

ANNUAL REPORT 2015

Financial Statements

Volume 2

**Financial Statements and Independent Audit Reports** University of Western Sydney (trading as Western Sydney University) Television Sydney (TVS) Ltd

UWS Enterprises Pty Ltd trading as Western Sydney University The College

uwsconnect Limited

UWS Early Learning Limited

Whitlam Institute within the University of Western Sydney Limited Whitlam Institute within the University of Western Sydney Trust

##### Supporting data

**Page**

3

99

127

167

197

225

245

Budget and Performance Indicators 267

This page is intentionally blank

# University of Western Sydney (trading as Western Sydney University)

**Consolidated Financial Statements**

##### For the year ended 31 December 2015

##### University of Western Sydney (trading as Western Sydney University)

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

**For the year ended 31 December 2015**

In accordance with a resolution of the Board of Trustees of the University of Western Sydney dated 6 April 2016 and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

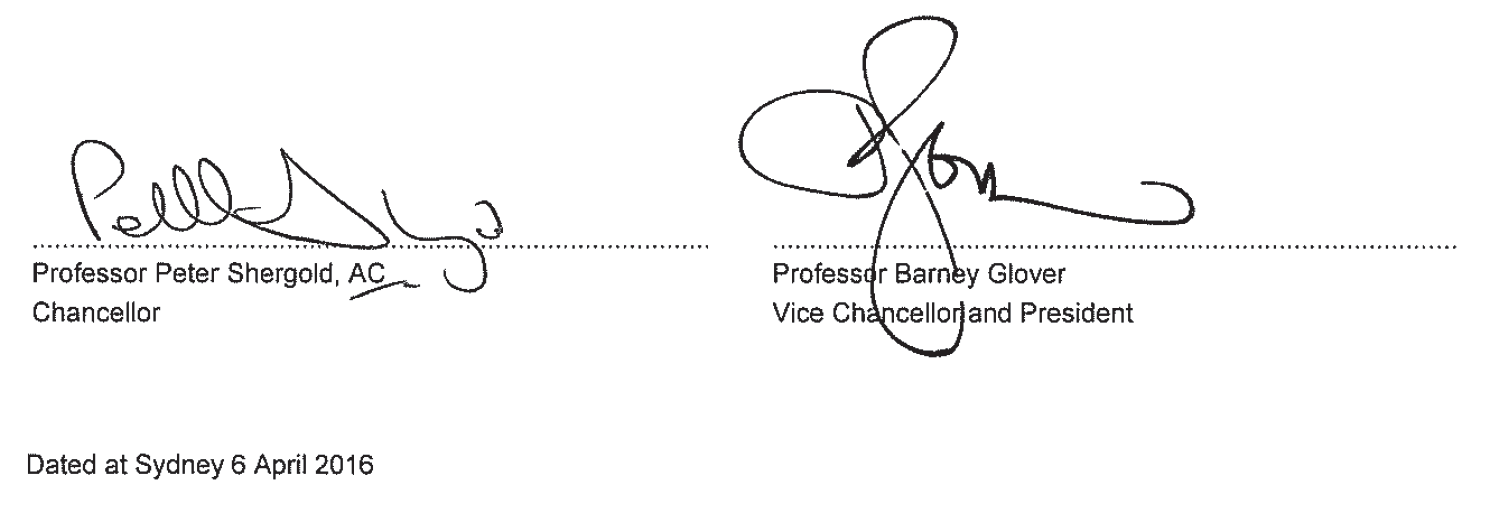
1. The financial statements present a true and fair view of the financial position of the University of Western Sydney and its controlled entities (the Group) at 31 December 2015 and the Income Statement and Statement of Comprehensive Income of the Group for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the *Financial Statement Guidelines for the Australian Higher Education Providers for the 2015 Reporting Period* issued by the Department of Education and Training.
3. The financial statements have been prepared in accordance with applicable Australian Accounting Standards and other mandatory authoritative pronouncements and interpretations of the Australian Accounting Standards Board, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
5. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

........................................................................................... ............................................................................................

Professor Peter Shergold, AC Professor Barney Glover

Chancellor Vice Chancellor and President

Dated at Sydney 6 April 2016



##### University of Western Sydney (trading as Western Sydney University)

**Responsible person's declaration**

**For the year ended 31 December 2015**

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

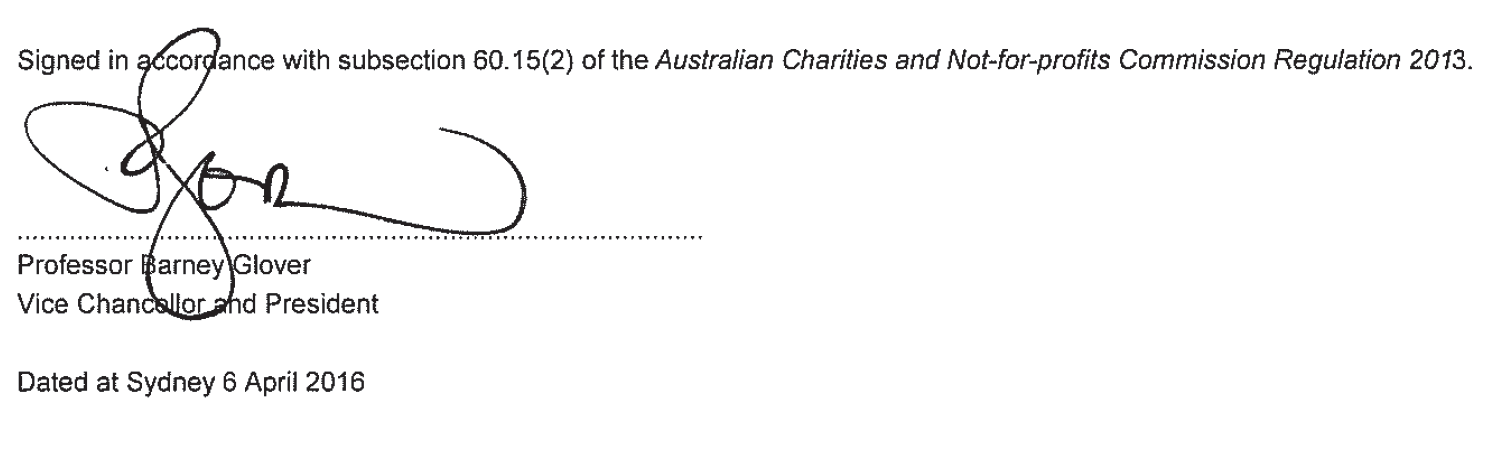
* 1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
  2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 201*3.

............................................................................................

Professor Barney Glover

Vice Chancellor and President Dated at Sydney 6 April 2016



##### University of Western Sydney (trading as Western Sydney University)

**Certifications Statement**

**For the year ended 31 December 2015**

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

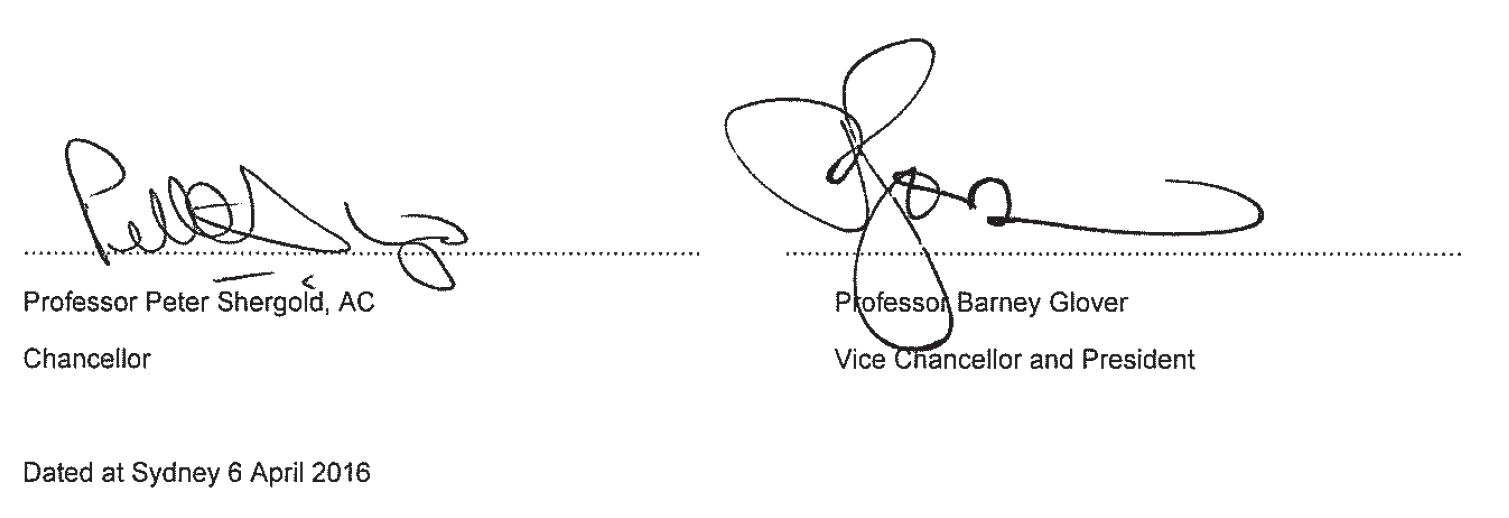
The University of Western Sydney charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 (the Act) and the Administration Guidelines made under the Act. Revenue from the fees were spent strictly in accordance with the Act and only on services and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

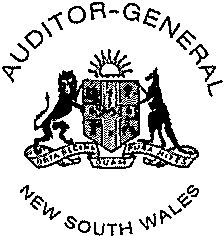
........................................................................................... ...........................................................................................

Professor Peter Shergold, AC Professor Barney Glover

Chancellor Vice Chancellor and President

Dated at Sydney 6 April 2016





To the Vice Chancellor University of Western Sydney

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of University of Western Sydney for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, that there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Margaret Crawford Auditor-General of NSW

6 April 2016 SYDNEY

**Lavol 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t02 9275 7101 1 f 02 9275 7179 I e** [**mall@audit.nsw.gov.au**](mailto:mall@audit.nsw.gov.au) **I audit.nsw.gov.ou**

Start of Audited Financial Statements

**University of Western Sydney (trading as Western Sydney University)**

**Income Statement**

**For the Year Ended 31 December 2015**

Consolidated Parent

**Income from continuing operations**

Australian Government financial assistance

Notes

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Australian Government grants HELP - Australian Government | 2 | **342,114** | 339,758 | **341,954** | 339,758 |
| Payments | 2(b) | **221,292** | 210,423 | **221,316** | 210,429 |
| State and Local Government financial assistance | 3 | **-** | 575 | **-** | 575 |
| HECS-HELP - student payments |  | **14,821** | 15,734 | **14,821** | 15,734 |
| Fees and charges | 4 | **93,976** | 93,941 | **79,964** | 77,406 |
| Investment revenue | 5 | **12,579** | 7,875 | **12,536** | 46,676 |
| Royalties, Trademarks and Licences | 6 | **221** | 89 | **194** | 89 |
| Consultancy and contracts | 7 | **14,156** | 11,703 | **14,171** | 11,695 |
| Share of net profit or loss on investments accounted for using the equity method | 8 | **(119)** | - | **-** | - |
| Other income | 9 | **49,688** | 49,335 | **39,499** | 38,574 |
| Gain on disposal of assets | 10 | **6,889** | 232 | **6,995** | 274 |

**Total income from continuing**

**operations 755,617** 729,665 **731,450** 741,210

Expenses from continuing operations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Employee related expenses | 11 | **442,407** | 412,651 | **389,684** | 370,306 |
| Depreciation and amortisation | 12 | **39,637** | 36,552 | **38,921** | 35,912 |
| Repairs and maintenance | 13 | **30,165** | 24,214 | **29,847** | 23,827 |
| Borrowing costs |  | **1,735** | 1,806 | **1,956** | 1,806 |
| Impairment of assets | 14 | **48** | 636 | **(98)** | 1,217 |
| Other expenses | 15 | **200,302** | 187,574 | **228,134** | 202,213 |
| **Total expenses from continuing** |  |  |  |  |  |
| **operations** | | **714,294** 663,433 **688,444** 635,281 | | | |
| **Net result from continuing operations** | | **41,323** 66,232 **43,006** 105,929 | | | |

##### University of Western Sydney (trading as Western Sydney University)

**Statement of Comprehensive Income**

**For the Year Ended 31 December 2015**

Consolidated Parent

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Notes** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| **Net result for the period** |  | **41,323** | 66,232 | **43,006** | 105,929 |
| Items that may be reclassified to profit or loss |  |  |  |  |  |
| Gain / (loss) on revaluation of available- for-sale financial assets | 28(b) | **855** | 5,876 | **855** | 5,573 |
| **Total** |  | **855** | 5,876 | **855** | 5,573 |
| Items that will not be reclassified to profit or loss |  |  |  |  |  |
| Gain / (loss) on revaluation of land and buildings | 28(b) | **110,168** | 15,779 | **110,168** | 15,647 |
| Gain / (loss) on revaluation of art collection | 28(b) | **-** | 146 | **-** | 146 |
| Gain / (loss) on revaluation of livestock | 28(b) | **46** | 88 | **46** | 88 |
| Gain / (loss) on revaluation of licenses | 28(b) | **250** | - | **250** | - |
| Actuarial gains / (losses) recognised in respect of Defined Benefit Plans | 28(b) | **(280)** | - | **(280)** | - |
| **Total** |  | **110,184** | 16,013 | **110,184** | 15,881 |
| **Total other comprehensive income** |  | **111,039** | 21,889 | **111,039** | 21,454 |
| **Total comprehensive income** |  | **152,362** | 88,121 | **154,045** | 127,383 |
| **Total comprehensive income attributable to members of the University** |  | **152,362** | 88,121 | **154,045** | 127,383 |

##### University of Western Sydney (trading as Western Sydney University)

**Statement of Financial Position**

**As at 31 December 2015**

Consolidated Parent

**Notes**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ASSETS**  **Current assets** |  | | | | |
| Cash and cash equivalents | 16 | **132,544** | 124,138 | **130,053** | 123,015 |
| Receivables | 17 | **47,064** | 33,638 | **51,178** | 34,797 |
| Inventories | 18 | **2,888** | 3,896 | **-** | - |
| Non-current assets held for sale | 19 | **69,513** | - | **69,300** | - |
| **Total current assets** |  | **252,009** | 161,672 | **250,531** | 157,812 |
| **Non-current assets** |  |  |  |  |  |
| Receivables | 17 | **353,868** | 337,364 | **353,868** | 337,364 |
| Investments accounted for using the equity method | 8 | **-** | - | **-** | - |
| Property, plant and equipment | 20 | **1,523,368** | 1,456,274 | **1,516,756** | 1,450,639 |
| Intangible assets | 21 | **5,334** | 2,317 | **5,061** | 2,266 |
| Other financial assets | 22 | **85,536** | 56,494 | **85,536** | 56,494 |
| Other non-financial assets | 23 | **776** | 597 | **776** | 597 |
| **Total non-current assets** |  | **1,968,882** | 1,853,046 | **1,961,997** | 1,847,360 |
| **Total assets** |  | **2,220,891** | 2,014,718 | **2,212,528** | 2,005,172 |
| **LIABILITIES** |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables | 24 | **58,460** | 38,306 | **57,448** | 37,400 |
| Borrowings | 25 | **-** | - | **7,681** | 8,863 |
| Provisions | 26 | **69,721** | 73,705 | **67,135** | 71,020 |
| Other liabilities | 27 | **42,516** | 37,131 | **41,357** | 34,812 |
| **Total current liabilities** |  | **170,697** | 149,142 | **173,621** | 152,095 |
| **Non-current liabilities** |  |  |  |  |  |
| Borrowings | 25 | **75,500** | 76,000 | **75,500** | 76,000 |
| Provisions | 26 | **355,373** | 331,443 | **354,009** | 330,550 |
| Other liabilities | 27 | **11,968** | 3,142 | **11,968** | 3,142 |
| **Total non-current liabilities** |  | **442,841** | 410,585 | **441,477** | 409,692 |
| **Total liabilities** |  | **613,538** | 559,727 | **615,098** | 561,787 |
| **Net assets** |  | **1,607,353** | 1,454,991 | **1,597,430** | 1,443,385 |
| **EQUITY** |  |  |  |  |  |
| Restricted funds |  | **-** | - | **-** | - |
| Reserves | 28 | **684,514** | 575,310 | **680,286** | 571,082 |
| Retained earnings | 28 | **922,839** | 879,681 | **917,144** | 872,303 |
| **Total equity** |  | **1,607,353** | 1,454,991 | **1,597,430** | 1,443,385 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Notes** |  | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2015** |  |  | **571,082** | **872,303** | **1,443,385** |
| Net result | 28(c) |  | **-** | **43,006** | **43,006** |
| Gain on revaluation of property, plant and equipment | 28(b) |  | **110,168** | **-** | **110,168** |
| Gain on revaluation of available-for-sale financial assets | 28(b) |  | **855** | **-** | **855** |
| Gain on revaluation of livestock | 28(b) |  | **46** | **-** | **46** |
| Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans | 28(b) |  | **(280)** | **-** | **(280)** |
| Gain on revaluation of licenses | 28(b) |  | **250** | **-** | **250** |
| **Total comprehensive income** |  |  | **682,121** | **915,309** | **1,597,430** |
| Transfer from property plant and equipment reserve on disposal of assets | 28(c) |  | **(1,835)** | **1,835** | **-** |
| **Balance at 31 December 2015** |  |  | **680,286** | **917,144** | **1,597,430** |

**Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | | **Reserves** | **Retained Earnings** | **Total** |
| **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2014** |  |  | 558,965 | 757,037 | 1,316,002 |
| Net result | 28(c) |  | - | 105,929 | 105,929 |
| Gain on revaluation of property, plant and equipment | 28(b) |  | 15,647 | - | 15,647 |
| Gain on revaluation of available-for-sale financial assets | 28(b) |  | 5,573 | - | 5,573 |
| Gain on revaluation of art collection | 28(b) |  | 146 | - | 146 |
| Gain on revaluation of livestock | 28(b) |  | 88 | - | 88 |
| **Total comprehensive income** |  |  | 21,454 | 105,929 | 127,383 |
| Transfer from property plant and equipment reserve on disposal of assets | 28(c) |  | (9,337) | 9,337 | - |
| **Balance at 31 December 2014** |  |  | 571,082 | 872,303 | 1,443,385 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Notes** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2015** |  | **575,310** | **879,681** | **1,454,991** |
| Net result | 28(c) | **-** | **41,323** | **41,323** |
| Gain on revaluation of property, plant and equipment | 28(b) | **110,168** | **-** | **110,168** |
| Gain on revaluation of available-for-sale financial assets | 28(b) | **855** | **-** | **855** |
| Gain on revaluation of livestock | 28(b) | **46** | **-** | **46** |
| Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans | 28(b) | **(280)** | **-** | **(280)** |
| Gain on revaluation of licenses | 28(b) | **250** | **-** | **250** |
| **Total comprehensive income** |  | **686,349** | **921,004** | **1,607,353** |
| Transfer from property plant and equipment reserve on disposal of assets | 28(c) | **(1,835)** | **1,835** | **-** |
| **Balance at 31 December 2015** |  | **684,514** | **922,839** | **1,607,353** |

**Consolidated**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | **Reserves** | **Retained Earnings** | **Total** |
| **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2014** |  | 562,758 | 804,112 | 1,366,870 |
| Net result | 28(c) | - | 66,232 | 66,232 |
| Gain on revaluation of property, plant and equipment | 28(b) | 15,779 | - | 15,779 |
| Gain on revaluation of available-for-sale financial assets | 28(b) | 5,876 | - | 5,876 |
| Gain on revaluation of art collection | 28(b) | 146 | - | 146 |
| Gain on revaluation of livestock | 28(b) | 88 | - | 88 |
| **Total comprehensive income** |  | 21,889 | 66,232 | 88,121 |
| Transfer from property plant and equipment reserve on disposal of assets | 28(c) | (9,337) | 9,337 | - |
| **Balance at 31 December 2014** |  | 575,310 | 879,681 | 1,454,991 |

**Consolidated Parent**

**Notes**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **CASH FLOWS FROM OPERATING ACTIVITIES** |  | | | | |
| Australian Government Grants |  | **562,552** | 549,539 | **562,416** | 549,545 |
| State Government Grants |  | **-** | 575 | **-** | 575 |
| HECS-HELP - Student payments |  | **14,821** | 15,734 | **14,821** | 15,734 |
| Receipts from student fees and other customers |  | **171,648** | 151,956 | **148,424** | 124,314 |
| Interest received |  | **11,773** | 7,520 | **11,604** | 6,696 |
| Payments to suppliers and employees |  | **(681,349)** | (654,257) | **(658,667)** | (626,583) |
| Interest and other costs of finance |  | **(1,735)** | (1,806) | **(1,746)** | (1,529) |
| GST recovered |  | **21,337** | 25,302 | **21,337** | 25,302 |
| **Net cash provided by operating activities** | 38 | **99,047** | 94,563 | **98,189** | 94,054 |
| **CASH FLOWS FROM INVESTING** |  |  |  |  |  |
| **ACTIVITIES** |  |  |  |  |  |
| Proceeds from sale of property, plant and |  |  |  |  |  |
| equipment |  | **31,939** | 18,911 | **31,866** | 18,799 |
| Payments for property, plant and equipment |  | **(93,893)** | (111,866) | **(91,586)** | (110,816) |
| Payments for financial assets |  | **(28,187)** | (8,437) | **(28,187)** | - |
| Loans to related parties |  | **-** | - | **(11,855)** | (7,575) |
| Repayment of loans by related parties |  | **-** | - | **10,503** | 6,190 |
| **Net cash used by investing activities** |  | **(90,141)** | (101,392) | **(89,259)** | (93,402) |
| **CASH FLOWS FROM FINANCING** |  |  |  |  |  |
| **ACTIVITIES** |  |  |  |  |  |
| Proceeds from borrowings |  | **442,500** | 461,500 | **444,808** | 466,000 |
| Repayment of borrowings |  | **(443,000)** | (440,000) | **(446,700)** | (441,725) |
| **Net cash (used by) / provided by** | 25 |  |  |  |  |
| **financing activities (500)** 21,500 **(1,892)** 24,275 | | | | | |
| **Net increase in cash and cash** |  |  |  |  |  |
| **equivalents held** |  | **8,406** | 14,671 | **7,038** | 24,927 |
| Cash and cash equivalents at beginning of |  |  |  |  |  |
| the year |  | **124,138** | 109,467 | **123,015** | 98,088 |
| **Cash and cash equivalents at end of** | 16 |  |  |  |  |
| **financial year** |  | **132,544** | 124,138 | **130,053** | 123,015 |

1 Summary of Significant Accounting Policies

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

The principal place of business for the University of Western Sydney (trading as Western Sydney University) is Great Western Highway Kingswood NSW 2747.

1. Basis of Preparation

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

The University applies Tier 1 reporting requirements.

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

* *Public Finance and Audit Act 1983 and Public Finance and Audit Regulations 2015*;
* *Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period* as issued by the Department of Education and Training;

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

- Other State/Australian Government legislative requirements.

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

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University of Western Sydney on 6 April 2016.

Historical cost convention

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

1 Summary of Significant Accounting Policies (continued)

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

**Critical accounting estimates and significant judgements**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying University of Western Sydney (trading as Western Sydney University)’s accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

* 1. Management has elected to measure land and buildings at fair value as determined by licensed valuers being Global Valuation Services Pty Ltd who have performed an independent valuation as at 31 December 2015. Plant and equipment has been measured at the written down historical costs of these assets. The valuation of land, building, plant and equipment is shown in property, plant and equipment (note 20). For further details refer also note 1(p).
  2. Trade debtors (note 17) would generally be measured at amortised cost which will be approximated by the related nominal value. Management has assumed that there are no significant receivables with fair value materially different from nominal value and that there will be no significant delays in collecting outstanding amounts.
  3. The University has entered into a Joint Operation with Urban Growth (note 37). Cost of goods sold has been calculated on a percentage of completion basis, taking into account lot area sold and total costs to completion of the development.

Determining the carrying amount of provisions for employee long service leave entitlements (note 26), provision for annual leave entitlements (note 26), deferred superannuation (note 26), depreciation and useful life of buildings (note 20), and allowance for impaired receivables (note 17(a)) requires estimation of the uncertain future events on those assets and liabilities at the reporting date.

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

1. Basis of Consolidation
2. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of Western Sydney (trading as Western Sydney University) (''parent entity'') as at 31 December 2015 and the results of all subsidiaries for the year then ended. The University of Western Sydney (trading as Western Sydney University) and its subsidiaries together are referred to in these financial statements as the Group or the Consolidated Entity.

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

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

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

1 Summary of Significant Accounting Policies (continued)

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The subsidiaries of the University as at 31 December 2015 are:

* Television Sydney (TVS) Limited
* UWS Enterprises Pty Limited trading as Western Sydney University The College
* uwsconnect Limited
* Whitlam Institute (within the University of Western Sydney) Limited and Trust
* UWS Early Learning Limited

The University of Western Sydney Foundation Limited was deregistered in March 2015, and the Trust ceased operations as at 31 December 2014.

Television Sydney (TVS) Limited ceased broadcasting on 20 December 2015 and finalised business operations on 31 December 2015. The Company will be deregistered in 2016.

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

1. Joint Arrangements

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

University of Western Sydney (trading as Western Sydney University) has determined that it has both joint ventures and joint operations.

*Joint operations:*

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 37.

*Joint ventures:*

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

Details relating to the entity are set out in note 8.

1 Summary of Significant Accounting Policies (continued)

1. **Foreign currency transactions and balances**

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

Transactions in foreign currencies are recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1. Revenue Recognition

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

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

Revenue is recognised for the major business activities as follows:

1. Government Grants

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

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

1. HELP Payments

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

1. Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

1. trademarks and licenses

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

1. Consulting and contracting

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

1 Summary of Significant Accounting Policies (continued)

1. **Revenue Recognition (continued)**
2. **Lease income**

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

1. (vii) Investment income

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

1. Research grants and contracts

Private (Non Education) research grants and contracts are received by the University in advance of research services being provided and represent reciprocal transfers as specific research services are agreed between the University and the research contractee, with an acquittal process following the provision of the research service. The University treats unspent private research grants as a liability (note 27). In 2015 this amounted to $7.649M (2014: $9.846M). In the 2015 reporting period the $9.846M deferred in the prior year has been treated as income (2014: $8.445M). The net impact on income in 2015 was therefore a decrease of $2.197M (2014: increase of $1.400M).

1. Income Tax exemption

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

1. Leases

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 32). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

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

1. 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.

1 Summary of Significant Accounting Policies (continued)

1. **Impairment of assets (continued)**

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount (note 14). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

1. Cash and cash equivalents

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

1. Trade receivables

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

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

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

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

1. Prepayments

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

1. Inventories

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

1. Investments and other financial assets Classification

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

1 Summary of Significant Accounting Policies (continued)

1. **Investments and other financial assets (continued) Classification (continued)**
   1. **Held-to-maturity investments**

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

The Group has designated as held-to-maturity investments its investment in a fixed income portfolio managed by JB Were Limited. The investments are included as non-current assets in the statement of financial position (note 22).

* 1. Loans and receivables

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

* 1. financial assets

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

The Group has designated as available-for-sale:

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

The Acadian Australian Equity High Yield Fund units and unlisted securities are included as non-current assets in the statement of financial position (note 22).

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)).

* 1. Recognition and derecognition of financial assets

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

When investments classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from sale of available- for-sale financial assets (note 5).

1 Summary of Significant Accounting Policies (continued)

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

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

* 1. Fair value

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

* 1. Impairment

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

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

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

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

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

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

1. Fair value measurement

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

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

1 Summary of Significant Accounting Policies (continued)

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

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

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

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

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

1. Property, Plant and Equipment

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

Valuation for land and new refurbished buildings was undertaken as at 31 December 2015 by Global Valuation Services Pty Ltd. Land was revalued on the basis of highest and best use. New buildings completed in 2015 prior to the revaluation and existing buildings with 2015 refurbishments completed prior to the revaluation were subject to a full revaluation. Indexation was applied to the remainder of existing buildings that were not subject to construction works at the time of the revaluation by Global Valuation Services Pty Ltd. Land and buildings were revalued on the basis of highest and best use.

For non completed assets, construction costs totalling $9.566M incurred up to the reporting date were capitalised subsequent to the buildings revaluation. The scope of the valuation did not include revaluation of these buildings. The value of these refurbished buildings is based on the 31 December 2014 revaluation by Global Valuation Services Pty Ltd plus the construction costs capitalised in late 2015.

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

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

1 Summary of Significant Accounting Policies (continued)

**(p) Property, Plant and Equipment (continued)**

Due to the specialised nature of buildings and the lack of directly comparable sales evidence, the 31 December 2015 valuation for new and refurbished buildings was undertaken utilising the Summation Valuation approach, whereby the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and the current condition. In determining the value for each building the exterior dimensions of each building were calculated from the detailed room specifications maintained by the University and extrapolated by the valuer's knowledge of current building rates on a square metre basis. The resultant value as at reporting date was then adjusted for the estimated remaining useful life of each building. The Depreciated Replacement Cost of the improvements was then added to the underlying land value, which was derived after analysis of comparable sales evidence.

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

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

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement.

Decreases that reverse previous increases of the same class of asset are firstly recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset. All other decreases are expensed in the income statement.

1 Summary of Significant Accounting Policies (continued)

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

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** | **2015** | **2014** |
| Computing (Mainframe & Networking) | 4 years | 4 years |
| Computing (Other) | 3 years | 3 years |
| Vehicles | 6-7 years | 6-7 years |
| Scientific | 10 years | 10 years |
| Audio visual | 10 years | 10 years |
| Printing | 10 years | 10 years |
| Other | 10-20 years | 10-20 years |
| Buildings (except where a limit of useful life of a building has been identified) | 5-60 years | 5-60 years |
| Library Collection | 5 years | 5 years |
| Leasehold Improvements | 2-6 years | 2-6 years |

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

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts in reserves in respect of those assets to retained earnings.

1. Repairs and Maintenance

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

1. Livestock

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

1. Intangible Assets
2. **Licences**

Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences across their estimated useful life of 5 years (note 21).

1 Summary of Significant Accounting Policies (continued)

1. **Intangible Assets (continued)**
2. **E-Books**

E-Books have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of e-books across their estimated useful life of 5 years (note 21).

1. Trade and other payables

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

1. Borrowings

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

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

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

1. Borrowing costs

Borrowing costs are expensed. Finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are included in the definition of borrowing costs.

1. Provisions

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

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

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

1 Summary of Significant Accounting Policies (continued)

1. **Employee benefits**

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

1. Wages and salaries

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

1. Annual leave and sick leave

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

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

1. Long service leave

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

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

1. obligations

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

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

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

1 Summary of Significant Accounting Policies (continued)

1. **Employee benefits (continued)**

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

Past service costs are recognised in profit or loss immediately.

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

1. Deferred government benefit for superannuation

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

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

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

Note 40 discloses specific treatment.

1. (vi) Termination Benefits

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

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

1. Financial guarantee contracts

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

1 Summary of Significant Accounting Policies (continued)

1. **Financial guarantee contracts (continued)**

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

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

1. Rounding of amounts

The University is of a kind referred to in Class order 98/0100 as amended by Class order 04/667, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(aa) Goods and Services Tax (GST)

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

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

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

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

(ab) Insurance

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

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

(ac) Foreign operations

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

(ad) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting periods. University of Western Sydney (trading as Western Sydney University)'s assessment of the impact of these new Standards and Interpretations is set out below:

1. Summary of Significant Accounting Policies (continued)

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

**Standard Application date Implications**

Addresses disclosure overload in the financial statements. Will result in

2015-2 1 January 2016

2014-4 1 July 2016

2015-6 1 July 2016

1 July 2016 (early

2015-7 adoption permitted)

more relevant and reduced disclosures to the financial statements.

No significant change for the University, as the basis depreciation and amortisation already complies with the clarifications made in the new standard.

No significant impact, as related party transactions are already disclosed by the University and the Group

Reduces the disclosures required by the Group in relation to fair value of assets held primarily for their current service potential rather than to generate future net cash inflows.

AASB 15 1 January 2018 The impact of adoption has not yet been determined. AASB 9 1 January 2018 The impact of adoption has not yet been determined.

