Board and in accordance with its resolution,
 this 23rd day of February 2011.



David Stephens
DIRECTOR



Timothy Ferraro
DIRECTOR

uwsconnect Limited
ABN 45 1077 591 97

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Notes | 2010 \$ | 2009 \$ |
|--|-------|--------------------------|--------------------------|
| Revenue from continuing operations | | | |
| Books | | 9,480,501 | 9,146,869 |
| Food & Beverage | | 7,475,018 | 6,732,266 |
| Retail | | 2,582,075 | 2,211,706 |
| Sports | | 1,714,280 | 1,121,211 |
| Other Revenue | | <u>726,122</u> | <u>178,988</u> |
| Total Trading income | | 21,977,996 | 19,391,040 |
| UWS Funding | | 1,485,000 | 1,615,000 |
| Interest Income | | <u>39,759</u> | <u>36,328</u> |
| Total Revenue from continuing operations | | 23,502,755 | 21,042,368 |
| Trade Purchases (cost of goods sold) | | <u>(11,542,581)</u> | <u>(10,633,711)</u> |
| Gross Surplus | | <u>11,960,174</u> | <u>10,408,657</u> |
| Expenses from continuing operations | | | |
| Employee Related Expenses | 11 | 8,959,039 | 7,324,570 |
| Promotion & Events | | 697,406 | 606,482 |
| Motor Vehicle Expenses | | 151,786 | 134,465 |
| Utilities | | 126,334 | 164,616 |
| Administration Expenses | | 173,060 | 187,563 |
| Consultancy / Agency Fees | | 329,891 | 150,345 |
| Cleaning | | 86,873 | 91,309 |
| Loan Interest | | 68,800 | 12,052 |
| Lease Expenses | | 490,314 | 252,711 |
| Repairs & Maintenance | | 236,431 | 219,755 |
| Asset Write Off | | 3,535 | 18,306 |
| Depreciation and Amortisation | | 257,816 | 204,540 |
| Minor Equipment < \$5,000 | | 81,559 | 80,491 |
| Audit Remunerations | 12 | 23,720 | 22,727 |
| Other Expenses | | <u>456,626</u> | <u>512,211</u> |
| Total Expenses from continuing operations | | <u>12,143,190</u> | <u>9,982,143</u> |
| Operating Surplus / (Deficit) | | (183,016) | 426,514 |
| Other Comprehensive Income | | - | - |
| Gain/(Loss) on Disposal of Assets | | <u>7,359</u> | <u>-</u> |
| Total Comprehensive Income | | <u>(175,657)</u> | <u>426,514</u> |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

uwsconnect Limited
ABN 45 1077 591 97

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

| | Notes | 2010 \$ | 2009 \$ |
|--------------------------------------|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 2 | 733,954 | 458,742 |
| Receivables | 3 | 546,003 | 496,652 |
| Inventories | 4 | <u>3,807,652</u> | <u>4,078,282</u> |
| Total Current Assets | | <u>5,087,609</u> | <u>5,033,676</u> |
| Non-Current Assets | | | |
| Plant and Equipment | 5 | 809,610 | 757,586 |
| Intangible Assets | 5 | <u>28,959</u> | <u>43,667</u> |
| Total Non-Current Assets | | <u>838,569</u> | <u>801,253</u> |
| Total Assets | | <u>5,926,178</u> | <u>5,834,929</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 6 | 2,062,582 | 2,210,208 |
| Borrowings | 7 | 1,603,125 | 1,400,000 |
| Provisions | 8 | <u>765,386</u> | <u>654,270</u> |
| Total Current Liabilities | | <u>4,431,093</u> | <u>4,264,478</u> |
| Non-Current Liabilities | | | |
| Provisions | 8 | <u>155,279</u> | <u>54,988</u> |
| Total Non-Current Liabilities | | <u>155,279</u> | <u>54,988</u> |
| Total Liabilities | | <u>4,586,372</u> | <u>4,319,466</u> |
| Net Assets | | <u>1,339,806</u> | <u>1,515,463</u> |
| EQUITY | | | |
| Retained Earnings | 9 | <u>1,339,806</u> | <u>1,515,463</u> |
| Total Equity | | <u>1,339,806</u> | <u>1,515,463</u> |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

uwsconnect Limited
ABN 45 1077 591 97

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Retained Earnings \$ | Total \$ |
|------------------------------------|-------------------------------------|-------------------------|
| Balance at 1 January 2009 | 1,088,949 | 1,088,949 |
| Total Comprehensive Income | <u>426,514</u> | <u>426,514</u> |
| Balance at 31 December 2009 | <u>1,515,463</u> | <u>1,515,463</u> |
| Balance at 1 January 2010 | 1,515,463 | 1,515,463 |
| Total Comprehensive Income | <u>(175,657)</u> | <u>(175,657)</u> |
| Balance at 31 December 2010 | <u>1,339,806</u> | <u>1,339,806</u> |

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

uwsconnect Limited
ABN 45 1077 591 97

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Notes | 2010 \$ | 2009 \$ |
|---|-------|-------------------------|----------------------------|
| Cash Flows from operating activities | | | |
| Receipts from customers (inclusive GST) | | 23,974,699 | 21,346,167 |
| Receipts from student fees (inclusive GST) | | 1,633,500 | 1,776,500 |
| Interest received | | <u>39,759</u> | <u>36,328</u> |
| | | 25,647,958 | 23,158,995 |
| Payments to suppliers and employees (inclusive GST) | | <u>(25,284,564)</u> | <u>(24,425,072)</u> |
| Net cash provided by / (used in) operating activities | 10 | <u>363,394</u> | <u>(1,266,077)</u> |
| Cash Flows from investing activities | | | |
| Proceed from sale of plant and equipment | | 19,697 | 195,000 |
| Payments for plant and equipment | | <u>(311,004)</u> | <u>(160,983)</u> |
| Net cash provided by / (used in) investing activities | | <u>(291,307)</u> | <u>34,017</u> |
| Cash Flows from financing activities | | | |
| Proceeds from borrowings | | 1,650,000 | 1,400,000 |
| Repayment of borrowings | | <u>(1,446,875)</u> | <u>-</u> |
| Net cash provided by / (used in) financing activities | | <u>203,125</u> | <u>1,400,000</u> |
| Net increase / (decrease) in cash and cash equivalents | | <u>275,212</u> | <u>167,940</u> |
| Cash and cash equivalents at beginning of the year | | <u>458,742</u> | <u>290,802</u> |
| Cash and cash equivalents at the end of the financial year | 2 | <u>733,594</u> | <u>458,742</u> |

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

uwsconnect Limited
ABN 45 1077 591 97

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. Summary of significant accounting policies

uwsconnect Limited (the Company), is a not-for-profit organisation, which has been established as a wholly owned entity of the University of Western Sydney (UWS). The principal activity of the Company during the 2010 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. The Company is limited by guarantee, with the University of Western Sydney being the single voting member, and was registered on 28 January 2004. The financial statements of uwsconnect Limited for the year ended 31 December 2010 are authorised for issue in accordance with a resolution of Directors on 21 February 2011.

(a) i) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Public Finance and Audit Act 1983*, Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), other mandatory financial reporting requirements and the Corporations Act 2001.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity are prepared on an accrual and going concern basis. The Statement of Cash Flows is prepared on a cash basis using the 'direct' method.

The financial statements have been prepared under the historical cost convention. All amounts are expressed in Australian currency.

The financial statements and notes of uwsconnect Limited comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

ii) 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 the Company's accounting policies.