(ae) Comparative Amounts

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

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

The following items have been adjusted to conform with the current years presentation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2014**  **Reported**  **Consolidated**  **Note $'000** | | | **2014**  **Reported**  **Parent**  **$'000** | **2014**  **Revised**  **Consolidated**  **$'000** | **2014**  **Revised**  **Parent**  **$'000** |
| **Income Statement**  Other revenue | 9 | 49,690 | 38,929 | 49,335 | 38,574 |
| Investment revenue | 5 | 7,520 | 46,321 | 7,875 | 46,676 |

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

Consolidated Parent

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Note** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| Commonwealth Grants Scheme #1 |  | **287,365** | 271,495 | **287,365** | 271,495 |
| Indigenous Support Program |  | **1,749** | 1,761 | **1,749** | 1,761 |
| Partnership and Participation Program #2 |  | **13,074** | 17,011 | **13,074** | 17,011 |
| Disability Support Program |  | **823** | 918 | **823** | 918 |
| Promotion of Excellence in Learning and Teaching |  | **175** | 962 | **175** | 962 |
| **Total Commonwealth Grants Scheme and Other Grants** | 39(a) | **303,186** | 292,147 | **303,186** | 292,147 |
| (b) | Higher Education Loan Programs |  |  |  |  |  |
|  | HECS - HELP |  | **204,978** | 193,996 | **204,978** | 193,996 |
|  | FEE - HELP #3 |  | **9,195** | 9,038 | **9,219** | 9,044 |
|  | SA - HELP |  | **7,119** | 7,389 | **7,119** | 7,389 |
|  | **Total Higher Education Loan Programs** | 39(b) | **221,292** | 210,423 | **221,316** | 210,429 |
| (c) | Scholarships |  |  |  |  |  |
|  | Australian Postgraduate Awards |  | **3,227** | 3,102 | **3,227** | 3,102 |
|  | International Postgraduate Research Scholarships |  | **270** | 268 | **270** | 268 |
|  | Commonwealth Education Costs Scholarships #4 |  | **83** | (5) | **83** | (5) |
|  | Commonwealth Accommodation Scholarships |  | **10** | - | **10** | - |
|  | Indigenous Access Scholarships |  | **72** | - | **72** | - |
|  | **Total Scholarships** | 39(c) | **3,662** | 3,365 | **3,662** | 3,365 |
| (d) | Education Research |  |  |  |  |  |
|  | Joint Research Engagement Program |  | **3,730** | 3,561 | **3,730** | 3,561 |
|  | Research Training Scheme |  | **6,884** | 6,906 | **6,884** | 6,906 |
|  | Research Infrastructure Block Grants |  | **1,796** | 1,710 | **1,796** | 1,710 |
|  | Sustainable Research Excellence in Universities |  | **1,497** | 1,341 | **1,497** | 1,341 |
|  | **Total Education Research** | 39(d) | **13,907** | 13,518 | **13,907** | 13,518 |

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

1. Other Capital Funding

Consolidated Parent

Education Investment Fund

Note

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**Total Other Capital Funding** 39(e)

|  |  |  |  |
| --- | --- | --- | --- |
| **100** | 5,024 | **100** | 5,024 |
| **100** | 5,024 | **100** | 5,024 |

1. Australian Research Council ('ARC')

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **(i) Discovery**  Projects |  | **4,046** | 3,749 | **4,046** | 3,749 |
| Fellowships #5 |  | **2,099** | 2,878 | **2,099** | 2,878 |
| Indigenous Researchers Development |  | **256** | 155 | **256** | 155 |
| **Total Discovery** | 39(f)(i) | **6,401** | 6,782 | **6,401** | 6,782 |
| **(ii) Linkages** |  |  |  |  |  |
| Linkages - Infrastructure |  | **18** | 963 | **18** | 963 |
| Projects |  | **716** | 1,056 | **716** | 1,056 |
| **Total Linkages** | 39(f)(ii) | **734** | 2,019 | **734** | 2,019 |
| **(iii) Networks and Centres** |  |  |  |  |  |
| Networks and Centres - Centres |  | **1,069** | 1,056 | **1,069** | 1,056 |
| **Total Networks and Centres** |  | **1,069** | 1,056 | **1,069** | 1,056 |
| Special Research Initiatives |  | **-** | 77 | **-** | 77 |

Total Networks and Centres and

**Special Research Initiatives** 39(f)(iii) **1,069** 1,133 **1,069** 1,133

**Total ARC** 39(f) **8,204** 9,934 **8,204** 9,934

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

#2 Includes Equity Support Program

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

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

#5 Includes Early Career Researcher Award

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

1. Other Australian Government Financial Assistance

Consolidated Parent

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Non-capital**  Department of Health & Ageing | **6,491** | 3,236 | **6,491** | 3,236 |
| Away-from-base assistance | **389** | 377 | **389** | 377 |
| Health Workforce Australia | **-** | 3,152 | **-** | 3,152 |
| Indigenous Tutorial Assistance Scheme | **372** | 331 | **372** | 331 |
| Study overseas short term mobility project | **2,090** | 1,998 | **2,090** | 1,998 |
| Structured Training and Employment Program | **52** | 72 | **52** | 72 |
| Other | **611** | 433 | **451** | 433 |
| **Total** | **10,005** | 9,599 | **9,845** | 9,599 |
| **Capital** |  |  |  |  |
| Horticulture Innovation Australia Limited | **-** | 636 | **-** | 636 |
| Department of Health & Ageing | **1,050** | - | **1,050** | - |
| Department of the Environment | **2,000** | 5,500 | **2,000** | 5,500 |
| Other Australian Government Financial Assistance | **-** | 35 | **-** | 35 |
| **Total** | **3,050** | 6,171 | **3,050** | 6,171 |
| **Total Other Australian Government Financial Assistance** | **13,055** | 15,770 | **12,895** | 15,770 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Australian Government Financial** |  | | | |
| **Assistance** | **563,406** | 550,181 | **563,270** | 550,187 |

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

**Consolidated Parent**

**Note**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reconciliation**  Australian Government Grants |  | | | |
| (Note 2: a + c + d + e + f +g ) | **342,114** | 339,758 | **341,954** | 339,758 |
| HECS - HELP Payments | **204,978** | 193,996 | **204,978** | 193,996 |
| FEE - HELP Payments | **9,195** | 9,038 | **9,219** | 9,044 |
| SA - HELP Payments | **7,119** | 7,389 | **7,119** | 7,389 |
| **Total Australian Government Financial Assistance** | **563,406** | 550,181 | **563,270** | 550,187 |

1. Australian Government Grants received - cash basis

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CGS and Other Education Grants Higher Education Loan | 39(a)  39(b) | **302,951** | 291,326 | **302,951** | 291,326 |
| Programmes |  | **221,389** | 209,725 | **221,413** | 209,731 |
| Scholarships | 39(c) | **3,662** | 3,370 | **3,662** | 3,370 |
| Education Research | 39(d) | **13,907** | 13,518 | **13,907** | 13,518 |
| Other Capital Funding | 39(e) | **100** | 5,024 | **100** | 5,024 |
| ARC Grants - Discovery | 39(f) | **6,234** | 7,115 | **6,234** | 7,115 |
| ARC Grants - Linkages | 39(f) | **749** | 1,941 | **749** | 1,941 |
| ARC Grants - Networks and Centres | 39(f) | **1,069** | 1,056 | **1,069** | 1,056 |
| Other Australian Government Grants | 2(g) | **13,055** | 15,610 | **12,895** | 15,610 |
| **Total Australian Government** |  |  |  |  |  |
| **Grants received - cash basis 563,116** 548,685 **562,980** 548,691 | | | | | |
| OS-Help (Net) | 39(g) | **(564)** | 854 | **(564)** | 854 |
| **Total Australian Government funding received - cash basis** |  | **562,552** | 549,539 | **562,416** | 549,545 |

1. State and local government financial assistance

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

Consolidated Parent

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015**  **$'000** | **2014**  **$'000** |  | **2015**  **$'000** | **2014**  **$'000** |  |
| **Non-capital** |  |  |  |  |  |
| Department of Family and Community Services |  | **-** | 25 |  | **-** | 25 |
| **Total Non-captial** |  | **-** | 25 |  | **-** | 25 |
| **Capital** |  |  |  |  |  |  |
| Ministry of Health |  | **-** | 550 |  | **-** | 550 |
| **Total capital** |  | **-** | 550 |  | **-** | 550 |
| **Total State and Local Government Financial** |  |  |  |  |  |  |
| **Assistance** |  | **-** | 575 |  | **-** | 575 |
| **4** | **Fees and charges** |  |  |  |  |  |  |

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Course Fees and Charges**  Fee-paying onshore overseas students | **75,228** | 73,683 | **70,928** | 67,995 |
| Fee-paying offshore overseas students | **1,086** | 837 | **649** | 571 |
| Continuing education | **4,113** | 7,870 | **-** | - |
| Fee-paying domestic postgraduate students | **2,674** | 2,587 | **2,674** | 2,587 |
| Fee-paying domestic undergraduate students | **488** | 581 | **388** | 427 |
| Fee-paying domestic non-award students | **960** | 872 | **801** | 858 |
| Other domestic course fees and charges | **36** | 56 | **36** | 56 |
| **Total Course Fees and Charges** | **84,585** | 86,486 | **75,476** | 72,494 |
| **Other Non-Course Fees and Charges**  Student services fees from students | **2,512** | 2,598 | **2,512** | 2,598 |
| Deferral fees | **149** | 140 | **149** | 140 |
| Library fines | **200** | 289 | **200** | 289 |
| Student accommodation | **330** | 506 | **330** | 506 |
| Academic transcripts | **259** | 292 | **259** | 292 |
| Graduation fees | **404** | 411 | **404** | 411 |
| Academic dress hire | **374** | 379 | **374** | 379 |
| Student test fees | **4,706** | 2,180 | **-** | - |
| Other | **457** | 660 | **260** | 297 |
| **Total Other Fees and Charges** | **9,391** | 7,455 | **4,488** | 4,912 |
| **Total Fees and Charges** | **93,976** | 93,941 | **79,964** | 77,406 |

1. **Investment revenue and other investment income**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| **Interest income** |  |  |  |  |
| Bank deposits | **3,732** | 3,821 | **3,689** | 3,589 |
| Other loans and receivables | **440** | 728 | **440** | 728 |
| **Distribution from managed funds** |  |  |  |  |
| Available-for-sale financial assets | **6,801** | 2,864 | **6,801** | 2,390 |
| Held-to-maturity investments | **267** | 107 | **267** | - |
| Dividends received | **1,339** | 355 | **1,339** | 355 |
| Distribution from University of Western Sydney Foundation Trust | **-** | - | **-** | 39,614 |
| **Total investment income** | **12,579** | 7,875 | **12,536** | 46,676 |

1. **Royalties, trademarks and licences**

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

Royalty and intellectual property **221** 89 **194** 89

Total royalties, trademarks and

**licences 221** 89 **194** 89

1. **Consultancy and contracts**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Consultancy | **2015**  **$'000**  **3,476** | **2014**  **$'000**  2,588 | **2015**  **$'000**  **3,474** | **2014**  **$'000**  2,580 |
| Contract research | **10,680** | 9,115 | **10,697** | 9,115 |
| **Total consultancy and contracts** | **14,156** | 11,703 | **14,171** | 11,695 |

1. **Investments accounted for using the equity method**
   1. Unrecognised share of losses of joint venture or associate

The Group has $67,068 in unrecognised share of losses from the joint venture with Navitas Ltd.

* 1. Restrictions

The Group has nil restrictions from the joint venture with Navitas Ltd.

* 1. Individually immaterial joint venture or associate

Aggregate carrying amount of interests in joint venture and associate accounted for using the equity method that are not individually material in the consolidated financial statements:

Joint Ventures

|  |  |  |  |
| --- | --- | --- | --- |
| Profit/(loss) from continuing operations | **2015**  **$'000**  **(119)** | **2014**  **$'000** | - |
| Profit/(loss) from continuing operations after income tax Other comprehensive income | **(119)**  **-** |  | -  - |
| **Total comprehensive income** | **(119)** |  | - |

Capital commitments arising from the Group's interests in joint arrangements and contingent liabilities arising from the Group's interests in associates and joint arrangements are disclosed in notes 32 and 31 respectively.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **9** | **Other revenue and income** | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Sale of goods | **9,798** | 20,913 | **1,011** | 828 |
|  | Parking fees | **4,467** | 4,343 | **4,467** | 4,344 |
|  | Donations and bequests | **3,819** | 3,647 | **3,786** | 3,601 |
|  | Commercial leases and other rental income | **11,473** | 3,229 | **4,108** | 3,694 |
|  | Salary recoveries | **4,262** | 4,069 | **4,278** | 4,069 |
|  | Childcare centre fees and grants | **5,913** | 4,690 | **-** | - |
|  | Non-salary recoveries | **2,221** | 1,734 | **2,288** | 2,009 |
|  | Scholarships and prizes | **1,267** | 1,597 | **1,267** | 1,709 |
|  | Commission income | **823** | 1,068 | **613** | 896 |
|  | Service income | **599** | 40 | **14,153** | 14,396 |
|  | Tied grants non-government | **328** | 186 | **328** | 186 |
|  | Conference and seminar income | **352** | 246 | **321** | 246 |
|  | Other | **4,366** | 3,573 | **2,879** | 2,596 |
|  | **Total other revenue and income** | **49,688** | 49,335 | **39,499** | 38,574 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **10** | **Gain / (Loss) on disposal of assets** | **Consolidated** | **Parent** |  |
|  |  | **2015 2014** | **2015** | **2014** |
|  |  | **$'000 $'000** | **$'000** | **$'000** |
|  | Proceeds from sale | **31,939** 18,911 | **31,866** | 18,799 |
|  | Carrying amount of assets sold | **(25,050)** (18,679) | **(24,871)** | (18,525) |
|  | **Total gain / (loss) on disposal of assets** | **6,889** 232 | **6,995** | 274 |

1. Employee related expenses

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Academic**  Salaries | **178,054** | 161,844 | **156,647** | 147,016 |
| Contribution to superannuation |  |  |  |  |
| & pension schemes - funded | **25,869** | 21,834 | **23,763** | 20,525 |
| Payroll tax | **10,582** | 9,928 | **9,266** | 9,040 |
| Worker's compensation | **681** | 1,182 | **620** | 1,115 |
| Long service leave expense | **4,492** | 8,755 | **4,277** | 8,502 |
| Annual leave | **922** | (216) | **718** | (198) |
| **Total academic 220,600** | | 203,327 | **195,291** | 186,000 |
| **Non-academic** |  |  |  |  |
| Salaries | **179,661** | 166,789 | **156,202** | 145,082 |
| Contribution to superannuation |  |  |  |  |
| & pension schemes - funded | **25,539** | 22,589 | **23,428** | 20,705 |
| Payroll tax | **9,812** | 9,489 | **9,231** | 9,026 |
| Worker's compensation | **902** | 1,405 | **593** | 1,104 |
| Long service leave expense | **4,687** | 8,399 | **4,444** | 8,089 |
| Annual leave | **1,206** | 653 | **495** | 300 |
| **Total non-academic** | **221,807** | 209,324 | **194,393** | 184,306 |
| **Total employee related** |  |  |  |  |
| **expenses** | **442,407** | 412,651 | **389,684** | 370,306 |
| **Total employee related** |  |  |  |  |
| **expenses, including deferred** |  |  |  |  |
| **Government Employee Benefits** |  |  |  |  |
| **for Superannuation** | **442,407** | 412,651 | **389,684** | 370,306 |

1. **Depreciation and amortisation**

**Consolidated Parent**

**Depreciation**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Buildings and Infrastructure | **24,050** | 22,406 | **24,050** | 22,406 |
| Plant and equipment | **9,692** | 9,056 | **9,484** | 8,749 |
| Library collection | **3,322** | 3,631 | **3,322** | 3,631 |
| **Total depreciation** | **37,064** | 35,093 | **36,856** | 34,786 |
| **Amortisation**  Leasehold property | **2,090** | 1,407 | **1,612** | 1,105 |
| Intangible assets | **483** | 52 | **453** | 21 |
| **Total amortisation** | **2,573** | 1,459 | **2,065** | 1,126 |
| **Total depreciation and amortisation** | **39,637** | 36,552 | **38,921** | 35,912 |
| **13** | **Repairs and maintenance** |  |  |  |  |
| **Consolidated Parent** | | | | | |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Buildings | **24,905** | 19,857 | **24,801** | 19,841 |
|  | Plant and equipment | **4,713** | 3,948 | **4,548** | 3,584 |
|  | Information technology | **43** | 196 | **41** | 196 |
|  | Motor vehicles | **504** | 213 | **457** | 206 |
|  | **Total repairs and maintenance** | **30,165** | 24,214 | **29,847** | 23,827 |
| **14** | **Impairment of assets** |  |  |  |  |
| **Consolidated Parent** | | | | | |
|  | | **2015** | **2014** | **2015** | **2014** |
|  | | **$'000** | **$'000** | **$'000** | **$'000** |
| Bad debts | | **456** | 80 | **431** | 60 |
| Doubtful debts | | **(410)** | 684 | **(531)** | 1,285 |
| Impairment of other financial assets | | **-** | 28 | **-** | 28 |
| Library collection | | **2** | (156) | **2** | (156) |
| **Total impairment of assets** | | **48** | 636 | **(98)** | 1,217 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **15** | **Other expenses** | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Fees for service #1 | **71,258** | 66,805 | **114,896** | 93,140 |
|  | Consumables & supplies | **28,783** | 28,554 | **18,652** | 17,220 |
|  | Scholarships, grants and prizes | **19,365** | 15,577 | **18,652** | 15,549 |
|  | Overheads | **11,184** | 13,218 | **11,027** | 13,178 |
|  | Advertising, marketing and promotional expenses | **12,283** | 11,235 | **11,700** | 10,160 |
|  | Minimum lease payments on operating lease | **6,237** | 7,110 | **5,852** | 6,809 |
|  | Non-capitalised equipment | **4,798** | 5,097 | **4,173** | 4,888 |
|  | Travel and entertainment | **8,339** | 7,542 | **7,785** | 7,280 |
|  | Cleaning and waste removal | **7,981** | 7,071 | **7,527** | 6,748 |
|  | Student education support | **7,503** | 5,719 | **7,501** | 5,502 |
|  | Communication costs | **3,695** | 3,686 | **3,551** | 3,499 |
|  | Staff development | **2,668** | 2,454 | **2,466** | 2,277 |
|  | Security costs | **3,559** | 2,830 | **3,488** | 2,763 |
|  | Student service fees | **872** | 243 | **11** | 3,653 |
|  | Other expenses | **11,777** | 10,433 | **10,853** | 9,547 |
|  | **Total other expenses** | **200,302** | 187,574 | **228,134** | 202,213 |

#1 Audit remuneration included in amount and disclosed under note 30.

16 Cash and cash equivalents

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cash at bank and on hand | **38,168** | 22,698 | **35,677** | 21,575 |
| Short-term deposits | **94,376** | 101,440 | **94,376** | 101,440 |
| **Total cash and cash equivalents** | **132,544** | 124,138 | **130,053** | 123,015 |

1. Reconciliation to cash at the end of the year

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Balances as above | **132,544** | 124,138 | **130,053** | 123,015 |
| **Balance per statement of cash flows** | **132,544** | 124,138 | **130,053** | 123,015 |
| (b) | Cash at bank and on hand |  |  |  |  |

The average interest rate during 2015 on bank accounts included in cash at bank and on hand was 1.91% (2014: 2.56%).