Judgements, key assumptions and estimations management has made, are disclosed in the relevant notes to the financial statements.

iii) New Australian Accounting Standards issued but not effective

The following new accounting standards have been issued but are not yet effective:

| | |
|-------------|--|
| AASB 2009-5 | <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project</i> |
| AASB 124 | <i>Related Party Disclosures (2009), AASB 2009-12 Amendments to Australian Accounting Standards</i> |
| AASB 9 | <i>Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9</i> |
| AASB 2009-8 | <i>Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

iii) New Australian Accounting Standards issued but not effective (Continued)

| | |
|-------------------|--|
| AASB 2009-10 | <i>Amendments to Australian Accounting Standards - Classification of Rights Issues</i> |
| AASB 2009-14 | <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement</i> |
| Interpretation 19 | <i>Extinguishing Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19</i> |

These standards will not have a significant impact on the results of the entity.

(b) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable and when revenue can be reliably measured. Trading income mainly includes revenue from the sale of goods and is recognised when the Company transfers, the significant risks and rewards of ownership of the assets. University of Western Sydney pays funding to uwsconnect, primarily to cover the non trading activities. This funding is recognised as revenue when it is received.

(c) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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. Fourteen (14) days credit terms apply to all debtors.

(d) Plant and Equipment

Plant and Equipment has been determined to be any item with a useful life exceeding twelve months and with a cost in excess of \$5,000 individually (or forming part of a network costing more than \$ 5,000).

Plant and Equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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 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 financial period in which they are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 1(d) Plant and Equipment (continued)

Depreciation is calculated using the straight line method on historical cost, net of any residual values, over their estimated useful lives. The estimated useful lives are:

| | Years |
|------------------------|-------|
| Computing (Networking) | 4 |
| Computing (Other) | 3 |
| Equipment | 10 |
| Motor Vehicles | 6 |
| Furniture & Fittings | 10 |
| Fitouts (Subway) | 5 |

The assets residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, each financial year.

(e) Intangible Assets

The company recognises intangible assets only if it is probable that future economic benefits will flow to the company and the cost of the asset can be measured reliably. Intangible Assets are initially measured at cost. The useful life of the company is assessed to be finite and thus are amortised using the straight-line method over three years. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than carrying amount, an impairment loss is recognised.

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to uwsconnect and other amounts, including interest if applicable.

Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(g) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences 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. Borrowings are classified as current liabilities.

Borrowing costs relating to the University of Western Sydney loan facilities are expensed.

(h) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 1(h) Employee Benefits (continued)

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(j) Comparatives

Where appropriate and practical the previous year's comparative information has been adjusted to conform with the current year's presentation.

(k) Tax Status

The Company is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

The Company is also exempt from Payroll Tax under Section 10(1)(K) of the *NSW Payroll Tax Act 1971*, as a charitable institution. This exempts the Company from the payment of payroll tax on wages paid to employees engaged in charitable work of the organisation.

(l) Inventories

A stock-take on 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; other stock is valued at last purchase price.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of Goods and Services Tax (GST), except:

- i. where GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii for receivables and payables which are recognised inclusive of GST.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 1(m) Goods and Services Tax (continued)

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

2. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank.

| | 2010 | 2009 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Cash at Bank | 650,389 | 383,262 |
| Cash on Hand | <u>83,565</u> | <u>75,480</u> |
| Total Cash and Cash Equivalents | <u>733,954</u> | <u>458,742</u> |
| 3. Trade Debtors | 377,831 | 204,345 |
| Provision for impaired receivables | (6,600) | (2,749) |
| Other Debtors and Accruals | 138,408 | 188,230 |
| Prepayments | 35,185 | 102,598 |
| Security Deposit | <u>1,179</u> | <u>4,228</u> |
| Total Receivables | <u>546,003</u> | <u>496,652</u> |
| 4. Inventories | | |
| Inventories | | |
| Books | 3,178,906 | 3,599,182 |
| Retail | 509,305 | 366,250 |
| Food & Beverage | <u>119,441</u> | <u>112,850</u> |
| Total Inventories | <u>3,807,652</u> | <u>4,078,282</u> |

Provision for obsolete stock \$13,001 has been set off against the retail stock in 2009.

5. Non Current Assets

| | | |
|---|-----------------------|-----------------------|
| Plant and other equipment | | |
| At cost | 645,986 | 654,486 |
| Accumulated Depreciation | <u>(413,395)</u> | <u>(335,047)</u> |
| Net carrying amount | <u>232,591</u> | <u>319,439</u> |
| Furniture and Fittings | | |
| At Cost | 453,911 | 258,877 |
| Accumulated Depreciation | <u>(164,439)</u> | <u>(105,474)</u> |
| Net Carrying Amount | <u>289,472</u> | <u>153,403</u> |
| Motor Vehicles | | |
| At Cost | 575,275 | 494,347 |
| Accumulated Depreciation | <u>(287,728)</u> | <u>(209,603)</u> |
| Net Carrying Amount | <u>287,547</u> | <u>284,744</u> |
| Total Net Carrying Amount of Plant and Equipment | <u>809,610</u> | <u>757,586</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

| <i>Note 5 Non Current Assets (continued)</i> | 2010 | 2009 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Intangible Assets | | |
| Software | | |
| At cost | 65,500 | 65,500 |
| Accumulated Amortisation | <u>(43,666)</u> | <u>(21,833)</u> |
| Net Carrying Amount | <u>21,834</u> | <u>43,667</u> |
| Franchise Fees | | |
| At cost | 7,500 | - |
| Accumulated Amortisation | <u>(375)</u> | <u>-</u> |
| Net Carrying Amount | <u>7,125</u> | <u>-</u> |
| Total Net Carrying amount of Intangible Assets | <u>28,959</u> | <u>43,667</u> |
| Total Non Current Assets | <u>838,569</u> | <u>801,253</u> |
| Reconciliations of the carrying amounts of each class of Plant and Other Equipment at the beginning and end of the current financial year are set out below. | | |
| Plant and Other Equipment | | |
| Carrying amount at the beginning of year | 319,439 | 425,047 |
| Write-Off | (3,535) | (18,306) |
| Depreciation Expense | <u>(83,313)</u> | <u>(87,302)</u> |
| Net carrying amount at the end of year | <u>232,591</u> | <u>319,439</u> |
| Furniture and Fittings | | |
| Carrying amount at the beginning of year | 153,403 | 368,969 |
| Additions | 195,034 | 5,248 |
| Disposal | - | (195,000) |
| Depreciation Expense | <u>(58,965)</u> | <u>(25,814)</u> |
| Net carrying amount at the end of year | <u>289,472</u> | <u>153,403</u> |
| Motor Vehicles | | |
| Carrying amount at the beginning of year | 284,744 | 264,100 |
| Additions | 108,470 | 90,235 |
| Disposal | (12,337) | - |
| Depreciation Expenses | <u>(93,330)</u> | <u>(69,591)</u> |
| Net carrying amount at the end of year | <u>287,547</u> | <u>284,744</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 5 Non Current Assets (continued)

| | 2010 | 2009 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Software | | |
| Carrying amount at the beginning of year | | |
| Additions | 43,667 | 65,500 |
| Amortisation Expenses | <u>(21,833)</u> | <u>(21,833)</u> |
| Net carrying amount at the end of year | <u>21,834</u> | <u>43,667</u> |
| Franchise Fees | | |
| At cost | 7,500 | - |
| Accumulated Amortisation | <u>(375)</u> | <u>-</u> |
| Net carrying amount at the end of year | <u>7,125</u> | <u>-</u> |
| Total Non Current Assets | <u>838,569</u> | <u>801,253</u> |

6. Trade and Other Payables

| | | |
|---------------------------|-------------------------|-------------------------|
| Trade Payables | 1,753,192 | 1,983,532 |
| Other Creditors | 201,555 | 86,930 |
| Accrued Expenses | 83,235 | 129,645 |
| Customer Deposits | <u>24,600</u> | <u>10,101</u> |
| Total Payables | <u>2,062,582</u> | <u>2,210,208</u> |