(c) Short term deposits

The deposits are at fixed interest rates ranging between 2.81% and 3.05%.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **17** | **Receivables** |  | **Consolidated** | | **Parent** |  |
|  |  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current** |  |  |  |  |  |
|  | Student fees |  | **3,401** | 3,502 | **3,004** | 2,930 |
|  | Other debtors |  | **15,336** | 15,865 | **19,760** | 23,990 |
|  |  |  | **18,737** | 19,367 | **22,764** | 26,920 |
|  | Less Provision for impaired receivables | 17(a) | **(1,176)** | (1,208) | **(897)** | (7,167) |
|  | Other |  | **13,463** | 933 | **13,441** | 925 |
|  | Prepayments |  | **16,040** | 14,546 | **15,870** | 14,119 |
|  | **Total current receivables** |  | **47,064** | 33,638 | **51,178** | 34,797 |
|  | **Non-current** |  |  |  |  |  |
|  | Deferred government benefit for superannuation | 40 | **335,332** | 319,683 | **335,332** | 319,683 |
|  | Finance lease receivables | 17(c) | **17,242** | 16,821 | **17,242** | 16,821 |
|  | Prepayments |  | **1,294** | 860 | **1,294** | 860 |
|  | **Total non-current receivables** |  | **353,868** | 337,364 | **353,868** | 337,364 |
|  | **Total receivables** |  | **400,932** | 371,002 | **405,046** | 372,161 |

(a) Impaired receivables

As at 31 December 2015 current receivables of the Group with a nominal value of $1.176M (2014: $1.208M) were impaired. The amount of the provision was $1.176M (2014: $1.208M). The individually impaired receivables mainly relate to individual debtors with balances aged greater than 180 days.

The ageing of these receivables is as follows:

Consolidated Parent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 0 to 3 months | **2015**  **$'000**  **-** | **2014**  **$'000**  - | **2015**  **$'000**  **-** | **2014**  **$'000**  (711) |
| 3 to 6 months | **-** | - | **-** | (25) |
| Over 6 months | **(1,176)** | (1,208) | **(897)** | (6,431) |
| **Total current impaired** |  |  |  |  |

**receivables (1,176)** (1,208) **(897)** (7,167)

17 Receivables (continued)

1. Impaired receivables (continued)

As at 31 December 2015 trade receivables of the Group totalling $6.685M (2014: $7.987M) 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

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Trade Receivables**  0 to 3 months | **5,032** | 6,159 | **4,827** | 5,688 |
| 3 to 6 months | **622** | 1,100 | **597** | 959 |
| Over 6 months | **1,031** | 728 | **831** | 545 |
| **Total past due but not impaired** |  |  |  |  |

**receivables 6,685** 7,987 **6,255** 7,192

Consolidated Parent

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Movements in the provision for impaired receivables are as follows:** |  | | | |
| At 1 January | **1,208** | 521 | **7,167** | 5,883 |
| Provision for impairment recognised / (reversed) during the year | **(488)** | 607 | **(601)** | 1,224 |
| Receivables written off / (reversed) during the year as uncollectible | **456** | 80 | **431** | 60 |
| Related party loan forgiven | **-** | - | **(2,094)** | - |
| Related party receivables forgiven | **-** | - | **(4,006)** | - |
| **At 31 December** | **1,176** | 1,208 | **897** | 7,167 |

The creation and release of the provision for impaired receivables has been included in ‘impairment of assets’ in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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

1. Leasing Arrangements

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

17 Receivables (continued)

1. Amounts receivable under finance leases

Minimum lease payments Present value of minimum lease

**payments**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Not later than 1 year  Later than 1 year and not later | **-** | - | **-** | - |
| than 5 years | **-** | - | **-** | - |
| Later than 5 years | **42,990** | 42,990 | **17,242** | 16,821 |
|  | **42,990** | 42,990 | **17,242** | 16,821 |
| Less unearned finance income | **(25,748)** | (26,169) | **-** | - |
| Present value of minimum lease payments receivable | **17,242** | 16,821 | **17,242** | 16,821 |
| Allowance for uncollectible lease payments | **-** | - | **-** | - |
| **Finance lease receivable** | **17,242** | 16,821 | **17,242** | 16,821 |

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at $42.990M (2014: $42.990M).

Contingent rents of $0.329M (2014: $0.501M) have been recognised as income in the year.

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

1. Inventories

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |
| --- | --- | --- | --- |
| **Current**  At cost: |  | | |
| Stock on hand | **2,888** | 3,896 | **-** - |
| **Total inventories** | **2,888** | 3,896 | **-** - |

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

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |
| --- | --- | --- | --- |
| **Current**  Land | **69,300** | - **69,300** | - |
| Subway Franchise | **213** | - **-** | - |
| **Total non-current assets or disposal groups classified as held for sale** | **69,513** | - **69,300** | - |

NCAs (or disposal groups) held for sale are carried at the lower of the carrying amount or the fair value less costs to sell. For the fair value of the NCA (or disposal group) see note 35(b).

The University has entered into a sales agreement to sell land at its Westmead campus. Settlement is expected to occur by 31 December 2016, subject to the relocation of telecommunications towers on the current site. A gain of

$63.4m has been recognised in the statement of comprehensive income, under the heading gain on revaluation of land and buildings. This gain on revaluation is recognised in the property development reserve in note 28(b). This revaluation gain will be transferred to retained earnings on settlement when the asset is de-recognised.

1. Property, plant and equipment

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Construction in Progress** | **Freehold Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Buildings- Under Finance Lease** | **Plant and Equipment** | **Leasehold Improvements** | **Library Collection** | **Artwork** | **Total** |
| **Consolidated** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **At 1 January 2014** |  |  |  |  |  |  |  |  |  |  |  |
| - Cost | 101,036 | - | - | 19,090 | - | 4,594 | 107,281 | 5,349 | 87,779 | - | 325,129 |
| - Valuation | - | 203,336 | 162,335 | 757,073 | 69,210 | - | - | - | 1,242 | 2,823 | 1,196,019 |
| Accumulated depreciation | - | - | - | (2,033) | - | (4,594) | (58,659) | (4,668) | (76,474) | - | (146,428) |
| **Net Book Amount** | 101,036 | 203,336 | 162,335 | 774,130 | 69,210 | - | 48,622 | 681 | 12,547 | 2,823 | 1,374,720 |
| **Year Ended 31 December 2014** |  |  |  |  |  |  |  |  |  |  |  |
| Opening Net Book Amount | 101,036 | 203,336 | 162,335 | 774,130 | 69,210 | - | 48,622 | 681 | 12,547 | 2,823 | 1,374,720 |
| Revaluation Surplus | - | (225) | - | 15,858 | (6) | - | - | - | 152 | 146 | 15,925 |
| Additions | 98,829 | - | - | - | - | - | 8,669 | - | 2,265 | 74 | 109,837 |
| Disposals | (2,514) | - | - | (2,651) | - | - | (2,409) | - | (277) | (2) | (7,853) |
| Depreciation Charge | - | - | - | (20,121) | (2,285) | - | (9,067) | (1,407) | (3,631) | - | (36,511) |
| Non-Cash Adjustments | - | - | - | (14,333) | - | - | 14,332 | - | - | - | (1) |
| Impairment of Assets | - | - | - | - | - | - | - | - | 157 | - | 157 |
| Transfers to Freehold Buildings and Plant & Equipment | (102,553) | - | - | - | - | - | - | - | - | - | (102,553) |
| Transfers from Construction in Progress | - | - | - | 72,461 | 14,418 | - | 739 | 14,935 | - | - | 102,553 |
| Transfers to Construction in Progress | 15,775 | (15,775) | - | - | - | - | - | - | - | - | - |
| **Closing Net Book Amount** | 110,573 | 187,336 | 162,335 | 825,344 | 81,337 | - | 60,886 | 14,209 | 11,213 | 3,041 | 1,456,274 |
| **At 31 December 2014** |  |  |  |  |  |  |  |  |  |  |  |
| - Cost | 110,573 | - | - | 820 | 623 | 4,594 | 126,513 | 20,284 | 86,775 | - | 350,182 |
| - Valuation | - | 187,336 | 162,335 | 826,809 | 81,397 | - | - | - | 1,651 | 3,041 | 1,262,569 |
| Accumulated depreciation | - | - | - | (2,285) | (683) | (4,594) | (65,627) | (6,075) | (77,213) | - | (156,477) |
| **Net Book Amount** | 110,573 | 187,336 | 162,335 | 825,344 | 81,337 | - | 60,886 | 14,209 | 11,213 | 3,041 | 1,456,274 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **20 Property, plant and equipment (continued)** |  |  |  | **Buildings-** |  | | | | |
| **Construction Freehold in Progress Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Under Finance Lease** | **Plant and Equipment** | **Leasehold Improvements** | **Library Collection** | **Artwork** | **Total** |
| **Consolidated $'000 $'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Year Ended 31 December 2015** |  |  |  |  |  |  |  |  |  |
| Opening Net Book Amount 110,573 187,336 | 162,335 | 825,344 | 81,337 | - | 60,886 | 14,209 | 11,213 | 3,041 | 1,456,274 |
| Revaluation Surplus - 93,717 | - | 15,199 | 1,252 | - | - | - | - | - | 110,168 |
| Additions 77,251 1,150 | - | - | - | - | 9,928 | - | 2,235 | 64 | 90,628 |
| Disposals (18,620) (250) | - | (4,998) | - | - | (726) | - | (453) | (3) | (25,050) |
| Depreciation Charge - - | - | (21,561) | (2,489) | - | (9,692) | (2,090) | (3,322) | - | (39,154) |
| Non-Cash Adjustments - - | - | (11) | - | - | (3) | 29 | - | - | 15 |
| Transfers to Freehold Buildings and  Plant & Equipment (106,943) - | - | - | - | - | - | - | - | - | (106,943) |
| Transfers from Construction in  Progress - 1,943 | - | 96,688 | 5,295 | - | 39 | 2,928 | - | 50 | 106,943 |
| Transfers to Held for Sale Assets - (69,300) | - | - | - | - | (213) | - | - | - | (69,513) |
| **Closing Net Book Amount 62,261 214,596** | **162,335** | **910,661** | **85,395** | **-** | **60,219** | **15,076** | **9,673** | **3,152** | **1,523,368** |
| **At 31 December 2015** |  |  |  |  |  |  |  |  |  |
| - Cost 62,261 - | - | 7,929 | 1,637 | 4,594 | 132,831 | 23,242 | 82,713 | - | 315,207 |
| - Valuation - 214,596 | 162,335 | 905,781 | 85,557 | - | - | - | 1,651 | 3,152 | 1,373,072 |
| Accumulated depreciation - - | - | (3,049) | (1,799) | (4,594) | (72,612) | (8,166) | (74,691) | - | (164,911) |
| **Net Book Amount 62,261 214,596** | **162,335** | **910,661** | **85,395** | **-** | **60,219** | **15,076** | **9,673** | **3,152** | **1,523,368** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **20 Property, plant and equipment (continued)** | |  |  |  | **Buildings-** |  | | | | |
| **Construction** | **Freehold** |  |  |  | **Under Finance** | **Plant and** | **Leasehold** | **Library** |  |  |
| **in Progress** | **Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Lease** | **Equipment** | **Improvements** | **Collection** | **Artwork** | **Total** |
| **Parent $'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **At 1 January 2014** |  |  |  |  |  |  |  |  |  |  |
| - Cost 98,323 | - | - | 19,090 | - | 4,594 | 103,661 | 2,674 | 87,779 | - | 316,121 |
| - Valuation - | 203,336 | 162,335 | 757,073 | 69,210 | - | - | - | 695 | 2,812 | 1,195,461 |
| Accumulated depreciation - | - | - | (2,033) | - | (4,594) | (56,336) | (2,632) | (76,474) | - | (142,069) |
| **Net Book Amount** 98,323 | 203,336 | 162,335 | 774,130 | 69,210 | - | 47,325 | 42 | 12,000 | 2,812 | 1,369,513 |
| **Year Ended 31 December 2014** |  |  |  |  |  |  |  |  |  |  |
| Opening Net Book Amount 98,323 | 203,336 | 162,335 | 774,130 | 69,210 | - | 47,325 | 42 | 12,000 | 2,812 | 1,369,513 |
| Revaluation Surplus - | (225) | - | 15,858 | (6) | - | - | - | 20 | 146 | 15,793 |
| Additions 97,858 | - | - | - | - | - | 8,594 | - | 2,166 | 73 | 108,691 |
| Disposals (2,514) | - | - | (2,651) | - | - | (2,179) | - | (277) | (2) | (7,623) |
| Depreciation Charge - | - | - | (20,121) | (2,285) | - | (8,749) | (1,105) | (3,631) | - | (35,891) |
| Non-Cash Adjustments - | - | - | (14,333) | - | - | 14,332 | - | - | - | (1) |
| Impairment of Assets - | - | - | - | - | - | - | - | 157 | - | 157 |
| Transfers to Freehold Buildings and  Plant & Equipment (102,553) | - | - | - | - | - | - | - | - | - | (102,553) |
| Transfers from Construction in  Progress - | - | - | 72,461 | 14,418 | - | 739 | 14,935 | - | - | 102,553 |
| Transfers to Construction in Progress 15,775 | (15,775) | - | - | - | - | - | - | - | - | - |
| **Closing Net Book Amount** 106,889 | 187,336 | 162,335 | 825,344 | 81,337 | - | 60,062 | 13,872 | 10,435 | 3,029 | 1,450,639 |
| **At 31 December 2014** |  |  |  |  |  |  |  |  |  |  |
| - Cost 106,889 | - | - | 820 | 623 | 4,594 | 123,655 | 17,610 | 86,776 | - | 340,967 |
| - Valuation - | 187,336 | 162,335 | 826,809 | 81,397 | - | - | - | 872 | 3,029 | 1,261,778 |
| Accumulated depreciation - | - | - | (2,285) | (683) | (4,594) | (63,593) | (3,738) | (77,213) | - | (152,106) |
| **Net Book Amount** 106,889 | 187,336 | 162,335 | 825,344 | 81,337 | - | 60,062 | 13,872 | 10,435 | 3,029 | 1,450,639 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **20 Property, plant and equipment (continued)** | |  |  |  | **Buildings-** |  | | | | |
| **Construction** | **Freehold** |  |  |  | **Under Finance** | **Plant and** | **Leasehold** | **Library** |  |  |
| **in Progress** | **Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Lease** | **Equipment** | **Improvements** | **Collection** | **Artwork** | **Total** |
| **Parent $'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Year Ended 31 December 2015** |  |  |  |  |  |  |  |  |  |  |
| Opening Net Book Amount 106,889 | 187,336 | 162,335 | 825,344 | 81,337 | - | 60,062 | 13,872 | 10,435 | 3,029 | 1,450,639 |
| Revaluation Surplus - | 93,717 | - | 15,199 | 1,252 | - | - | - | - | - | 110,168 |
| Additions 75,308 | 1,150 | - | - | - | - | 9,823 | - | 2,234 | 64 | 88,579 |
| Disposals (18,620) | (250) | - | (4,998) | - | - | (547) | - | (453) | (3) | (24,871) |
| Depreciation Charge - | - | - | (21,561) | (2,489) | - | (9,484) | (1,612) | (3,322) | - | (38,468) |
| Non-Cash Adjustments - | - | - | (11) | - | - | 2 | 18 | - | - | 9 |
| Transfers to Freehold Buildings and  Plant & Equipment (104,799) | - | - | - | - | - | - | - | - | - | (104,799) |
| Transfers from Construction in  Progress - | 1,943 | - | 96,688 | 5,295 | - | 39 | 784 | - | 50 | 104,799 |
| Transfers to Held for Sale Assets - | (69,300) | - | - | - | - | - | - | - | - | (69,300) |
| **Closing Net Book Amount 58,778** | **214,596** | **162,335** | **910,661** | **85,395** | **-** | **59,895** | **13,062** | **8,894** | **3,140** | **1,516,756** |
| **At 31 December 2015** |  |  |  |  |  |  |  |  |  |  |
| - Cost 58,778 | - | - | 7,929 | 1,637 | 4,594 | 131,471 | 18,412 | 82,713 | - | 305,534 |
| - Valuation - | 214,596 | 162,335 | 905,781 | 85,557 | - | - | - | 872 | 3,140 | 1,372,281 |
| Accumulated depreciation - | - | - | (3,049) | (1,799) | (4,594) | (71,576) | (5,350) | (74,691) | - | (161,059) |
| **Net Book Amount 58,778** | **214,596** | **162,335** | **910,661** | **85,395** | **-** | **59,895** | **13,062** | **8,894** | **3,140** | **1,516,756** |

1. Intangible Assets

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Development**  **costs Licences** | **Electronic Books** | **Total** |
| **Parent** | **$'000 $'000** | **$'000** | **$'000** |
| **At 1 January 2014**  - Cost | - 275 | - | 275 |
| - Accumulated amortisation and impairment | - (254) | - | (254) |
| **Net book amount** | - 21 | - | 21 |
| **Year ended 31 December 2014**  Opening net book value | - 21 | - | 21 |
| Additions | - - | 2,266 | 2,266 |
| Amortisation charge | - (21) | - | (21) |
| **Closing net book amount** | - - | 2,266 | 2,266 |
| **At 31 December 2014**  - Cost | - 275 | 2,266 | 2,541 |
| - Accumulated amortisation and impairment | - (275) | - | (275) |
| **Net book amount** | - - | 2,266 | 2,266 |
| **Year ended 31 December 2015**  Opening net book amount | - - | 2,266 | 2,266 |
| Additions | - - | 2,998 | 2,998 |
| Amortisation charge | - - | (453) | (453) |
| Revaluation surplus | - 250 | - | 250 |
| Non-Cash Adjustments | - - | - | - |
| **Closing net book amount** | **- 250** | **4,811** | **5,061** |
| **At 31 December 2015**  - Cost | - 250 | 5,264 | 5,514 |
| - Accumulated amortisation and impairment | - - | (453) | (453) |
| **Net book amount** | **- 250** | **4,811** | **5,061** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **21** | **Intangible Assets (continued)** | **Development** |  | **Electronic** |  |
|  |  | **costs** | **Licences** | **Books** | **Total** |
|  | **Consolidated** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **At 1 January 2014** |  |  |  |  |
|  | - Cost | - | 756 | - | 756 |
|  | - Accumulated amortisation and impairment | - | (644) | - | (644) |
|  | **Net book amount** | - | 112 | - | 112 |
|  | **Year ended 31 December 2014** |  |  |  |  |
|  | Opening net book amount | - | 112 | - | 112 |
|  | Additions | - | - | 2,266 | 2,266 |
|  | Amortisation charge | - | (61) | - | (61) |
|  | **Closing net book amount** | - | 51 | 2,266 | 2,317 |
|  | **At 31 December 2014** |  |  |  |  |
|  | - Cost | - | 756 | 2,266 | 3,022 |
|  | - Accumulated amortisation and impairment | - | (705) | - | (705) |
|  | **Net book amount** | - | 51 | 2,266 | 2,317 |
|  | **Year ended 31 December 2015** |  |  |  |  |
|  | Opening net book amount | - | 51 | 2,266 | 2,317 |
|  | Additions | 263 | - | 2,998 | 3,261 |
|  | Amortisation charge | - | (30) | (453) | (483) |
|  | Revaluation surplus | - | 250 | - | 250 |
|  | Non-Cash Adjustments | - | (11) | - | (11) |
|  | **Closing net book amount** | **263** | **260** | **4,811** | **5,334** |
|  | **At 31 December 2015** |  |  |  |  |
|  | - Cost | 263 | 330 | 5,264 | 5,857 |
|  | - Accumulated amortisation and impairment | - | (70) | (453) | (523) |
|  | **Net book amount** | **263** | **260** | **4,811** | **5,334** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **22** | **Other financial assets** | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Non-Current** |  |  |  |  |
|  | Available for sale (Unlisted securities) | **9,500** | 5,196 | **9,500** | 5,196 |
|  | Available for sale (Acadian) | **69,703** | 45,667 | **69,703** | 45,667 |
|  | Held to maturity (Amortised cost) | **6,333** | 5,631 | **6,333** | 5,631 |
|  | **Total non-current other financial assets** | **85,536** | 56,494 | **85,536** | 56,494 |

**23 Other non-financial assets**

**Consolidated Parent**

**Current**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

Lease assets **154** - **154** -

Total current other non-financial assets 154 - 154 -

**Non-current**

Livestock holdings **622** 597 **622** 597

Total non-current other non-financial

**assets 622** 597 **622** 597

Total other non-financial assets 776 597 776 597

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **24** | **Trade and other payables** | **Consolidated** | **Parent** |  |
|  |  | **2015 2014** | **2015** | **2014** |
|  |  | **$'000 $'000** | **$'000** | **$'000** |
|  | **Current**  Payables | **59,024** 37,452 | **58,012** | 36,546 |
|  | OS-HELP liability to Australian Government | **(564)** 854 | **(564)** | 854 |
|  | Total current trade and other payables | **58,460** 38,306 | **57,448** | 37,400 |

1. Foreign currency risk

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

Consolidated Parent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Australian Dollars | **2015**  **$'000**  **57,026** | **2014**  **$'000**  36,439 | **2015**  **$'000**  **56,014** | **2014**  **$'000**  35,533 |
| US Dollars | **1,032** | 1,375 | **1,032** | 1,375 |
| Euro | **225** | 79 | **225** | 79 |
| GB Pounds | **114** | 391 | **114** | 391 |
| Other | **63** | 22 | **63** | 22 |
|  | **58,460** | 38,306 | **57,448** | 37,400 |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **25** | **Borrowings** | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current**  Unsecured other financial liabilities (ii) | **-** | - | **7,681** | 8,863 |
|  | **Total current borrowings** | **-** | - | **7,681** | 8,863 |
|  | **Non-Current** |  |  |  |  |
|  | Unsecured bank loans (i) | **75,500** | 76,000 | **75,500** | 76,000 |
|  | **Total non-current borrowings** | **75,500** | 76,000 | **75,500** | 76,000 |
|  | **Total borrowings** | **75,500** | 76,000 | **83,181** | 84,863 |

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

Such approval was required under Section 22 (l)(e) of the University of Western Sydney Act 1997. The interest rate of the loan is variable being based on the BBSY bid rate plus a margin. The interest rate averaged 3.15% during 2015. The loan is unsecured.

The balance of the loan outstanding as at 31 December 2015 was $75.5 million (2014: $76.0 million).

1. Relates to the transfer of UWS Enterprises Pty Limited trading as Western Sydney University The College and UWS Early Learning surplus funds to the University.

The fair value of borrowings equals their carrying amount, as the impact of discounting is not significant. For an analysis of the sensitivity of borrowings to interest rate risk refer to note 34.

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

25 Borrowings (continued)

1. Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit:

Consolidated Parent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| **Credit standby arrangements** |  |  |  |  |
| **Total facilities** |  |  |  |  |
| Bank guarantees | **575** | 11 | **575** | 11 |
| Credit cards | **4,570** | 4,525 | **4,500** | 4,500 |
| Leasing facilities | **28,011** | 6,968 | **26,000** | 4,956 |
| **Total credit standby arrangements** | **33,156** | 11,504 | **31,075** | 9,467 |
| **Used at balance date** |  |  |  |  |
| Bank guarantees | **200** | 11 | **200** | 11 |
| Credit cards | **186** | 392 | **186** | 386 |
| Leasing facilities | **13,688** | 5,073 | **13,677** | 4,956 |
| **Total used at balance date** | **14,074** | 5,476 | **14,063** | 5,353 |
| **Unused at balance date** |  |  |  |  |
| Bank guarantees | **375** | - | **375** | - |
| Credit cards | **4,384** | 4,133 | **4,314** | 4,114 |
| Leasing facilities | **14,323** | 1,895 | **12,323** | - |
| **Total unused at balance date** | **19,082** | 6,028 | **17,012** | 4,114 |
| **Bank loan facilities** |  |  |  |  |
| Total facilities | **198,000** | 198,000 | **198,000** | 198,000 |
| Used at balance date | **(75,500)** | (76,000) | **(75,500)** | (76,000) |
| **Total unused at balance date** | **122,500** | 122,000 | **122,500** | 122,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **26** | **Provisions** | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current provisions expected to be settled within 12 months** |  |  |  |  |
|  | Employee benefits |  |  |  |  |
|  | Annual leave | **21,246** | 20,160 | **20,110** | 18,920 |
|  | Long service leave | **6,069** | 6,402 | **5,896** | 5,329 |
|  |  | **27,315** | 26,562 | **26,006** | 24,249 |
|  | **Current provisions expected to be settled after more than 12 months** |  |  |  |  |
|  | Employee benefits |  |  |  |  |
|  | Annual leave | **6,187** | 5,839 | **5,217** | 5,363 |
|  | Long service leave | **36,219** | 41,304 | **35,912** | 41,408 |
|  |  | **42,406** | 47,143 | **41,129** | 46,771 |
| **Total current provisions 69,721** | | | 73,705 | **67,135** | 71,020 |
| **Non-current provisions** | |  |  |  |  |
| Employee benefits | |  |  |  |  |
| Long service leave | | **19,072** | 11,565 | **17,708** | 10,672 |
| Deferred government benefits for superannuation | | **335,855** | 319,683 | **335,855** | 319,683 |
| Long-term provisions | |  |  |  |  |
| Make good on leases | | **446** | 195 | **446** | 195 |
| **Total non-current provisions** | | **355,373** | 331,443 | **354,009** | 330,550 |
| **Total provisions** | | **425,094** | 405,148 | **421,144** | 401,570 |

1. Annual leave

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

%

|  |  |
| --- | --- |
| Superannuation | 16.75 |
| Estimate of short term salary increase | 3.25 |
| Payroll tax | 5.45 |
| Workers compensation | 0.75 |

**26 Provisions (continued)**

1. Long service leave

In 2014 the University engaged Mercer Consulting (Australia) Pty Ltd to undertake a valuation of the University's long service leave liability. The University has used a shorthand measurement technique to value the long service leave liability at 31 December 2015. Assumptions used in this measurement included:

%

Estimate rate of long term inflation / salary increase 3.50

Discount for future investment earnings 3.00

1. Movements in provisions - Non Current

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

Parent

**Make good on**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **leases**  **$'000** | **Total**  **$'000** |  |
| **Non-current** |  |  |
| Carrying amount at start of year | **195** |  | **195** |
| Additional provisions | **251** |  | **251** |
| **Carrying amount at end of year** | **446** |  | **446** |
| **Consolidated** |  |  |  |
|  | **Make good on leases** | **Total** |  |
|  | **$'000** | **$'000** |  |
| **Non-current** |  |  |  |
| Carrying amount at start of year | **195** |  | **195** |
| Additional provisions | **251** |  | **251** |
| **Carrying amount at end of year** | **446** |  | **446** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **27** | **Other liabilities** | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Current** |  |  |  |  |
|  | Deferred income | **23,759** | 15,081 | **23,759** | 14,568 |
|  | Fees received in advance | **17,002** | 18,592 | **15,942** | 17,182 |
|  | Australian Government Unspent Financial Assistance | **(194)** | 90 | **(194)** | 90 |
|  | Lease incentive | **54** | - | **54** | - |
|  | Other | **1,895** | 3,368 | **1,796** | 2,972 |
|  | **Total current other liabilities** | **42,516** | 37,131 | **41,357** | 34,812 |
|  | **Non-current** |  |  |  |  |
|  | Deferred income | **2,968** | 3,142 | **2,968** | 3,142 |
|  | Lease incentive | **9,000** | - | **9,000** | - |
|  | Total non-current other liabilities | **11,968** | 3,142 | **11,968** | 3,142 |
|  | **Total other liabilities** | **54,484** | 40,273 | **53,325** | 37,954 |
| **28** | **Reserves and retained earnings** |  |  |  |  |
|  | (a) Reserves |  |  |  |  |
|  |  | **Consolidated** | | **Parent** |  |
|  |  | **2015** | **2014** | **2015** | **2014** |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Deferred superannuation reserve | **(280)** | - | **(280)** | - |
|  | Property development revaluation reserve | **63,429** | - | **63,429** | - |
|  | Property, plant and equipment revaluation surplus | **607,186** | 562,282 | **607,011** | 562,107 |
|  | Investment revaluation reserve | **12,043** | 11,188 | **7,990** | 7,135 |
|  | Art collection revaluation reserve | **1,434** | 1,434 | **1,434** | 1,434 |
|  | Livestock revaluation reserve | **452** | 406 | **452** | 406 |
|  | Licenses revaluation reserve | **250** | - | **250** | - |
|  | **Total Reserves** | **684,514** | 575,310 | **680,286** | 571,082 |

28 Reserves and retained earnings (continued)

1. Movements in Reserves

Consolidated Parent

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Property development revaluation reserve** |  | | | |
| Balance at 1 January | **-** | - | **-** | - |
| Transfer from property, plant and equipment revaluation surplus | **63,429** | - | **63,429** | - |
| **Balance at 31 December** | **63,429** | - | **63,429** | - |
| **Property, plant and equipment revaluation surplus** |  |  |  |  |
| Balance at 1 January | **562,282** | 555,840 | **562,107** | 555,797 |
| Revaluation - gross | **110,168** | 15,779 | **110,168** | 15,647 |
| Write back on disposal of revalued assets | **(1,835)** | (9,337) | **(1,835)** | (9,337) |
| Transfer to assets-held-for-sale reserve | **(63,429)** | - | **(63,429)** | - |
| **Balance at 31 December** | **607,186** | 562,282 | **607,011** | 562,107 |
| **State superannuation funds revaluation reserve** |  |  |  |  |
| Balance at 1 January | **-** | - | **-** | - |
| Revaluation - gross | **(280)** | - | **(280)** | - |
| **Balance at 31 December** | **(280)** | - | **(280)** | - |
| **Investment revaluation reserve** |  |  |  |  |
| Balance at 1 January | **11,188** | 5,312 | **7,135** | 1,562 |
| Revaluation - gross | **855** | 5,876 | **855** | 5,573 |
| **Balance at 31 December** | **12,043** | 11,188 | **7,990** | 7,135 |
| **Art work revaluation reserve** |  |  |  |  |
| Balance at 1 January | **1,434** | 1,288 | **1,434** | 1,288 |
| Revaluation - gross | **-** | 146 | **-** | 146 |
| **Balance at 31 December** | **1,434** | 1,434 | **1,434** | 1,434 |
| **Livestock revaluation reserve** |  |  |  |  |
| Balance at 1 January | **406** | 318 | **406** | 318 |
| Revaluation - gross | **46** | 88 | **46** | 88 |
| **Balance at 31 December** | **452** | 406 | **452** | 406 |
| **Licenses revaluation reserve** |  |  |  |  |
| Balance at 1 January | **-** | - | **-** | - |
| Revaluation - gross | **250** | - | **250** | - |
| **Balance at 31 December** | **250** | - | **250** | - |
| **Total reserves** | **684,514** | 575,310 | **680,286** | 571,082 |

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

1. Movements in retained earnings

Consolidated Parent

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained earnings at 1 January | **879,681** | 804,112 | **872,303** | 757,037 |
| Net result for the period | **41,323** | 66,232 | **43,006** | 105,929 |
| Transfer from property, plant and equipment revaluation surplus | **1,835** | 9,337 | **1,835** | 9,337 |
| **Retained earnings at 31 December** | **922,839** | 879,681 | **917,144** | 872,303 |
| (d) | Nature and purpose of reserves |  |  |  |  |

The property development revaluation reserve represents the gain on revaluation of land held for sale at reporting date. The gain on revaluation will be transferred to retained earnings when the sale is completed, and the asset is de-recognised.

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

The deferred superannuation reserve represents an emerging liability for the University in respect of any excess salary component relating to continuing members of SASS or SSS State Superannuation funds. Such a liability will arise where a continuing member of SASS or SSS has received a salary increase that causes their actual salary to be greater than their notional salary. The Commonwealth and State will guarantee to fund the State Superannuation Fund defined benefit obligation of each university, except to the extent that there is an excess salary component.

The investment revaluation reserve is equal to the unrealised gains / (losses) on investments with the University's Fund Managers and unlisted securities for 2015 together with accumulated prior years unrealised gains / (losses).

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

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

The licence revaluation reserve reflects the revaluation of the University's water licence. The reserve is the difference between the valuation and the book value at the valuation date.

29 Key Management Personnel Disclosures

1. Names of responsible persons and executive officers

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

* 1. Names of Responsible Persons

'Responsible person' is defined to mean a member of the University's Board of Trustees who had authority and responsibility for planning, directing and controlling activities of the University in 2015:

Peter Shergold, AC Barney Glover Paul Wormell

John Banks Elizabeth Dibbs Genevieve Gregor Vivienne James

Paul Newman - resigned 5 June 2015 Ian Stone

Christopher Brown Michael Pratt Gillian Shadwick Gabrielle Trainor Tim Ferraro

Elie Hammam - resigned 30 June 2015 Sophie Kobuch - commenced 1 July 2015 George Morgan

Taylor Macdonald Jenny Purcell

29 Key Management Personnel Disclosures (continued)

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

'Executive' is defined to mean the Chief Executive Officer plus the members of the Executive Committee of the University. In 2015 these were:

Barney Glover Scott Holmes

Denise Kirkpatrick - commenced 1 January 2015 Angelo Kourtis

Peter Pickering

Deborah Sweeney- commenced 1 May 2015 Michele Simons

Linda Taylor

MaryAnn Bin-Sallik - commenced 6 July 2015, resigned 31 December 2015

Bronwyn Cole - commenced 1 May 2015, resigned 31 December 2015 Ellen Brackenreg - commenced 25 May 2015

Michael Adams Rhonda Griffiths Annemarie Hennessy Kevin Dunn

Gregory Kolt Clive Smallman Peter Hutchings Simeon Simoff

Kerry Holling - commenced 1 May 2015 Paul Rowland - resigned 10 April 2015

1. Remuneration of board members and executives

Consolidated Parent

**Remuneration of Board Members**

**2015**

**Number**

**2014**

**Number**

**2015**

**Number**

**2014**

**Number**

Nil to $14,999 **2** - **-** -

$15,000 to $29,999 **2** 3 **-** -

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

**5** 4 **1** 1

29 Key Management Personnel Disclosures (continued)

1. Remuneration of board members and executives (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated 2015 2014**  **Number Number** |  | **Parent**  **2015**  **Number** | **2014**  **Number** |  |
| **Remuneration of executive officers**  $80,000 to $89,999 | **2** | - | **1** |  | - |
| $90,000 to $99,999 | **2** | - | **-** |  | - |
| $110,000 to $119,999 | **1** | - | **1** |  | - |
| $120,000 to $129,999 | **-** | 1 | **-** |  | - |
| $130,000 to $139,999 | **1** | - | **-** |  | - |
| $140,000 to $149,999 | **1** | - | **1** |  | - |
| $170,000 to $179,999 | **1** | - | **1** |  | - |
| $180,000 to $189,999 | **2** | - | **2** |  | - |
| $230,000 to $239,999 | **1** | 2 | **-** |  | - |
| $240,000 to $249,999 | **1** | - | **-** |  | - |
| $250,000 to $259,999 | **-** | 2 | **-** |  | 2 |
| $260,000 to $269,999 | **1** | - | **1** |  | - |
| $270,000 to $279,999 | **1** | - | **-** |  | - |
| $280,000 to $289,999 | **2** | 1 | **2** |  | 1 |
| $300,000 to $309,999 | **-** | 7 | **-** |  | 5 |
| $310,000 to $319,999 | **-** | 1 | **-** |  | 1 |
| $320,000 to $329,999 | **1** | - | **1** |  | - |
| $330,000 to $339,999 | **2** | - | **2** |  | - |
| $340,000 to $349,999 | **1** | - | **1** |  | - |
| $350,000 to $359,999 | **-** | 1 | **-** |  | 1 |
| $360,000 to $369,999 | **-** | 1 | **-** |  | 1 |
| $370,000 to $379,999 | **2** | - | **2** |  | - |
| $380,000 to $389,999 | **-** | 2 | **-** |  | 2 |
| $390,000 to $399,999 | **-** | 1 | **-** |  | 1 |
| $420,000 to $429,999 | **2** | - | **2** |  | - |
| $440,000 to $449,999 | **1** | - | **1** |  | - |
| $470,000 to $479,999 | **-** | 1 | **-** |  | 1 |
| $490,000 to $499,999 | **2** | - | **2** |  | - |
| $550,000 to $559,999 | **-** | 1 | **-** |  | 1 |
| $780,000 to $789,999\* | **-** | 1 | **-** |  | 1 |
| $830,000 to $839,999\* | **1** | - | **1** |  | - |
|  | **28** | 22 | **21** |  | 17 |

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

29 Key Management Personnel Disclosures (continued)

1. Key management personnel compensation

Key management personnel include Board Members and Executives.