7. Borrowings

| | | |
|-----------------------------------|-----------------------|-----------------------|
| Total Facility | 2,000,000 | 2,000,000 |
| Used at Balance Date | <u>(1,603,125)</u> | <u>(1,400,000)</u> |
| Unused at Balance Date | <u>396,875</u> | <u>600,000</u> |

8. Provisions

Employee Benefits Provisions

Current

| | | |
|----------------|---------|---------|
| Leave In Lieu | 486 | 5,451 |
| Superannuation | 166,941 | 127,571 |

| | | |
|---|---------|---------|
| Annual Leave expected to be taken within next 12 months | 410,565 | 338,104 |
|---|---------|---------|

| | | |
|---|----------------|----------------|
| Long Service Leave expected to be taken within next 12 Months | 24,049 | 22,433 |
| Long Service Leave expected to be taken after 12 Months | <u>163,345</u> | <u>160,711</u> |

| | | |
|--|-----------------------|-----------------------|
| Total Current Employee Benefits Provision | <u>765,386</u> | <u>654,270</u> |
|--|-----------------------|-----------------------|

| | | |
|--------------------|---------|--------|
| Non-current | | |
| Long Service Leave | 155,279 | 54,988 |

| | | |
|--|-----------------------|----------------------|
| Total Non Current Employee Benefits Provision | <u>155,279</u> | <u>54,988</u> |
|--|-----------------------|----------------------|

| | | |
|--------------------------------|-----------------------|-----------------------|
| Total Employee Benefits | <u>920,665</u> | <u>709,258</u> |
|--------------------------------|-----------------------|-----------------------|

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | 2010 | 2009 |
|---|-------------------------|---------------------------|
| | \$ | \$ |
| 9. Retained Earnings | | |
| Retained Earnings at 1 January | 1,515,463 | 1,088,949 |
| Operating Profit / (Loss) for the year | <u>(175,657)</u> | <u>426,514</u> |
| Retained Earnings at 31 December | <u>1,339,806</u> | <u>1,515,463</u> |
| 10. Reconciliation of Net Cash Flows by Operating Activities to Operating Profit | | |
| Operating Surplus / (Deficit) from ordinary activities | (175,657) | 426,514 |
| Depreciation and Amortisation | 257,816 | 204,540 |
| Fixed assets written-off / Disposal | (3,827) | 18,306 |
| Provision for obsolete stock and doubtful debts | <u>3,853</u> | <u>14,049</u> |
| | <u>82,185</u> | <u>663,409</u> |
| (Increase)/Decrease in Pre Payments | 70,462 | 35,259 |
| (Increase)/Decrease in Receivables | (148,545) | 54,705 |
| (Increase)/Decrease in Other Assets | 24,881 | (24,881) |
| (Increase)/Decrease in Inventory | 270,630 | (2,145,116) |
| Increase/(Decrease) in Payables | (147,626) | 57,659 |
| Increase/(Decrease) in Employees Benefits | <u>211,407</u> | <u>92,888</u> |
| Net Cash used in operating activities | <u>363,394</u> | <u>(1,266,077)</u> |
| 11. Employee Related Expense | | |
| Salaries | 7,496,812 | 6,184,505 |
| Superannuation | 685,354 | 544,257 |
| Annual Leave | 418,609 | 346,178 |
| Long Service Leave | 131,195 | 33,870 |
| Leave in Lieu | 4,145 | 23,349 |
| Staff Amenities | 37,898 | 62,607 |
| Staff Training | 16,337 | 3,569 |
| Workers Compensation | 139,345 | 120,514 |
| Fringe Benefit Tax | <u>29,344</u> | <u>5,721</u> |
| Total Employee Related Expenses | <u>8,959,039</u> | <u>7,324,570</u> |
| 12. Remuneration of Auditors | | |

An audit fee of \$26,092 (inclusive of GST) for the audit of the 2010 Financial Statements, was accrued for payment to The Audit Office of New South Wales.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

| 13. Commitments | 2010 | 2009 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Operating Lease commitments as at 31 December were payable: | | |
| Less than 1 year | 600,013 | 481,905 |
| More than 1 year and less than 5 years | <u>805,195</u> | <u>895,734</u> |
| Total Minimum Lease Payments | <u>1,405,208</u> | <u>1,377,639</u> |

Both years include GST input credits totalling \$127,746 in 2010 and \$125,239 in 2009, which is recoverable from the Australian Taxation Office.

Commitments for expenditure relating to the fit out of a new food outlet / Capital Equipment

| | | |
|--|-----------------------|-----------------------|
| Less than 1 year | 290,320 | 250,000 |
| More than 1 year and less than 5 years | - | - |
| | <u>290,320</u> | <u>250,000</u> |

14. Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities in existence as at 31 December 2010.

15. Remuneration Package

No financial remuneration is paid to the Board of Directors.

16. Assistance provided by Government Agencies

During the year, the University of Western Sydney provided rent free accommodation to the Company in relation to space occupied at all six campuses. In addition, Nirimba Education Precinct provided free parking spaces at Nirimba campus. These contributions have not been recognised in the financial statements as they are unquantifiable.

17. Economic Dependency

uwsconnect Limited, as a 100% owned entity of the University of Western Sydney, received \$1.485m in direct funding in 2010. Funding for 2011 has been approved for \$3.273m for community services, capital investment and provision of bus services.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. Financial Risk Management

uwsconnect Limited's activities expose it to a number of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the major areas of risk, being currency, credit and liquidity risks and seeks to minimise potential adverse effects on the financial performance and financial position of the Company. Due to the nature of the business operations, hedging activities, such as foreign exchange contracts, are not economically viable for the Company. The Company uses different methods to measure and manage the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, ageing analysis for credit risk and forecast cash flows and current ratio measurement in relation to liquidity risk.

Risk management is carried out on a day-by-day basis by the General Manager and Manager – Finance & Administration, under policies approved by the Board of Directors, and overall with financial reporting to the Board

on a regular basis. The Board provides the overall principles for risk management, together with written policies, which are reviewed and updated annually, covering specific areas such as banking and foreign exchange. Certain areas of risk, such as credit and liquidity risk are reviewed by the Board at every meeting.

a) Market Risk

(i) Foreign Exchange

Due to the nature of the Company's operations, its exposure to Foreign Exchange Risk is minimal.

ii) Interest Rate Risk

The Company has cash deposits at bank, which are at floating interest rates, and interest bearing liabilities in the form of finance leases at fixed interest rates. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Company's exposure to interest rate risk is set out below.

| 31 December 2010 | Carrying Amount | -1% | | 1% | |
|--------------------------|-----------------|----------------|----------------|--------------|--------------|
| | \$ | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalent | 733,954 | (7,340) | (7,340) | 7,340 | 7,340 |
| Total | 733,954 | (7,340) | (7,340) | 7,340 | 7,340 |

| 31 December 2009 | Carrying Amount | -1% | | 1% | |
|--------------------------|-----------------|----------------|----------------|--------------|--------------|
| | \$ | Income \$ | Equity \$ | Income \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalent | 458,742 | (4,587) | (4,587) | 4,587 | 4,587 |
| Total | 458,742 | (4,587) | (4,587) | 4,587 | 4,587 |

iii) Other Price Risk

The Company's exposure to "other price risk" is minimal

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 18 *Financial Risk Management (continued)*

b) Credit Risk

Credit risk is that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The risk arises from credit granted to business for work performed by the Company. The Company's debtors primarily include their parent company, University of Western Sydney and other Local and National Organisations. Historically, uwsconnect has had minimal issue with risks of default.