Consolidated Parent

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Short-term employee benefits | **7,052** | 6,615 | **6,013** | 5,533 |
| Post-employment benefits | **1,025** | 928 | **902** | 807 |
| Termination benefits | **291** | 1,605 | **291** | 1,605 |
| **Total key management personnel compensation** | **8,368** | 9,148 | **7,206** | 7,945 |
| (d) | Loans to key management personnel |  |  |  |  |

No loans were made to key management personnel during the financial year (2014: nil).

1. Remuneration of Auditors

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

Consolidated Parent

**Audit and review of the Financial Statements**

Fees paid to the Audit Office of New

2015

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

South Wales **385** 386 **276** 272

Total paid for audit and review 385 386 276 272

Fees shown are exclusive of Goods and Services Tax.

1. Contingencies
   1. Contingent liabilities

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

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

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

No financial impact has occurred or is recorded in the University's Financial Statements relating to the Agreement for Lease or Commercial Lease for the 2015 period.

*Financial support and assistance*

It is the University's current policy to provide Television Sydney (TVS) Ltd and uwsconnect Limited with such support and assistance as may be required to allow them to meet their financial obligations in conformity with generally accepted standards of commercial and financial prudence for the period 1 January 2016 up until approximately twelve months from the date of the signed financial statements to the expected date of the auditor's report for the next annual reporting period.

1. Commitments

|  |  |  |
| --- | --- | --- |
| (a) | Capital commitments  Capital expenditure contracted for at the reporting date but not recognised as liabilities are: |  |
|  | **Consolidated Parent** |
|  | **2015 2014 2015** | **2014** |
|  | **$'000 $'000 $'000** | **$'000** |
|  | Property, plant and equipment |  |
|  | Within one year **73,476** 43,893 **73,184** | 43,418 |
|  | Total **73,476** 43,893 **73,184** | 43,418 |

The above amounts included commitments for capital expenditure on joint operations of $7.3m payable within one year.

|  |  |  |
| --- | --- | --- |
| **32**  (b) | **Commitments (continued)**  Lease commitments |  |
|  | **(i) Operating Leases** |
|  | The University leases computing equipment, printing equipment and building office space under operating leases. |
|  | Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: |
|  | **Consolidated Parent** |
|  | **2015 2014 2015** | **2014** |
|  | **$'000 $'000 $'000** | **$'000** |
|  | Within one year **10,827** 12,715 **10,530** | 12,507 |
|  | Between one year and five years **6,603** 9,791 **6,479** | 9,791 |
|  | Later than five years **280** 306 **280** | 306 |
|  | Total future minimum lease payments **17,710** 22,812 **17,289** | 22,604 |

1. Related Parties
   1. Parent entities

The ultimate parent entity within the Group is University of Western Sydney (trading as Western Sydney University).

* 1. Subsidiaries

Interests in subsidiaries are set out in note 36.

* 1. Key management personnel

Disclosures relating to directors and specified executives are set out in note 29

33 Related Parties (continued)

* 1. Transactions with related parties

The following transactions occurred with related parties:

Consolidated Parent

**Sale of goods and services**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

Royalty payments to University **-** - **14,964** 13,412 Expense recoveries from

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

Total sales of goods and

|  |  |  |  |
| --- | --- | --- | --- |
|  | **services**  **Purchase of goods** | **-** - **14,964** 13,851 | |
| Services to University | **-** - **1,497** 2,787 | |
| Funding to controlled entities | **-** - **49,558** 36,372 | |
| **Total purchase of goods** | **-** - **51,055** 39,159 | |
| (e) | Loans to/from related parties |  | |
|  |  | **Consolidated** | **Parent** |
|  |  | **2015 2014** | **2015 2014** |
|  |  | **$'000 $'000** | **$'000 $'000** |
|  | **Loans to subsidiaries**  Beginning of the year | **-** | - **5,627** 4,082 |
|  | Loans advanced | **-** | - **11,855** 7,575 |
|  | Loan repayment received | **-** | - **(10,370)** (6,088) |
|  | Interest charged | **-** | - **126** 160 |
|  | Interest received | **-** | - **(133)** (102) |
|  | Loans forgiven by Parent | **-** | - **(2,094)** - |
|  | End of year | **-** | - **5,011** 5,627 |

**Consolidated Parent**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2015**  **$'000** | **2014**  **$'000** | **2015 2014**  **$'000 $'000** |
| **Loans from subsidiaries**  Beginning of the year |  | **-** | - **8,863** 5,812 |
| Loans advanced |  | **-** | - **2,307** 4,499 |
| Loan repayments paid |  | **-** | - **(3,700)** (1,725) |
| Interest charged |  | **-** | - **210** 277 |
| End of year |  | **-** | - **7,680** 8,863 |

**33 Related Parties (continued)**

(f) Outstanding balances

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

Consolidated Parent

Current receivables (sale of goods and services)

2015

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

Subsidiaries **-** - **6** 4,014 Current receivables (loans)

Subsidiaries **-** - **5,010** 5,627 Current payables (purchase of

goods)

Subsidiaries **-** - **14** 7

Current payables (loans)

Parent entity **-** - **7,681** 8,863 No provision for doubtful debts has been raised in relation to outstanding balances from related parties.

1. Financial Risk Management
   1. Introduction

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

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

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

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

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

34 Financial Risk Management (continued)

1. Introduction (continued)

Treasury Risk Management

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

1. Market risk

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

* 1. Foreign exchange risk

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

* 1. risk

Price risk is risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

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

* 1. Cash flow and fair value interest rate risk

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

34 Financial Risk Management (continued)

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

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

**31 December 2015**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Carrying amount** | **Interest rate risk**  **-0.25% +0.25%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | | **Foreign exchange risk**  **-10% +10%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | | **Other price risk**  **-1% +1%**  **Result Equity Result Equity**  **$'000 $'000 $'000 $'000** | | | |
| 132,544 | (331) | (331) | 331 | 331 | - | - | - | - | - | - | - | - |
| 400,932 | - | - | - | - | - | - | - | - | - | - | - | - |
| 79,203 | - | - | - | - | - | - | - | - | - | (792) | - | 792 |
| 6,333 | (16) | (16) | 16 | 16 | - | - | - | - | - | - | - | - |
| 58,460 | - | - | - | - | 143 | 143 | (143) | (143) | - | - | - | - |
| 75,500 | 189 | 189 | (189) | (189) | - | - | - | - | - | - | - | - |
| 54,484 | - | - | - | - | - | - | - | - | - | - | - | - |
|  | (158) | (158) | 158 | 158 | 143 | 143 | (143) | (143) | - | (792) | - | 792 |

**Financial assets**

Cash and cash equivalents Receivables

Financial assets - available for sale

Financial assets - Held to maturity

**Financial liabilities** Trade and other payables Borrowings

Other liabilities

Total increase/(decrease)

**31 December 2014**

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

**Financial assets**

Cash and cash equivalents Receivables

Financial assets - available for sale

Financial assets - Held to maturity

**Financial liabilities** Trade and other payables Borrowings

Other liabilities

Total increase/(decrease)

34 Financial Risk Management (continued)

1. Credit risk

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

*Receivables*

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

*Investments*

The Group limits its exposure to credit risk through its Credit Risk Policy which establishes eligible counterparties with credit limits based upon counterparty credit ratings and accessible shareholder funds. An eligible counterparty must be rated from Standard and Poors or Moodys at a level equivalent to A (Standard and Poors long term) or A2 (Standard and Poors short term) or better, and has accessible shareholder funds of at least

$100M. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. Funds managers are closely monitored to ensure adherence to the Credit Risk policy.

1. Liquidity risk

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

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

##### University of Western Sydney (trading as Western Sydney University)

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

34 Financial Risk Management (continued)

1. Liquidity risk (continued)

The following table summarises the maturity of the Group’s financial assets and financial liabilities:

**Average Interest**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2015**  **%** | **2014**  **%** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| **Financial Assets:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents **3.04** | | 3.35 | **38,168** | 22,698 | **94,376** | 101,440 | **-** | - | **-** | - | **-** | - | **132,544** | 124,138 |
| Receivables (a) **-**  Other Financial Assets: | | - | **-** | - | **-** | - | **-** | - | **-** | - | **60,131** | 49,990 | **60,131** | 49,990 |
| Available for sale (Unlisted  securities) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **9,500** | 5,196 | **9,500** | 5,196 |
| Available for sale (Acadian) **10.38** | | 12.01 | **69,703** | 45,667 | **-** | - | **-** | - | **-** | - | **-** | - | **69,703** | 45,667 |
| Held to maturity **4.04** | | 4.76 | **292** | 39 | **498** | 1,014 | **3,541** | 2,562 | **2,002** | 2,016 | **-** | - | **6,333** | 5,631 |
| **Total Financial Assets** | |  | **108,163** | 68,404 | **94,874** | 102,454 | **3,541** | 2,562 | **2,002** | 2,016 | **69,631** | 55,186 | **278,211** | 230,622 |
| **Financial Liabilities:**  Payables **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **(54,671)** | (38,306) | **(54,671)** | (38,306) |
| Borrowings **3.15** | | 3.82 | **-** | - | **-** | - | **(75,500)** | (76,000) | **-** | - | **-** | - | **(75,500)** | (76,000) |
| Other financial liabilities **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **(54,484)** | (38,942) | **(54,484)** | (38,942) |
| **Total Financial Liabilities** | |  | **-** | - | **-** | - | **(75,500)** | (76,000) | **-** | - | **(109,155)** | (77,248) | **(184,655)** | (153,248) |

* 1. The University's deferred government contribution for superannuation included in note 17 is not included in the above analysis as the timing of the cash flows cannot be determined.

71

1. Fair Value Measurement
   1. Fair value measurements

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

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

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

Carrying Amount Fair Value

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| **Financial assets**  Cash and cash equivalents | **132,544** | 124,138 | **132,544** | 124,138 |
| Receivables | **400,932** | 371,002 | **400,932** | 371,002 |
| Other financial assets  Available for sale (Unlisted securities) | **9,500** | 5,196 | **9,500** | 5,196 |
| Available for sale (Acadian) | **69,703** | 45,667 | **69,703** | 45,667 |
| Held-to-maturity investments | **6,333** | 5,631 | **6,285** | 5,631 |
| **Total financial assets** | **619,012** | 551,634 | **618,964** | 551,634 |
| **Financial Liabilities**  Payables | **58,460** | 38,306 | **58,460** | 38,306 |
| Borrowings | **75,500** | 76,000 | **75,500** | 76,000 |
| Other financial liabilities | **1,895** | 3,368 | **1,895** | 3,368 |
| **Total financial liabilities** | **135,855** | 117,674 | **135,855** | 117,674 |

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

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

The Group has also measured non-current assets held for sale at fair value on a non-recurring basis.

35 Fair Value Measurement (continued)

* 1. Fair value hierarchy

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

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

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

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

1. Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2015.

|  |  |  |  |
| --- | --- | --- | --- |
| **Fair value measurements at 31 December 2015** | **2015** | **Level 1** | **Level 2 Level 3** |
| **Note** | **$'000** | **$'000** | **$'000 $'000** |
| **Recurring fair value measurements** |  |  |  |
| **Financial assets** |  |  |  |
| Available-for-sale financial assets 22 |  |  |  |
| Available for sale (Unlisted securities) | 9,500 | - | - 9,500 |
| Available for sale (Acadian) | 69,703 | 69,703 | - - |
| Total financial assets | **79,203** | **69,703** | **- 9,500** |
| **Non-financial assets** |  |  |  |
| Property, plant and equipment 20 |  |  |  |
| Land | 376,931 | - | 376,931 - |
| Buildings | 910,661 | - | - 910,661 |
| Infrastructure | 85,395 | - | - 85,395 |
| Artwork | 3,152 | - | 3,152 - |
| Rare book collection | 1,651 | 1,651 | - - |
| Total non-financial assets | **1,377,790** | **1,651** | **380,083 996,056** |
| **Non-recurring fair value measurements** |  |  |  |
| Non-current assets held for sale 19 | **69,513** | - | **69,513** - |

35 Fair Value Measurement (continued)

1. Fair value hierarchy (continued)

Fair value measurements at 31 December 2014

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Note** | **2014**  **$'000** | **Level 1**  **$'000** | **Level 2 Level 3**  **$'000 $'000** |
| **Recurring fair value measurements** |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Available-for-sale financial assets | 22 |  |  |  |
| Available for sale (Unlisted securities) |  | 5,196 | - | - 5,196 |
| Available for sale (Acadian) |  | 45,667 | 45,667 | - - |
| **Total financial assets** |  | **50,863** | **45,667** | - **5,196** |
| **Non-financial assets** |  |  |  |  |
| Property, plant and equipment | 20 |  |  |  |
| Land |  | 349,671 | - | 349,671 - |
| Buildings |  | 825,344 | - | - 825,344 |
| Infrastructure |  | 81,337 | - | - 81,337 |
| Artwork |  | 3,041 | - | 3,041 - |
| Rare book collection |  | 1,242 | 1,242 | - - |
| **Total non-financial assets** |  | **1,260,635** | **1,242** | **352,712 906,681** |

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

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

1. Disclosed fair values

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

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

The fair value of non-current borrowings disclosed in note 25 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 31 December 2015, the borrowing rates averaged 3.15% during the year. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

35 Fair Value Measurement (continued)

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

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level

3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

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

1. below.

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

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources, including Discounted replacement cost - the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and current condition.

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

(ii) Non-recurring fair value measurement

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

35 Fair Value Measurement (continued)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014.

Unlisted equity

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level 3 Fair Value**  **Measurement 2015** | **securities**  **$'000** | **Buildings Infrastructure**  **$'000 $'000** | | **Total**  **$'000** |
| Opening balance | 5,196 | 825,344 | 81,337 | 911,877 |
| Acquisitions | - | 96,688 | 5,295 | 101,983 |
| Disposals | - | (4,998) | - | (4,998) |
| Non-cash adjustments | - | (11) | - | (11) |
| Recognised in profit or loss\* | - | (21,561) | (2,489) | (24,050) |
| Recognised in other comprehensive income | 4,304 | 15,199 | 1,252 | 20,755 |
| **Closing balance** | **9,500** | **910,661** | **85,395** | **1,005,556** |

**Level 3 Fair Value Measurement 2014**

**Unlisted equity securities**

**$'000**

**Buildings**

**$'000**

**Infrastructure**

**$'000**

**Total**

**$'000**

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

\* This includes nil gains / (losses) (2014: losses of $0.028M) attributable to the change in unrealised gains / (losses) recognised in profit or loss attributable to unlisted securities, and $21.005M (2014: $22.406M) attributable to depreciation recognised in profit or loss.

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

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

35 Fair Value Measurement (continued)

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

* 1. Valuation inputs and relationships to fair value

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

Unlisted equity

Fair value at 31

**December 2015**

|  |  |  |
| --- | --- | --- |
| **Unobservable inputs\*** | **Range of inputs (probability weighted average)** | **Relationship of unobservable inputs to fair value** |
| \* | \* | \* |
| \* | \* | \* |
| \* | \* | \* |

**$'000**

securities 9,500

Buildings 910,661

Infrastructure 85,395

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

1. Subsidiaries

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

Ownership interest

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of Entity** | **Principal place of**  **business** | **2015**  **%** |  | **2014**  **%** |  |
| Television Sydney Limited | Australia |  | 75 |  | 75 |
| University of Western Sydney Foundation Limited and Trust | Australia |  | - |  | 100 |
| UWS Enterprises Pty Limited trading as Western Sydney University The College | Australia |  | 100 |  | 100 |
| UWS Early Learning Limited | Australia |  | 100 |  | 100 |
| uwsconnect Limited | Australia |  | 100 |  | 100 |
| Whitlam Institute (within University of Western Sydney) Limited and Trust | Australia |  | 100 |  | 100 |

The University of Western Sydney Foundation Trust ceased operating in 2014. The University of Western Sydney Foundation Limited was de-registered on 5 April 2015.

Television Sydney Limited (TVS) received notice from the Federal Minister for Communications advising that the broadcast license will expire effective 31 December 2015. The Board of TVS decided to cease broadcasting on 20 December 2015, and finalise business operations on 31 December 2015. The University is working towards the de- registration of TVS, which is expected to occur in 2016.

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

1. Joint Operations

Joint operation with Urban Growth at Campbelltown

The project is for the development of a residential subdivision comprising some 950 lots over 122 hectares located on the south west portion of the Campbelltown property. Land sales commenced in 2014 and extend through a number of stages through 2017, subject to market demand. The development is located in a desirable south western portion of Campbelltown's Macarthur region, adjacent to the University campus, suburban shopping facilities, parks, and in close proximity to both a railway station and the Hume Highway. The infrastructure being built will also improve access to the University campus with a much needed second major entry road as part of the development.

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

Ownership interest/ voting rights held

**Name of joint operation Nature of relationship**

Jointly controlled operation with Urban Growth for the

Principal place of business

**2015**

**%**

**2014**

**%**

Campbelltown residential development

residential subdivision of

land. Australia 50 50

37 Joint Operations (continued)

Joint operation with Urban Growth at Campbelltown (continued)

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

Consolidated Parent

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of Financial Position**  Other debtors | **-** | 933 | **-** | 933 |
| Other receivables | **1,528** | 925 | **1,528** | 925 |
| Construction in Progress | **12,079** | 21,201 | **12,079** | 21,201 |
| Deferred income | **(495)** | (925) | **(495)** | (925) |
| Trade and other payables | **(1,744)** | (2,086) | **(1,744)** | (2,086) |
| **Statement of Comprehensive Income**  Proceeds from sale of assets | **31,350** | 4,962 | **31,350** | 4,962 |
| Carrying amount of assets sold | **(18,620)** | (2,514) | **(18,620)** | (2,514) |
| Gain on disposal of assets | **12,730** | 2,448 | **12,730** | 2,448 |
| Other expenses | **(644)** | (16) | **(644)** | (16) |
| Interest revenue | **13** | - | **13** | - |

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

**Consolidated Parent**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Net result for the period  Net (gain)/loss on disposal of | **41,323** | 66,232 | **43,006** | 105,929 |
| property, plant and equipment | **(6,889)** | (232) | **(6,995)** | (274) |
| Superannuation adjustments | **(15,929)** | (115,779) | **(15,929)** | (115,779) |
| Depreciation and amortisation | **39,637** | 36,552 | **38,921** | 35,912 |
| Impairment of receivables | **(32)** | 687 | **(6,270)** | 1,284 |
| Cost of goods sold - livestock | **21** | (84) | **21** | (84) |
| Distribution from University of Western Sydney Foundation Trust | **-** | - | **-** | (39,614) |
| (Increase)/decrease in trade debtors | **(14,249)** | (4,719) | **(9,614)** | (4,690) |
| Increase/(decrease) in other |  |  |  |  |
| operating liabilities | **14,211** | (2,852) | **15,581** | (2,969) |
| (Increase)/decrease in inventories | **1,008** | 1,712 | **-** | - |
| (Increase)/decrease in other |  |  |  |  |
| financial assets | **(154)** | - | **(154)** | - |
| Increase/(decrease) in trade |  |  |  |  |
| creditors | **20,154** | (9,630) | **20,048** | (8,000) |
| Increase/(decrease) in other |  |  |  |  |
| provisions | **19,946** | 122,676 | **19,574** | 122,339 |

**Net cash provided by operating**

**activities 99,047** 94,563 **98,189** 94,054

1. Acquittal of Australian Government Financial Assistance
   1. Education - CGS and other Education grants

**Commonwealth Grants Scheme#1**

**Indigenous Support Program**

**Partnership & Participation Program #2**

**Disability Support Program**

**Diversity and Structural Adjustment Fund #3**

**Promo of Exc in Learning and Teaching**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Parent Entity (University) Only** | **Note** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 287,130 | 270,674 | 1,749 | 1,761 | 13,074 | 17,011 | 823 | 918 | - | - | 175 | 962 |
| Net accrual adjustments |  | 235 | 821 | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 2(a) | 287,365 | 271,495 | 1,749 | 1,761 | 13,074 | 17,011 | 823 | 918 | - | - | 175 | 962 |
| Surplus/(deficit) from the previous year |  | - | - | - | - | 4,850 | 3,439 | 476 | 115 | 537 | 1,579 | 980 | 443 |
| Total revenue including accrued revenue |  | 287,365 | 271,495 | 1,749 | 1,761 | 17,924 | 20,450 | 1,299 | 1,033 | 537 | 1,579 | 1,155 | 1,405 |
| Less expenses including accrued expenses |  | (287,365) | (271,495) | (1,749) | (1,761) | (11,113) | (15,600) | (512) | (557) | (231) | (1,042) | (694) | (425) |
| Surplus/(deficit) for the reporting period |  | - | - | - | - | 6,811 | 4,850 | 787 | 476 | 306 | 537 | 461 | 980 |

**Total**

|  |  |  |  |
| --- | --- | --- | --- |
| **Parent Entity (University) Only** | **Note** | **2015**  **$'000** | **2014**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 302,951 | 291,326 |
| Net accrual adjustments |  | 235 | 821 |
| Revenue for the period | 2(a) | 303,186 | 292,147 |
| Surplus/(deficit) from the previous year |  | 6,843 | 5,576 |
| Total revenue including accrued revenue |  | 310,029 | 297,723 |
| Less expenses including accrued expenses |  | (301,664) | (290,880) |
| Surplus/(deficit) for the reporting period |  | 8,365 | 6,843 |

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

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustments Program

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **39**  (b) | **Acquittal of Australian Government Financial Assistance (continued)**  Higher education loan programmes (excl OS-HELP) |  | | | | | |
|  |  |  | **HECS-HELP (Aust.**  **Government payments only)** | **FEE-HELP #4** | **SA-HELP** | **Total** |  |
|  |  |  | **2015 2014** | **2015 2014** | **2015 2014** | **2015** | **2014** |
|  | **Parent Entity (University) Only** | **Note** | **$'000 $'000** | **$'000 $'000** | **$'000 $'000** | **$'000** | **$'000** |
|  | Cash Payable/(Receivable) at the beginning of the year |  | 889 1,888 | (224) (414) | (263) (374) | 402 | 1,100 |
|  | Financial assistance received in cash during the reporting period |  | 205,005 192,997 | 8,982 9,234 | 7,426 7,500 | 221,413 | 209,731 |
|  | Cash available for the period |  | 205,894 194,885 | 8,758 8,820 | 7,163 7,126 | 221,815 | 210,831 |
|  | Revenue earned | 2(b) | 204,978 193,996 | 9,219 9,044 | 7,119 7,389 | 221,316 | 210,429 |
|  | Cash Payable/(Receivable) at the end of the year |  | 916 889 | (461) (224) | 44 (263) | 499 | 402 |

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

39 Acquittal of Australian Government Financial Assistance (continued)

1. Scholarships

**International Australian Postgraduate Postgraduate Research**

**Commonwealth Education Cost**

**Commonwealth Accommodation**

**Indigenous Access**

**Awards**

**Scholarships**

**Scholarships #5**

**Scholarships #5**

**Scholarship Total**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Parent Entity (University) Only** | **Note** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** |  | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |  | **2015**  **$'000** | **2014**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 3,227 | 3,102 | 270 | 268 | 83 | - |  | 10 |  | - 72 |  | - | 3,662 | 3,370 |
| Net accrual adjustments |  | - | - | - | - | - | (5) |  | - |  | - - |  | - | - | (5) |
| Revenue for the period | 2(c) | 3,227 | 3,102 | 270 | 268 | 83 | (5) |  | 10 |  | - 72 |  | - | 3,662 | 3,365 |
| Surplus/(deficit) from the previous year |  | - | (1,093) | 134 | - | 57 | 154 |  | - |  | - - |  | 9 | 191 | (930) |
| Total revenue including accrued revenue |  | 3,227 | 2,009 | 404 | 268 | 140 | 149 |  | 10 |  | - 72 |  | 9 | 3,853 | 2,435 |
| Less expenses including accrued expenses |  | (3,227) | (2,009) | (404) | (134) | (123) | (92) |  | - |  | - (72) |  | (9) | (3,826) | (2,244) |
| Surplus/(deficit) for the reporting period |  | - | - | - | 134 | 17 | 57 |  | 10 |  | - - |  | - | 27 | 191 |

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

39 Acquittal of Australian Government Financial Assistance (continued)

1. Education Research

**Joint Research Engagement**

**Research Training Scheme**

**Research Infrastructure Block Grants**

**Sustainable Research Excellence in**

**Universities Total**

**Parent Entity (University) Only Note**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) |  | 3,730 | 3,561 | 6,884 | 6,906 | 1,796 | 1,710 | 1,497 | 1,341 | 13,907 | 13,518 |
| Revenue for the period | 2(d) | 3,730 | 3,561 | 6,884 | 6,906 | 1,796 | 1,710 | 1,497 | 1,341 | 13,907 | 13,518 |
| Surplus/(deficit) from the previous year |  | - | 266 | - | - | - | (1) | 41 | - | 41 | 265 |
| Total revenue including accrued revenue |  | 3,730 | 3,827 | 6,884 | 6,906 | 1,796 | 1,709 | 1,538 | 1,341 | 13,948 | 13,783 |
| Less expenses including accrued expenses |  | (3,730) | (3,827) | (6,884) | (6,906) | (1,796) | (1,709) | (1,538) | (1,300) | (13,948) | (13,742) |
| Surplus/(deficit) for reporting period |  | - | - | - | - | - | - | - | 41 | - | 41 |

##### University of Western Sydney (trading as Western Sydney University)

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

39 Acquittal of Australian Government Financial Assistance (continued)

1. Other Capital Funding

**Education Investment**

**Fund Total**

**Parent Entity (University) Only Note**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) |  | 100 | 5,024 | 100 | 5,024 |
| Revenue for the period | 2(e) | 100 | 5,024 | 100 | 5,024 |
| Surplus/(deficit) from the previous year |  | 24 | 360 | 24 | 360 |
| Total revenue including accrued revenue |  | 124 | 5,384 | 124 | 5,384 |
| Less expenses including accrued expenses |  | (124) | (5,360) | (124) | (5,360) |
| Surplus/(deficit) for the reporting period |  | - | 24 | - | 24 |

85

39 Acquittal of Australian Government Financial Assistance (continued)

1. Australian Research Council Grants

**Projects Fellowships**

**Indigenous Researchers**

**Development Total Discovery**

* 1. **Discovery**

**Parent Entity (University) Only Note**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) |  | 3,913 | 4,091 | 2,099 | 2,878 | 222 | 146 | 6,234 | 7,115 |
| Net accrual adjustments |  | 133 | (342) | - | - | 34 | 9 | 167 | (333) |
| Revenue for the period | 2(f)(i) | 4,046 | 3,749 | 2,099 | 2,878 | 256 | 155 | 6,401 | 6,782 |
| Surplus/(deficit) from the previous year |  | 3,071 | 3,382 | 1,724 | 1,110 | 81 | 162 | 4,876 | 4,654 |
| Total revenue including accrued revenue |  | 7,117 | 7,131 | 3,823 | 3,988 | 337 | 317 | 11,277 | 11,436 |
| Less expenses including accrued expenses |  | (3,559) | (4,060) | (2,375) | (2,264) | (271) | (236) | (6,205) | (6,560) |
| Surplus/(deficit) for reporting period |  | 3,558 | 3,071 | 1,448 | 1,724 | 66 | 81 | 5,072 | 4,876 |

**Infrastructure International Projects Total Linkages**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(ii) Linkages**  **Parent Entity (University) Only** | **Note** | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** |  | **2014**  **$'000** |  | **2015**  **$'000** | **2014**  **$'000** | **2015**  **$'000** | **2014**  **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) |  | - | 963 |  | - |  | - | 749 | 978 | 749 | 1,941 |
| Net accrual adjustments |  | 18 | - |  | - |  | - | (33) | 78 | (15) | 78 |
| Revenue for the period | 2(f)(ii) | 18 | 963 |  | - |  | - | 716 | 1,056 | 734 | 2,019 |
| Surplus/(deficit) from the previous year |  | 199 | - |  | 9 |  | 10 | 1,264 | 1,418 | 1,472 | 1,428 |
| Total revenue including accrued revenue |  | 217 | 963 |  | 9 |  | 10 | 1,980 | 2,474 | 2,206 | 3,447 |
| Less expenses including accrued expenses |  | (216) | (764) |  | (9) |  | (1) | (923) | (1,210) | (1,148) | (1,975) |
| Surplus/(deficit) for reporting period |  | 1 | 199 |  | - |  | 9 | 1,057 | 1,264 | 1,058 | 1,472 |

39 Acquittal of Australian Government Financial Assistance (continued)

(f) Australian Research Council Grants (continued)

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

**Centres**

**Total Networks and Centres**

**Special Research**

**Initiatives Total**

**Initiatives**

**Parent Entity (University) Only Note**

Financial assistance received in CASH during the reporting period (total cash received from the

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

**2015**

**$'000**

**2014**

**$'000**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Australian Government for the program) |  | 1,069 | 1,056 | 1,069 | 1,056 | - | - | 1,069 | 1,056 |
| Net accrual adjustments |  | - | - | - | - | - | 77 | - | 77 |
| Revenue for the period | 2(f)(iii) | 1,069 | 1,056 | 1,069 | 1,056 | - | 77 | 1,069 | 1,133 |
| Surplus/(deficit) from the previous year |  | 848 | - | 848 | - | 20 | 78 | 868 | 78 |
| Total revenue including accrued revenue |  | 1,917 | 1,056 | 1,917 | 1,056 | 20 | 155 | 1,937 | 1,211 |
| Less expenses including accrued expenses |  | (865) | (208) | (865) | (208) | - | (135) | (865) | (343) |
| Surplus/(deficit) for reporting period |  | 1,052 | 848 | 1,052 | 848 | 20 | 20 | 1,072 | 868 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **39**  (g) | **Acquittal of Australian Government Financial Assistance (continued)**  OS-HELP |  | | |
|  |  |  | **2015** | **2014** |
|  | **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** |
|  | Cash received during the reporting period | 2(h) | 483 | 2,003 |
|  | Cash spent during the reporting period |  | (1,901) | (1,489) |
|  | Net cash received |  | (1,418) | 514 |
|  | Cash surplus / (deficit) from the previous period |  | 854 | 340 |
|  | Cash surplus/(deficit) for reporting period | 24 | (564) | 854 |

|  |  |  |  |
| --- | --- | --- | --- |
| (h) Student Services and Amenities Fee |  | **2015** | **2014** |
| **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** |
| Unspent/(overspent) revenue from previous period SA-HELP revenue earned | 2(b) | - 7,119 | - 7,389 |
| Student Services and Amenities Fees direct from students | 4 | 2,512 | 2,598 |
| Total revenue expendable in period |  | 9,631 | 9,987 |
| Student services expenses during period |  | (9,631) | (9,987) |
| Unspent/(overspent) student services revenue |  | - | - |

1. Defined Benefits Plans
   1. Fund specific disclosure

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

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

During 2015, University of Sydney on behalf of the NSW Universities, led a project to finalise the negotiation of an agreement between the Commonwealth and New South Wales Governments to provide certainty in respect to the funding of the defined benefits superannuation funds managed by the State Authorities Superannuation Trustees Corporation (STC). These discussions have now culminated in a memorandum of understanding being reached between the Commonwealth and the State Governments. This memorandum has now been executed with the effect that the Commonwealth and New South Wales Governments are taking on all of the risk of the liabilities of the three funds (SASS, SANCS and SSS) for the next seventy years.

The significant elements of the agreement are that:

* the agreement allows for funding of the SANCS accounts that were previously not eligible under the scheme
* in future, the Commonwealth will not contribute to costs associated with excess salary increases. Future fund liabilities deemed to be the result of excess salary increases will be recouped from each relevant university in the form of 'top-up' payments.

The amount receivable from the Commonwealth or State in respect of the three funds as at 31 December 2015 was $335.332M (2014: $319.683M) and this is reflected in Note 17 as Non-current receivables. This receivable is net of the University's accrued and forecasted excess salary liability as at 31 December 2015 totalling

$0.523M (2014: Not Applicable) as the liability is treated as a reduction of the Commonwealth and State reimbursement right. The amount owing to members of the three funds as at 31 December 2015 was

$335.855M (2014: $319.683M), including the University's accrued and forecasted excess salary liability, is recognised in the statement of financial position under provisions.