The Company has a varying customer base with varying exposures to credit risk. The Company's management continuously monitors the aging of its trade receivables and reports regularly to the Board. As the Company does not hold any collateral, nor have any netting arrangements, the maximum exposure to credit risk is the total fair value of Trade Receivables, being \$377,831 in 2010 (\$204,345 in 2009).

| 31 December 2010 | Carrying Amount | 2010 | | 2009 | |
|-------------------------|-----------------|----------------|---------------------|----------------|---------------------|
| | | Current | Past Due (>90 days) | Current | Past Due (>90 days) |
| | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | |
| Trade Debtors | 377,831 | 354,372 | 23,459 | 192,385 | 11,960 |
| Total | 377,831 | 354,372 | 23,459 | 192,385 | 11,960 |

c) Liquidity Risk

The liquidity risk is that the Company will encounter difficulty in meeting its obligations in relation to its financial liabilities. Management monitors the Company's cash position daily and updates its forecast and actual cash flows monthly. Actual and forecast cash flows are reviewed by the Board at every Board meeting.

The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

| 31 December 2010 | Nominal Amount | Interest Rate Exposure | | Maturity Dates | | |
|------------------------------|------------------|------------------------|------------------------|------------------|--------------|-------------|
| | \$ | Fixed Interest Rate | Variable Interest Rate | <1 Year \$ | 1-5 Years \$ | >5 Years \$ |
| Financial Liabilities | | | | | | |
| Payables | 2,062,582 | - | | 2,062,582 | - | - |
| Borrowings | 1,603,125 | - | 7.25% | 1,603,125 | - | - |
| Total | 3,665,707 | - | 7.25% | 3,665,707 | - | - |

| 31 December 2009 | Nominal Amount | Interest Rate Exposure | | Maturity Dates | | |
|------------------------------|------------------|------------------------|------------------------|------------------|--------------|-------------|
| | \$ | Fixed Interest Rate | Variable Interest Rate | <1 Year \$ | 1-5 Years \$ | >5 Years \$ |
| Financial Liabilities | | | | | | |
| Payables | 2,210,208 | - | | 2,210,208 | - | - |
| Borrowings | 1,400,000 | - | 6.25% | 1,400,000 | - | - |
| Total | 3,610,208 | - | 6.25% | 3,610,208 | - | - |

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and, therefore, may not reconcile to the Statement of Financial Position.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 18 *Financial Risk Management (continued)*

d) Fair Value Estimation

Because of their short term nature the carrying values of all financial instruments recognised in the Statement of Financial Position approximates their fair value.

19. Related Party Disclosure

(a) Directors

The names of the persons who were Directors of uwsconnect Limited during the financial year were:

| Board Member | Position | Commenced | Resigned |
|-------------------|----------|-----------|----------|
| David Stephens | Chair | 26.09.05 | current |
| Geoffrey Roberson | Director | 28.01.04 | current |
| Slade Howell | Director | 26.08.05 | 13.12.10 |
| Mark Kotorac | Director | 23.09.05 | 13.12.10 |
| Vicki Buchanan | Director | 27.09.05 | current |
| Tim Ferraro | Director | 27.09.05 | current |
| Buse Komuksu | Director | 15.06.09 | current |
| Jarrold Morgan | Director | 15.06.09 | current |
| Thea Seabrook | Director | 27.05.10 | current |

(b) Related Party Transactions

| | 2010 | 2009 |
|------------------------------------|-------------|-------------|
| | \$ | \$ |
| Income received from UWS | 5,911,323 | 3,624,786 |
| Income received from UWSC & RC | 3,013 | 8,239 |
| Income from UWS College | 48,606 | 36,551 |
| Loan received from UWS | 2,550,000 | 1,400,000 |
| Expenditure paid to UWS | (2,645,115) | (765,275) |
| Amount payable to UWS | (1,434,987) | (1,438,539) |
| Amount receivable from UWS | 300,761 | 143,280 |
| Amount receivable from UWS College | 8,519 | 9,043 |
| Income received from Cadre | 146 | - |

(c) Parent Entity

The Parent entity is the University of Western Sydney (UWS)

20. Subsequent Events

There are no events after Statement of Financial Position date that have a material impact on the accounts.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

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 the Whitlam Institute within the University of Western Sydney Trust (the Trust), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Qualified Auditor's Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been necessary had I been able to satisfy myself as to the completeness of donated and fundraising revenue, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 December 2010, and its financial performance 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

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

Basis for Qualified Auditor's Opinion

As is common for entities that have donations and fundraising as sources of revenue, it is impracticable for the Trust to maintain an effective system of internal control over donated and fundraising revenues it receives until their initial entry into the financial records. Accordingly, as the evidence available to me regarding revenue from these sources was limited, my audit procedures with respect to these revenues were restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion on whether all donated and fundraising revenues received by the Trust during the year ended 31 December 2010 have been recorded in its financial records. My auditor's report for the year ended 31 December 2009 was similarly qualified.

The Directors' Responsibility for the Financial Statements

The Directors of the Trust are responsible for the preparation and fair presentation of the financial statements 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 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. Except as discussed in the qualification paragraph, I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the 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 Trust's preparation and fair presentation of the financial statements 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 Trust'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 that 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 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, Standards on Assurance Engagements 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 role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

28 March 2011
SYDNEY

Whitlam Institute Within The University of Western Sydney Trust

Financial Statements – 31 December 2010

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WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST
ABN 42 247 216 279

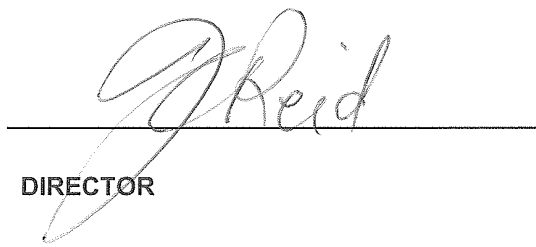
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of the trustee company Whitlam Institute within the University of Western Sydney Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements presents a true and fair view of the financial position of the Trust as at 31 December 2010 and the financial performance of the Trust for the year ended;
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010.
The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory financial reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board;
3. We are not aware of any circumstances that have arisen which would render any particulars included in the financial statements to be misleading or inaccurate; and
4. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

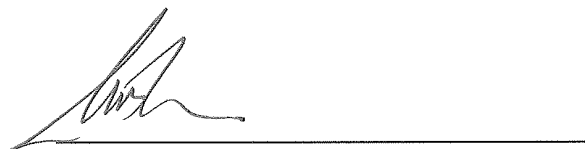
Signed on behalf of the Board and in accordance with its resolution.

This 18th day of March 2011



DIRECTOR

Prof. Janice Reid



DIRECTOR

Geoffrey Roberson

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|-------------|-----------------------|-----------------------|
| Revenue from Continuing Operations | | | |
| Interest Income | 5 | 22,575 | 17,681 |
| Contribution of Assets | 12 | 0 | 18,580 |
| Event Income | | 166,419 | 91,894 |
| Other Income | | 0 | 5,000 |
| Total Revenue from Continuing Operations | | <u>188,994</u> | <u>133,155</u> |
| Expenses from Continuing Operations | | | |
| Staff Salaries and Oncosts | 7 | 52,239 | 103,982 |
| Audit Fees | 6 | 4,944 | 4,800 |
| Other Expenses | | 5,389 | 2,814 |
| Event Expenses | | 92,631 | 16,110 |
| Total Expenses from Continuing Operations | | <u>155,203</u> | <u>127,705</u> |
| Operating Result | | <u>33,791</u> | <u>5,450</u> |
| Other Comprehensive Income | | <u>0</u> | <u>0</u> |
| Total Comprehensive Income for the Year | | <u>33,791</u> | <u>5,450</u> |

The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST**ABN 42 247 216 279****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2010**

| | Note | 2010 \$ | 2009 \$ |
|----------------------------------|------|-----------------------|-----------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 8 | 293,119 | 265,768 |
| TOTAL CURRENT ASSETS | | 293,119 | 265,768 |
| NON-CURRENT ASSETS | | | |
| Whitlam Collection | 12 | 263,685 | 250,549 |
| TOTAL NON-CURRENT ASSETS | | 263,685 | 250,549 |
| TOTAL ASSETS | | <u>556,804</u> | <u>516,317</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 9 | 5,438 | 11,878 |
| TOTAL CURRENT LIABILITIES | | 5,438 | 11,878 |
| TOTAL LIABILITIES | | <u>5,438</u> | <u>11,878</u> |
| NET ASSETS | | <u>551,366</u> | <u>504,439</u> |
| EQUITY | | | |
| Settled Funds | 3 | 1 | 1 |
| Revaluation Reserve | 12 | 13,136 | 0 |
| Retained Surplus | 10 | 538,229 | 504,438 |
| TOTAL EQUITY | | <u>551,366</u> | <u>504,439</u> |

The above Statement of Financial Position
should be read in conjunction with the accompanying notes

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Note | 2010 | 2009 |
|--|-------------|-----------------------|-----------------------|
| | | \$ | \$ |
| Cash Flows from Operating Activities | | | |
| Interest Received | | 22,575 | 17,681 |
| Other Income | | 0 | 5,000 |
| Receipts from Event Income (Inclusive of GST) | | 166,419 | 91,894 |
| Payments to Employees | | (52,238) | (103,982) |
| Payments to Suppliers (Inclusive of GST) | | (109,405) | (18,141) |
| Net Cash Flows provided by/(used In) Operating Activities | 11 | 27,351 | (7,548) |
| Net increase/(decrease) in Cash and Cash Equivalents | | 27,351 | (7,548) |
| Cash and Cash Equivalents at the beginning of the year | | 265,768 | 273,316 |
| Cash and Cash Equivalents at the end of the Year | 8 | <u>293,119</u> | <u>265,768</u> |

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

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Note | 2010 \$ | 2009 \$ |
|--|-------------|-----------------------|-----------------------|
| Total equity at the beginning of the year | | 504,439 | 498,989 |
| Total Comprehensive Income for the year | | 33,791 | 5,450 |
| Additions to Reserves | 12 | 13,136 | 0 |
| Total equity at the end of the year | | <u>551,366</u> | <u>504,439</u> |

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

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of significant accounting policies

The financial statements of the Whitlam Institute within the University of Western Sydney Trust (the Trust) for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on the 18th March 2011.

The Trust Fund 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.

The ultimate parent of the Trust is the University of Western Sydney. The Trust's accounting records are maintained by the University of Western Sydney.

The Trust is endorsed as a Charitable Fund under the *Income Tax Assessment Act*.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010, applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and other mandatory financial reporting requirements.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity are prepared on an accrual and going concern basis. The Statement of Cash Flows is prepared on a cash basis using the 'direct' method.

The financial statements are prepared in accordance with the historical cost convention. All amounts are expressed in Australian currency.

(b) Financial Instruments

The Trust's principal financial instruments comprise payables and cash and cash equivalents.

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

The Board reviews and agrees policies for managing each of the risks identified below.

Risk Exposures and Responses

Interest rate risk

The Trust has no long term debt obligation, interest rate risk is considered minimal.

Price risk

The Trust's exposure to price risk is considered minimal.

Credit risk

Credit risk arises from the financial assets of the Trust, which comprise cash and cash equivalents. The Trust's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount. Exposure at 31 December 2010 is addressed in each applicable note.

Liquidity risk

Exposure to liquidity risk is considered minimal.

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Revenue Recognition

Revenue is measured at the fair value of the contributions received or receivable.

Revenue from contributions is recognised when the Trust obtains control of the contribution or right to receive the contribution.

Event income is only recognised when the economic benefits associated with the transaction flows to the entity.

Revenue on interest income is recognised as it accrues using the effective interest method.

(d) Whitlam Collection

Assets comprising the Whitlam Collection have been donated to the Trust. Market valuations have been obtained at the time of contribution in order to determine the fair value of the contribution at acquisition date in accordance with AASB 116 "Property, Plant and Equipment". The collection was re-valued by external independent valuers, McWilliam and Associates Pty Ltd, as at 31 December 2010. The increment in value, \$13,136 is reflected in the revaluation reserve as shown in note 12 below.

(e) Critical Accounting Estimates

The preparation of the 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 the Trust's accounting policies.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

(f) New Australian Accounting Standards issued but not yet effective

The Trust did not adopt any new Accounting Standards issued but not yet effective.

The company has assessed the impact of the new standards and considers the impact to be insignificant.

(g) Comparatives

Where appropriate and practical the previous year's comparative information had been adjusted to conform to the current year's presentation.

(h) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Trust and interest if applicable.

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually paid within 30 days of recognition.

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except:

- k) where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the acquisition cost of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the cash flows statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

2. Trustees

The Whitlam Institute Within the University of Western Sydney Limited, "the Trustee Company" has been appointed as Trustee of the Trust. The Directors of the Company in office as at 31 December 2010 were:

Board Member
Geoffrey Roberson (Chair)
Janice Reid
Nicholas Whitlam
John Wells
Talal Yassine
Kerry Schott
Patricia Amphlett
Gabrielle Trainor
Michael Antrum (Company Secretary)

3. Deed of Trust

The Deed of Trust was settled between the settlor and the Whitlam Institute Within the University of Western Sydney Limited as Trustee to the value of \$1 on 20 June 2002.

4. Tax Status

The Trust has been granted tax-exempt status and is not required to lodge an Australian income tax return.

5. Interest Income

The Trust maintains all of its funds with the University of Western Sydney that invests on behalf of the Trust.

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

6. Audit Fees

Audit fees payable to The Audit Office of New South Wales are \$4,944 (\$4,800 in 2009) ex GST. The Auditors did not receive any other benefits during the period.

7. Salaries Paid by Whitlam Institute

Salary costs represent 50% of Whitlam Directors TRP and on-costs as per board resolution. UWS pays remaining 50%.

8. Cash and Cash Equivalents

Cash includes cash on hand, and in banks and investments in money market instruments.

| | 2010 | 2009 |
|---------------------------|---------|---------|
| | \$ | \$ |
| Cash and Cash Equivalents | 293,119 | 265,768 |

9. Trade and Other Payables

Amounts included under this item are as follows:

| | 2010 | 2009 |
|--------------------|--------------|---------------|
| | \$ | \$ |
| Audit Fees Payable | 4,944 | 4,800 |
| Salaries Payable | 0 | 1,988 |
| Suppliers Payable | 0 | 4,610 |
| GST Payable | 494 | 480 |
| | <u>5,438</u> | <u>11,878</u> |

10. Retained Earnings

| | 2010 | 2009 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| Retained Earnings at 1 January | 504,438 | 498,988 |
| Profit for the year | 33,791 | 5,450 |
| Retained Earnings at 31 December | <u>538,229</u> | <u>504,438</u> |

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY TRUST

ABN 42 247 216 279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

11. Reconciliation of Net Profit to Net Cash Flows from Operating Activities:

| | 2010 | 2009 |
|------------------------------------|---------------|----------------|
| | \$ | \$ |
| Profit for the Year | 33,791 | 5,450 |
| Adjustment for Contributed Assets | 0 | (18,580) |
| Increase/(Decrease) in Payables | (6,440) | 5,582 |
| Net Cash from Operating Activities | <u>27,351</u> | <u>(7,548)</u> |

12. Whitlam Collection

Reconciliation of the carrying values at the beginning and end of the current financial year are set out below:

| | 2010 | 2009 |
|--|----------------|----------------|
| | \$ | \$ |
| Carrying Amount at Beginning of the Year | 250,549 | 231,969 |
| Contributed Assets | 0 | 18,580 |
| Revaluation | 13,136 | 0 |
| Carrying Amount at the End of the Year | <u>263,685</u> | <u>250,549</u> |

13. Contingent Liabilities

The Directors of the Trustee Company are not aware of any contingent liabilities in existence as at 31 December 2010 (Nil in 2009).

14. Commitments

The Whitlam Institute within the University of Western Sydney Trust has not entered into any commitments that are not otherwise included in the financial statements as at 31 December 2010 (Nil in 2009).

15. Economic Dependency

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

16. Related Party Disclosure

The Parent Entity is University of Western Sydney

17. Balance Sheet Date Events

There are no events after Balance Sheet Date that have a material impact on the accounts.

END OF AUDITED FINANCIAL STATEMENTS

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GPO BOX 12
Sydney NSW 2001

To the Directors
Whitlam Institute Within the University of Western Sydney Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Whitlam Institute Within the University of Western Sydney Limited for the year ended 31 December 2010, 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.

Peter Boulous
Director Financial Audit Services

18 March 2011
SYDNEY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Whitlam Institute within the University of Western Sydney Limited

To Members of the New South Wales Parliament and Members of the Whitlam Institute within the University of Western Sydney Limited

I have audited the accompanying financial statements of the Whitlam Institute within the University of Western Sydney Limited (the Company), which comprise the statement of financial position as at 31 December 2010, 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.

Auditor's Opinion

In my opinion the financial statements:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2010 and of 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give 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 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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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.

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

My opinion does *not* provide assurance:

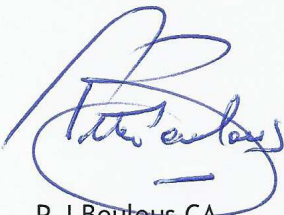
- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where 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, *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 role 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 University of Western Sydney Foundation Limited on xx March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.



P J Boulous CA
Director, Financial Audit Services

25 March 2011
SYDNEY

Whitlam Institute Within The University of Western Sydney Ltd

Financial Statements – 31 December 2010

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WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

DIRECTORS' REPORT

The Directors of the Whitlam Institute within the University of Western Sydney Limited (a company limited by guarantee) submit the financial statements for the year ended 31 December 2010 and report as follows:

1. The Directors of the Company at the date of this report are :

| DIRECTOR | QUALIFICATIONS AND EXPERIENCE | SPECIAL ROLES | PARTICULARS OF SHARES IN THE COMPANY | DIRECTORS INTEREST IN CONTRACTS |
|-----------------------------|---|-------------------|--------------------------------------|---------------------------------|
| Geoffrey ROBERSON | Solicitor HonDLitt (UWS) Accredited specialist in commercial litigation. Chairman Champion Legal Pty Ltd. | Chair | Nil | Nil |
| Janice REID | BSc Adel, MA Hawaii, MA PhD Stan, FASSA Vice-Chancellor of UWS | Nil | Nil | Nil |
| Talal YASSINE OAM | BA LLB (Macquarie University) LLM (Sydney University) MBA (Deakin) Banker and Director | Nil | Nil | Nil |
| John WELLS | Chief Executive Jackson Wells Morris, public relations and issues management. Former journalist News Limited, Channel 9. Political adviser to John Howard and Andrew Peacock. | Nil | Nil | Nil |
| Nicholas WHITLAM | AB (Hons) (Harv), MSc (Lon), Hon D. Univ (UNSW) Banker and Company Director | Nil | Nil | Nil |
| Dr Kerry SCHOTT | BA (Hons) UNE, MA (British Columbia), DPhil (Oxon) Managing Director. Sydney Water Corporation | Nil | Nil | Nil |
| Patricia AMPHLETT | Professional performer for over 45 years Member of Jessie Street Trust Federal President of Media Entertainment and Arts Alliance Member of PCCA Trust | Nil | Nil | Nil |
| Gabrielle TRAINOR | LLB (Melbourne) Barrister and Solicitor, Supreme Court of Victoria Honorary Associate, Graduate School of Government, University of Sydney Fellow, Australian Institute of Company Directors Churchill Fellow Company Director | Nil | Nil | Nil |
| Michael ANTRUM | BA, LLB, FCIS Notary Public General Counsel – NSW Police Force | Company Secretary | Nil | Nil |

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

DIRECTORS' REPORT

2. The Board of Directors of the company met 4 times during 2010. The number of meetings attended by each Director was:

| Directors and Officers | No of meetings eligible to attend during the year | No of meetings attended |
|--|---|-------------------------|
| Geoffrey Roberson (Chair) | 4 | 4 |
| Janice Reid AM | 4 | 3 |
| Nicholas Whitlam | 4 | 4 |
| John Wells | 4 | 4 |
| Talal Yassine | 4 | 2 |
| Dr Kerry Schott | 4 | 3 |
| Patricia Amphlett (appointed 29/06/10) | 2 | 2 |
| Gabrielle Trainor (appointed 29/06/10) | 2 | 2 |
| Gail Connolly (resigned 19/02/2010) | 0 | 0 |
| Wayne McKenna (resigned 19/02/2010) | 1 | 1 |
| Michael Antrum (Company Secretary) | 4 | 3 |

3. Principal Activities

The Company was incorporated on 26 April 2002. The principal activity of the Company during the period was to act as the Trustee of the Whitlam Institute Within the University of Western Sydney Trust.

The Whitlam Institute works as an educator, policy influencer and research institute. The Institute is an entity in the Division of Development and International. The Institute bridges the historical legacy of Gough Whitlam'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 colleges and 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 statesman who has pursued his convictions with a constant commitment to community engagement and a determination to put words into action.

4. Operating Results and Review of Operations for the Year

During the financial year, the Whitlam Institute within the University of Western Sydney Trust received total income of \$188,994 (\$133,155 in 2009). These funds in the main represent amounts held by the University of Western Sydney and allocated to the accounts of the "Whitlam Institute within the University of Western Sydney Trust" received from external fundraising, including donations, merchandise sales, conference income and interest.

The Operating result for the year was \$33,791 (\$5,450 in 2009). The Institute is performing well against the non financial indicators. The concern regarding publication output has, as anticipated, been addressed with several papers that were in the pipeline having been delivered. The public information and outreach activities have exceeded expectations this year. Progress has continued with the administrative and related systems, though the proposed review of the Institute's foundation documents may not be completed till 2011.

DIRECTORS' REPORT

5. After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect:

- i) the operations of the Company
- ii) the results of those operations, or
- iii) the state of affairs of the Company.

6. Director Related Benefits

During the financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member or with a company in which he/she has a financial interest.

7. Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the financial period.

8. Indemnifying Officers

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company.

9. No dividends have been paid during the year and no recommendation is made as to dividends.

10. In the financial year subsequent to the year ended 31 December 2010, the Company expects to continue to support and assist the Whitlam Institute within the University of Western Sydney Trust in the promotion of the work and legacy of E.G. Whitlam and related research and development. The Company intends to continue to encourage the donation of gifts and support to the Institute via its Trust:

- to act as Trustee
- to provide advice to the University of Western Sydney concerning the activities of the Whitlam Institute and the Whitlam Institute's Prime Ministerial Collection and;
- assist in fundraising for the Institute

11. The Auditor's Independence Declaration is attached to this report.

Signed in accordance with a resolution of the Directors made pursuant to the Corporation Act 2001.

This ^{8th} day of March 2011.



DIRECTOR

Prof. Janice Reid



DIRECTOR

Geoffrey Roberson

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED
ABN 50 100 342 309

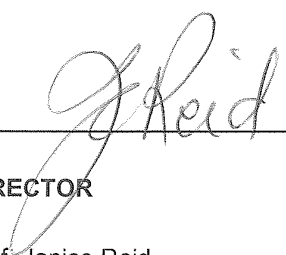
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of the Whitlam Institute within the University of Western Sydney Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, and the Corporations Act 2001, we state that:

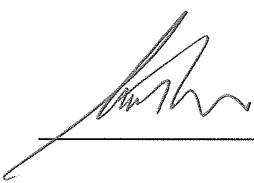
1. The attached general purpose financial statements presents a true and fair view of the financial position of the Company as at 31 December 2010 and the financial performance of the Company for the year then ended;
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010 and the Corporations Act 2001; The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory financial reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board;
3. We are not aware of any circumstance that has arisen which would render any particulars included in the financial report to be misleading or inaccurate; and
4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed on behalf of the Board and in accordance with its resolution.

This 18th day of March 2011



DIRECTOR
Prof. Janice Reid



DIRECTOR
Geoffrey Roberson

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 | 2009 |
|--|-------------|---------------------|---------------------|
| | | \$ | \$ |
| Revenue from Continuing Operations | | | |
| Transfer from Trust | | 2,792 | 3,347 |
| Total Revenue from Continuing Operations | | <u>2,792</u> | <u>3,347</u> |
| Expenses from Continuing Operations | | | |
| Audit Fees | 11 | 1,236 | 1,200 |
| Catering Expenses and Fees | | 1,556 | 2,147 |
| Total Expenses from Continuing Operations | | <u>2,792</u> | <u>3,347</u> |
| Operating Result | | <u>0</u> | <u>0</u> |
| Other Comprehensive Income | | <u>0</u> | <u>0</u> |
| Total Comprehensive Income for the Year | | <u>0</u> | <u>0</u> |

The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2010**

| | Note | 2010 \$ | 2009 \$ |
|----------------------------------|------|---------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 5 | 1,361 | 1,321 |
| TOTAL CURRENT ASSETS | | 1,361 | 1,321 |
| TOTAL ASSETS | | <u>1,361</u> | <u>1,321</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | | 1,360 | 1,320 |
| TOTAL CURRENT LIABILITIES | | 1,360 | 1,320 |
| TOTAL LIABILITIES | | <u>1,360</u> | <u>1,320</u> |
| NET ASSETS | | <u>1</u> | <u>1</u> |
| EQUITY | | | |
| Settlement Capital | 4,6 | 1 | 1 |
| Retained Earnings | | 0 | 0 |
| TOTAL EQUITY | | <u>1</u> | <u>1</u> |

The above Statement of Financial Position
should be read in conjunction with the accompanying notes

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED
ABN 50 100 342 309

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|---------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Receipts | | 2,792 | 3,347 |
| Payments to suppliers and employees | | (2,752) | (3,247) |
| Net Cash Flows from/(used in) Operating Activities | 7 | <u>40</u> | <u>100</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | 40 | 100 |
| Cash and Cash Equivalents at the beginning of the year | | <u>1,321</u> | <u>1,221</u> |
| Cash and Cash Equivalents at the end of the year | 5 | <u>1,361</u> | <u>1,321</u> |

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

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED
ABN 50 100 342 309

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|-------------|--------------------------|--------------------------|
| Total equity at the beginning of the year | | 1 | 1 |
| Total Comprehensive Income for the Year | | 0 | 0 |
| Total equity at the end of the year | | <u>1</u> | <u>1</u> |

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Summary of Significant Accounting Policies

The financial statements of the Whitlam Institute within the University of Western Sydney Ltd (the Company) for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on the 18th March 2011.

The ultimate parent of the Company is the University of Western Sydney. The Company's accounting records are maintained by the University of Western Sydney.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010, applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), other mandatory financial reporting requirements and the Corporations Act 2001.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity are prepared on an accrual and going concern basis. The Statement of Cash Flows is prepared on a cash basis using the 'direct' method.

The financial statements are prepared in accordance with the historical cost convention. All amounts are expressed in Australian currency.

(b) Financial Instruments

The Company's principal financial instruments comprise payables and cash.

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

The Board reviews and agrees policies for managing each of the risks identified below.

Risk Exposures and Responses

Interest rate risk

The Company has no long term debt obligation, interest rate risk is considered minimal.

Price risk

The Company's exposure to price risk is considered minimal.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount. Exposure at 31 December 2010 is addressed in each applicable note.

Liquidity risk

Exposure to liquidity risk is considered minimal.

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Critical Accounting Estimates

The preparation of the 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 the Company's accounting policies.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

(d) New Australian Accounting Standards issued but not yet effective

The Company did not adopt any new Accounting Standards issued but not yet effective.

The Company has assessed the impact of these new standards and Interpretations and considers the impact to be insignificant.

(e) Comparatives

Where appropriate and practical the previous year's comparative information had been adjusted to conform to the current year's presentation.

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company and interest if applicable.

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually paid within 30 days of recognition.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except:

12. Where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the acquisition cost of an asset or an item of expense; or
13. For receivables and payables which are not recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the cash flows statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(h) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable economic benefits will flow to the company and the revenue can be reliably measured.

(i) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. An allowance for impairment is made against any doubtful debts based on a review of all outstanding amounts at balance date. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates fair value.

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Trade and other Receivables are carried at amortised cost due to their short term nature they are not discounted. The amounts are usually received within 30 days of recognition.

2. Directors

The Directors of the Company in office as at 31 December 2010 were:

Director

Geoffrey Roberson (Chair)

Janice Reid

John Wells

Nicholas Whitlam

Talal Yassine

Kerry Schott

Patricia Amphlett

Gabrielle Trainor

Michael Antrum (Company Secretary)

Directors of the Company act in an honorary capacity. No emoluments or other benefits were paid for their services in 2010.

3. Reporting Entity

The Whitlam Institute within the University of Western Sydney Ltd is a company incorporated under the Corporations Act 2001 as a company limited by guarantee. The amount of the guarantee is limited to \$1 for every member and is not capable of being called up except for the purpose of winding up.

The Company is a not-for-profit entity that acts as Trustee of the Trust Fund and as such supports (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.

4. Deed of Trust

A trust deed dated, 20 June 2002 was settled between the settlor and the University of Western Sydney Limited. Under the trust deed the company acts as trustee of the Whitlam Institute within the University of Western Sydney Trust. Under the Trust deed, the settlor provided the company with the original settlement capital of \$1.

5. Cash and Cash Equivalents

Cash includes cash on hand and at bank.

| | 2010 | 2009 |
|------|-------|-------|
| | \$ | \$ |
| Cash | 1,361 | 1,321 |

6. Settlement Capital

| | 2010 | 2009 |
|--------------------|------|------|
| | \$ | \$ |
| Settlement Capital | 1 | 1 |

WHITLAM INSTITUTE WITHIN THE UNIVERSITY OF WESTERN SYDNEY LIMITED

ABN 50 100 342 309

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

7. Reconciliation of Net Profit to Net Cash Flows from Operating Activities:

| | 2010 | 2009 |
|------------------------------------|------------------|-------------------|
| | \$ | \$ |
| Profit for the Year | 0 | 0 |
| Increase in payables | 40 | 100 |
| Net Cash from Operating Activities | <u>40</u> | <u>100</u> |

8. Contingent Liabilities

The Company is not aware of any contingent liabilities in existence as at 31 December 2010 (Nil in 2009).

9. Commitments

The Company has not entered into any commitments that are not otherwise included in the Financial Statements as at 31 December 2010 (Nil in 2009).

10. Economic Dependency

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

11. Audit Fees

Audit fees payable to The Audit Office of New South Wales are \$1,236 (\$1,200 in 2009) ex. GST. The Auditors did not receive any other benefits during the period.

12. Related Party Disclosure

The Parent Entity is University of Western Sydney

13. After Balance Sheet Date Events

There are no events after Balance Sheet Date that have a material impact on the accounts

END OF AUDITED FINANCIAL STATEMENTS

2010 Budget and Performance Indicators

2010 Actual to Budget Comparative Analysis

| | 2010 BUDGET \$'000 | 2010 ACTUAL \$'000 | 2010 VARIANCE \$'000 |
|--|--------------------------|--------------------------|----------------------------|
| INCOME FROM CONTINUING OPERATIONS | | | |
| GOVERNMENT | 405,917 | 400,964 | (4,953) |
| ACADEMIC ACTIVITIES | | | |
| International Onshore | 58,419 | 56,210 | (2,209) |
| International Offshore | 400 | 740 | 340 |
| Local fee-paying | 14,488 | 15,389 | 901 |
| External Research Grants | 23,378 | 19,290 | (4,088) |
| Consulting, Contracting & Royalties | 1,776 | 1,790 | 14 |
| Other Academic | 17,074 | 13,724 | (3,350) |
| Sub Total | 115,535 | 107,143 | (8,392) |
| OTHER INCOME ACTIVITIES | | | |
| Leases & Other Commercial | 3,671 | 3,785 | 114 |
| Investment Income | 3,650 | 2,952 | (698) |
| Other Incidental | 11,283 | 9,520 | (1,763) |
| Sub Total | 18,604 | 16,257 | (2,347) |
| UWS ENTITIES | | | |
| UWS College | 20,305 | 26,097 | 5,792 |
| Conferences & Residential Colleges | | | 0 |
| UWS Foundation | 3,070 | 3,115 | 45 |
| Whitlam Institute | 175 | 192 | 17 |
| Cadre Design | 2,295 | 2,105 | (190) |
| uwsconnect | 21,540 | 23,506 | 1,966 |
| Television Sydney (TVS) | 659 | 652 | (7) |
| Adjustments on Consolidation | - | (17,718) | (17,718) |
| Sub Total | 48,044 | 37,949 | (10,095) |
| TOTAL SELF-GENERATED INCOME | 182,183 | 161,349 | (20,834) |
| TOTAL INCOME | 588,100 | 562,313 | (25,787) |
| EXPENSES FROM CONTINUING OPERATIONS | | | |
| Colleges | 182,527 | 182,229 | 298 |
| Research | 49,638 | 42,122 | 7,516 |
| Divisions | 124,405 | 122,303 | 2,102 |
| UWS Entities | 45,444 | 52,196 | (6,752) |
| UWS Wide | 58,639 | 57,878 | 761 |
| Strategic Initiatives | 16,394 | 14,852 | 1,542 |
| Minor Works (Expensed) | 8,000 | 4,852 | 3,148 |
| External Trust & Tied Grants | 7,613 | 7,648 | (35) |
| Depreciation | 27,000 | 30,569 | (3,569) |
| Land Development Projects | 2,020 | 1,088 | 932 |
| Adjustments on Consolidation | - | (18,457) | 18,457 |
| TOTAL EXPENDITURE | 521,680 | 497,280 | 24,400 |
| NET OPERATING RESULT | 66,420 | 65,033 | (1,387) |

University of Western Sydney 2011 Budget

| | 2011 BUDGET \$'000 |
|--|-----------------------------------|
| INCOME FROM CONTINUING OPERATIONS | |
| GOVERNMENT | 395,007 |
| ACADEMIC ACTIVITIES | |
| International Onshore | 58,078 |
| International Offshore | 500 |
| Local fee-paying | 16,607 |
| External Research Grants | 25,995 |
| Consulting, Contracting & Royalties | 639 |
| Other | 25,166 |
| Sub Total | 126,985 |
| OTHER INCOME ACTIVITIES | |
| Leases & Other Commercial | 3,506 |
| Investment Income | 500 |
| Other Incidental | 12,454 |
| Sub Total | 16,460 |
| UWS ENTITIES | |
| UWS College | 21,367 |
| Conferences & Residential Colleges | |
| UWS Foundation | 5,925 |
| Whitlam Institute | 113 |
| Cadre Design | 2,700 |
| uwsconnect | 26,269 |
| TVS | 902 |
| Sub Total | 57,276 |
| TOTAL SELF-GENERATED INCOME | 200,721 |
| TOTAL INCOME | 595,728 |
| EXPENSES FROM CONTINUING OPERATIONS | |
| Colleges | 185,308 |
| Research | 50,693 |
| Divisions | 133,237 |
| UWS Entities | 60,018 |
| UWS Wide | 66,126 |
| Strategic Initiatives | 27,145 |
| Minor Works (Expensed) | 8,000 |
| External Trust & Tied Grants | 4,699 |
| Depreciation | 34,700 |
| Land Development Projects | 2,750 |
| TOTAL EXPENDITURE | 572,676 |
| NET REPORTED RESULT | 23,052 |

2010 Budget and Performance Indicators

Account Payment Performance Indicators - 2010

| Category | First Quarter \$ | Second Quarter \$ | Third Quarter \$ | Fourth Quarter \$ |
|--|---------------------|----------------------|---------------------|----------------------|
| 1. Schedule of Accounts Payable | | | | |
| Paid within 30 days | 44,000,376 | 34,620,992 | 41,256,747 | 50,427,341 |
| Paid between 31-60 days | 40,373,849 | 21,210,304 | 24,284,089 | 27,932,768 |
| Paid between 61-90 days | 3,138,261 | 1,913,022 | 1,847,018 | 1,955,629 |
| Paid between 91-120 days | 775,421 | 656,055 | 739,375 | 960,857 |
| Paid more than 120 days | 741,061 | 681,032 | 1,087,687 | 1,181,576 |
| Total | 89,028,968 | 59,081,406 | 69,214,915 | 82,458,172 |
| 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 | 49.4% | 58.6% | 59.6% | 61.2% |
| Total dollar amount of accounts paid on time | 44,000,376 | 34,620,992 | 41,256,747 | 50,427,341 |
| Total dollar amount of accounts paid | 89,028,968 | 59,081,406 | 69,214,915 | 82,458,172 |

The University's accepted practice is to pay accounts 30 days from the date of recognition. The University endeavours to pay all accounts on time but recognises that account queries can lead to the payment of invoices outside of the normal terms of trade. In some instances the receipt of acquittals from decentralised campuses for such payments may also delay the payment process. The University is currently in the process of implementing a staged online invoice scanning process to minimise such delays. Performance during 2010 was considered satisfactory.

No interest was paid on overdue accounts.

Investment Performance

The University of Western Sydney invests its surplus funds with New South Wales Treasury Corporation Ltd (T-Corp) and OnePath. A comparison of the performance during 2010 of its surplus investment funds with the benchmarks determined in accordance with the requirements of the Annual Reporting legislation is set out below:

| 2010 Investment Performance as an Annual Compound Percentage | UW | Benchmark |
|---|-----------|------------------|
| T-Corp Cash Facility | 5.0% | 4.66% |
| T-Corp Long Term Growth Facility | 3.4% | 3.7% |
| Optimix Wholesale Balanced Trust | 2.38% | 3.05% |
| Optimix Wholesale Growth Trust | 1.65% | 2.51% |

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, Long Term Growth Facility, Optimix Balanced and Growth Trusts – core elements of working funds, including Long Service Leave payments).

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