The University expects to make a contribution of $1.80 million (2014: $2.01 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 12.1 years (2014: 12.3 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Less than** | **Between 1**  **and 2** | **Between 2**  **and 5** | **Over 5** |  |
| **1 year** | **years** | **years** | **years** | **Total** |
| **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Defined benefit obligations  - 31 December 2015 | 24,326 | 24,707 | 75,728 | 472,141 | 596,902 |
| Defined benefit obligations |  |  |  |  |  |
| - 31 December 2014 | 24,255 | 24,326 | 75,203 | 504,054 | 627,838 |

40 Defined Benefits Plans (continued)

* 1. Categories of plan assets

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

2015 (%) 2014 (%)

**No Active No Active**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Equity instruments | **Active Market**  69 | **Market** | 3 | **Active Market**  66 | **Market** | - |
| Property | 4 |  | 4 | 8 |  | 4 |
| Alternatives | 10 |  | 10 | 15 |  | 7 |
| **Total** | **83** |  | **17** | 89 |  | 11 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Discount rate(s) | **2015**  **%**  **2.90** | **2014**  **%** | 2.83 |
| Expected return on plan assets | **7.80** |  | 8.30 |
| Expected return on reimbursement rights | **2.95** |  | 4.89 |
| Expected rate(s) of salary increase | **2.50** |  | 2.25 |
| Expected rate of CPI increase | **2.50** |  | 2.50 |
| (c) | Actuarial assumptions and sensitivity |  |  |  |

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

Change in

**assumption Impact on defined benefit obligation**

|  |  |  |  |
| --- | --- | --- | --- |
| Discount rate | **%**  1.00 | **Increase in assumption**  Decrease by 10.9% | **Decrease in assumption**  Increase by 13.1% |
| Salary growth rate | 0.50 | Increase by 0.3% | Decrease by 0.3% |

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

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

40 Defined Benefits Plans (continued)

(d) Statement of financial position amounts

**Amounts recognised in the**

**statement of financial position - 2015 Note**

**$'000**

**SASS**

**$'000**

**SANCS**

**$'000**

**SSS**

**$'000**

**Total**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Liabilities**  Provision for deferred government | 26 |  | | | |
| benefits for superannuation |  | 10,895 | 3,387 | 321,573 | 335,855 |
| **Total liabilities recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,895 | 3,387 | 321,573 | 335,855 |
| **Assets** |  |  |  |  |  |
| Receivables for deferred government | 17 |  |  |  |  |
| contribution for superannuation |  | 10,641 | 3,311 | 321,380 | 335,332 |
| **Total assets recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,641 | 3,311 | 321,380 | 335,332 |
| **Net liability recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | **254** | **76** | **193** | **523** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net liability reconciliation - 2015**  Defined benefit obligation |  | 43,556 | 6,897 | 422,251 | 472,704 |
| Fair value of plan assets |  | (32,661) | (3,510) | (100,678) | (136,849) |
| **Net liability** |  | **10,895** | **3,387** | **321,573** | **335,855** |
| Reimbursement right | 17 | (10,641) | (3,311) | (321,380) | (335,332) |
| **Total net liability/(asset)** |  | **254** | **76** | **193** | **523** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reimbursement rights - 2015**  Opening value of reimbursement right | 10,161 | 3,506 | 306,014 | 319,681 |
| Excess salary expense through profit and loss | (29) | (22) | (192) | (243) |
| Emerging liability for excess salaries | (226) | (54) | - | (280) |
| Return on reimbursement rights | 588 | 258 | 8,788 | 9,634 |
| Remeasurements | 147 | (377) | 6,770 | 6,540 |
| **Closing value of reimbursement right** 17 | **10,641** | **3,311** | **321,380** | **335,332** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **40**  (d) | **Defined Benefits Plans (continued)**  Statement of financial position amounts (continued) |  | | | |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Present value obligations - 2015** | **SASS** | **SANCS** | **SSS** | **Total** |
|  | Opening defined benefit obligation | 45,840 | 7,829 | 417,591 | 471,260 |
|  | Current service cost | 1,526 | 337 | 365 | 2,228 |
|  | Interest expense | 1,215 | 210 | 11,574 | 12,999 |
|  |  | **48,581** | **8,376** | **429,530** | **486,487** |
|  | **Remeasurements** |  |  |  |  |
|  | Actuarial losses/(gains) arising from changes in demographic assumptions | 666 | (74) | 13,453 | 14,045 |
|  | Actuarial losses/(gains) arising from changes in financial assumptions | (24) | - | (3,887) | (3,911) |
|  | Experience (gains)/losses | 123 | (275) | (2,029) | (2,181) |
|  |  | **765** | **(349)** | **7,537** | **7,953** |
|  | **Contributions** |  |  |  |  |
|  | Plan participants | 607 | - | 348 | 955 |
|  | **Payments from plan** |  |  |  |  |
|  | Benefits paid | (6,218) | (1,268) | (16,749) | (24,235) |
|  | Taxes, premiums and expenses paid | (179) | 138 | 1,585 | 1,544 |
|  |  | **(6,397)** | **(1,130)** | **(15,164)** | **(22,691)** |
|  | **Closing defined benefit obligation** | **43,556** | **6,897** | **422,251** | **472,704** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Present value of plan assets - 2015**  Opening fair value of plan assets | 35,679 | 4,323 | 111,577 | 151,579 |
| Interest expense / (income) | 945 | 113 | 2,917 | 3,975 |
|  | **36,624** | **4,436** | **114,494** | **155,554** |
| **Remeasurements** |  |  |  |  |
| Return on plan assets, excluding amounts included in net interest expense | 617 | 29 | 766 | 1,412 |
| **Contributions** |  |  |  |  |
| Employers | 1,210 | 175 | 234 | 1,619 |
| Plan participants | 607 | - | 348 | 955 |
|  | **1,817** | **175** | **582** | **2,574** |
| **Payments from plan** |  |  |  |  |
| Benefits paid | (6,218) | (1,268) | (16,749) | (24,235) |
| Settlements | (179) | 138 | 1,585 | 1,544 |
|  | **(6,397)** | **(1,130)** | **(15,164)** | **(22,691)** |
| **Closing fair value of plans assets** | **32,661** | **3,510** | **100,678** | **136,849** |

40 Defined Benefits Plans (continued)

(d) Statement of financial position amounts (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Note** | **$'000**  **SASS** | **$'000**  **SANCS** | **$'000**  **SSS** | **$'000**  **Total** |
| **Amounts recognised in the** |  |  |  |  |  |
| **statement of financial position - 2014** |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |
| Provision for deferred government | 26 |  |  |  |  |
| benefits for superannuation |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Total liabilities recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Assets** |  |  |  |  |  |
| Receivables for deferred government | 17 |  |  |  |  |
| contribution for superannuation |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Total assets recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,162 | 3,507 | 306,014 | 319,683 |
| **Net liability recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | - | - | - | - |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net liability reconciliation - 2014**  Defined benefit obligation |  | 45,840 | 7,829 | 417,591 | 471,260 |
| Fair value of plan assets |  | (35,679) | (4,323) | (111,577) | (151,579) |
| **Net liability** | 26 | 10,161 | 3,506 | 306,014 | 319,681 |
| Reimbursement right | 17 | (10,161) | (3,506) | (306,014) | (319,681) |
| **Total net liability/(asset)** |  | - | - | - | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reimbursement rights - 2014**  Opening value of reimbursement right | 6,646 | - | 197,258 | 203,904 |
| 2013 contribution tax adjustment | 1,023 | - | 34,166 | 35,189 |
| Return on reimbursement rights | 617 | 2,751 | 9,904 | 13,272 |
| Remeasurements | 1,875 | 755 | 64,686 | 67,316 |
| **Closing value of reimbursement right** 17 | 10,161 | 3,506 | 306,014 | 319,681 |

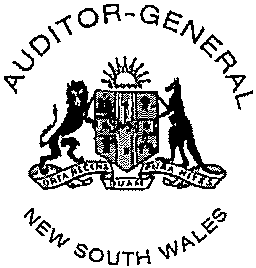
|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **40**  (d) | **Defined Benefits Plans (continued)**  Statement of financial position amounts (continued) |  | | | |
|  |  | **$'000** | **$'000** | **$'000** | **$'000** |
|  |  | **SASS** | **SANCS** | **SSS** | **Total** |
|  | **Present value obligations - 2014** |  |  |  |  |
|  | Opening defined benefit obligation | 43,175 | 7,250 | 315,572 | 365,997 |
|  | 2013 contribution tax adjustment | 1,023 | 357 | 34,166 | 35,546 |
|  | Current service cost | 1,617 | 343 | 350 | 2,310 |
|  | Interest expense | 1,767 | 304 | 14,591 | 16,662 |
|  |  | 47,582 | 8,254 | 364,679 | 420,515 |
|  | **Remeasurements** |  |  |  |  |
|  | Actuarial losses/(gains) arising from changes in financial assumptions | 2,547 | 697 | 68,985 | 72,229 |
|  | Experience (gains)/losses | 1,299 | 215 | (139) | 1,375 |
|  |  | 3,846 | 912 | 68,846 | 73,604 |
|  | **Contributions** |  |  |  |  |
|  | Plan participants | 651 | - | 444 | 1,095 |
|  | **Payments from plan** |  |  |  |  |
|  | Benefits paid | (6,008) | (1,105) | (17,261) | (24,374) |
|  | Taxes, premiums and expenses paid | (231) | (232) | 883 | 420 |
|  |  | (6,239) | (1,337) | (16,378) | (23,954) |
|  | **Closing defined benefit obligation** | 45,840 | 7,829 | 417,591 | 471,260 |

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

1. Events Occurring After the Reporting Date

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

End of Audited Financial Statements.



**INDEPENDENT AUDITOR'S REPORT**

**University of Western Sydney (trading as Western Sydney University)**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of Western Sydney (the University), which comprise the statements of financial position as at 31 December 2015, the income statements, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible person's declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

**Opinion**

In my opinion, the financial statements:

* give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
* are in accordance with section 418 of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
* comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act* 2003, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
* have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for­ profits Commission Regulation 2013.

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

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

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

**Auditor's Responsibility**

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

**Level 15, 1 Margaret Strool, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t02 9275 7101 I f 02 9275 7179 I e** [**rnail@audit.nsw.gov.au**](mailto:rnail@audit.nsw.gov.au) **I audit.nsw.gov.au**

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

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

My opinion does *not* provide assurance:

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

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and 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.



Margaret Crawford Auditor-General of NSW

11 April 2016 SYDNEY

This page is intentionally blank

# Television Sydney (TVS) Limited

###### ABN 27104674124

**Financial Statements**

**For the Year Ended 31 December 2015**

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

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

Television Sydney Limited

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

Richmond NSW 2753

The principal place of business is: Building BD

Werrington South Campus Penrith NSW 2750

A description of the nature of Television Sydney (TVS) Limited's operations and its principal activites is included in the directors report on pages 100-103, which form part of these financial statements.

The financial statements were authorised for issue by the directors on 22 February 2016. The directors have the power to amend and reissue the financial statements.

**Directors' Report**

**For the Year Ended 31 December 2015**

Your directors present their report on Television Sydney (TVS) Limited (hereafter referred to as "the Company") for the financial year ended 31 December 2015.

Directors

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

Harold C Mitchell AC

Geoffrey M Roberson Resigned 10 November 2015 Peter Hutchings

Alexander F Marinos OAM Sharon Bell

Christina L Alvarez Angelo N Kourtis Marcus Gillezeau Lynette Burns

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

Company secretary

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

Principal activities

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

The Federal Minister for Communications wrote to TVS and other CTV stations confirming the discontinuation of access to spectrum allocation for CTV free to air broadcasters effective 31 December 2015. Subsequently there was some discussion about a possible free-to-air extension to assist transition to online only distribution. After extensive discussions with Government and other CTV stations, the Board of TVS decided to cease broadcasting on 20 December 2015 and finalised business operations on 31 December 2015.

Dividends

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing of this report ( 2014: $Nil).

Review of operations

The surplus/(deficit) for the year ended 31 December 2015 is $(194,739) (2014: $5,486,742).

Matters subsequent to the end of the financial year

With Television Sydney (TVS) Limited no longer in existence the Company will apply for deregistration in 2016.

Performance measures

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

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

Members

During the year the Company had two members; University of Western Sydney trading as Western University ('the University') as the Community Member and Metro Screen as the Education Member. Throughout the entirety of the financial year ending 31 December 2015, the Company remained a controlled entity of the University.

### Directors' Report

**For the Year Ended 31 December 2015**

Members guarantee

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

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

Environmental regulation

The Company is not subject to any significant environmental regulations.

Information on directors

Harold C Mitchell AC

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

Special responsibilities Non executive chairman

Geoffrey M Roberson

Qualifications HonDLit (UWS)

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

Special responsibilities Non executive

Alexander F Marinos OAM

Qualifications BA (Hons Drama) (UNSW)

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

Special responsibilities Non executive

### Directors' Report

**For the Year Ended 31 December 2015**

Information on directors continued

Sharon Bell

Qualifications BA Hons, PhD (Syd)

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

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

Special responsibilities Non executive

Angelo N Kourtis

Qualifications BA (UWS)

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

Special responsibilities Non executive and Chair, TVS Strategy Committee

Marcus Gillezeau

Qualifications MMAP (UTS)

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

Special responsibilities Non executive

Christina L Alvarez

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

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

Special responsibilities Non executive - alternate for Marcus Gillezeau.

Lynette Burns

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

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

Special responsibilities Non executive - alternate for Peter Hutchings.

Peter Hutchings

Qualifications BA (Hons) PhD (Syd) GAICD

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

Special responsibilities Non executive

### Directors' Report

**For the Year Ended 31 December 2015**

Information on directors continued

**Company Secretary**

Ian Londish .

Qualifications BALLB (Hons) GIA Cert

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

Meetings of directors

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

**Directors' Meetings**

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

In addition to the above meetings and pursuant to clause 17.1, of the Television Sydney (TVS) Limited Constitution, the directors passed one resolution via circular resolution during the year ending 31 December 2015.

Proceedings on behalf of company

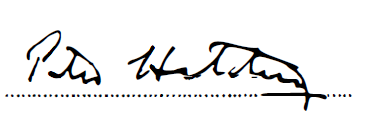
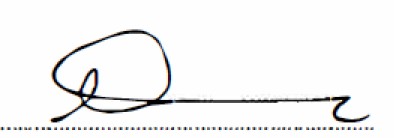
No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2015 has been received and can be found on page 104 of the financial report.

This report is made in accordance with a resolution of the Board of Directors:

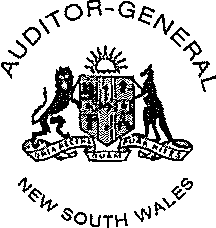
Director: Director:

................................................................

...............................................................

Peter Hutchings Angelo N Kourtis

Dated 4 April 2016



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 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Margaret Crawford Auditor-General of NSW

4 April 2016 SYDNEY

**Levo! 15, 1 Margaret Stroot, Sydnoy NSW 2000 ! GPO Box** 12, **Sydney NSW 2001 ! t 02 9275 7101 I f 02 9275 7179 I o** [**mail@audit.nsw.gov.au**](mailto:mail@audit.nsw.gov.au) **I auditnsw.gov.au**

|  |  |  |
| --- | --- | --- |
| **Statement of Comprehensive Income For the Year Ended 31 December 2015** |  | |
|  |  | **2015 2014** |
|  | **Notes** | **$ $** |
| **Revenue** |  |  |
| Rendering of services | 2 | **549,875** 428,666 |
| Other revenue | 2 | **652,173** 252,270 |
| **Total revenue** |  | **1,202,048** 680,936 |
| HEPP income | 2 | **-** 18,990 |
| Other income | 2 | **1,033** 22,614 |
| Liabilities forgiven by ultimate parent |  | **-** 6,100,895 |
| **Total income** |  | **1,203,081** 6,823,435 |
| **Expenses** |  |  |
| Employee benefits expense | 3 | **(707,370)** (650,337) |
| Depreciation and amortisation expense | 3 | **(60,028)** (62,834) |
| Transmission expenses | 3 | **(16,671)** (213,312) |
| Advertising, marketing and promotions expense |  | **(86,011)** (85,113) |
| HEPP project expenses | 4 | **-** (89,729) |
| Operations expenses |  | **(70,812)** (78,240) |
| Production expenses |  | **(164,227)** (37,626) |
| Loss on disposal of assets |  | **(114,048)** - |
| Distribution of funds to ultimate parent entity |  | **(46,026)** - |
| Finance costs | 16(b) | **-** (51,081) |
| Other expenses |  | **(132,627)** (68,421) |
| **Total expenses** |  | **(1,397,820)** (1,336,693) |
| **Surplus / (deficit) for the year** |  | **(194,739)** 5,486,742 |
| Other comprehensive income for the year |  | **-** - |
| **Total comprehensive income for the year** |  | **(194,739)** 5,486,742 |

|  |  |  |
| --- | --- | --- |
| **Statement of Financial Position As at 31 December 2015** |  | |
|  |  | **2015 2014** |
|  | **Notes** | **$ $** |
| **ASSETS** |  |  |
| **Current assets** |  |  |
| Cash and cash equivalents | 5 | **-** 163,500 |
| Trade and other receivables | 6 | **-** 117,785 |
| **Total current assets** |  | **-** 281,285 |
| **Non-current assets** |  |  |
| Property, plant and equipment | 7 | **-** 135,507 |
| Intangible assets | 8 | **-** 38,569 |
| **Total non-current assets** |  | **-** 174,076 |
| **TOTAL ASSETS** |  | **-** 455,361 |
| **LIABILITIES** |  |  |
| **Current liabilities** |  |  |
| Trade and other payables | 9 | **-** 148,646 |
| Provisions | 10 | **-** 59,981 |
| Deferred income |  | **-** 6,545 |
| **Total current liabilities** |  | **-** 215,172 |
| **Non-current liabilities** |  |  |
| Provisions | 10 | **-** 45,450 |
| **Total non-current liabilities** |  | **-** 45,450 |
| **TOTAL LIABILITIES** |  | **-** 260,622 |
| **Net assets** |  | **-** 194,739 |
| **EQUITY**  Retained earnings | 11 | **-** 194,739 |
| **TOTAL EQUITY** |  | **-** 194,739 |

### Statement of Changes in Equity

**For the Year Ended 31 December 2015**

|  |  |  |
| --- | --- | --- |
|  | **Retained Earnings** | **Total equity** |
| **$** | **$** |
| **Balance at 1 January 2015** | **194,739** | **194,739** |
| Comprehensive income for the year |  |  |
| Surplus / (deficit) for the year | **(194,739)** | **(194,739)** |
| Total other comprehensive income | **-** | **-** |
| **Total comprehensive income for the year** | **(194,739)** | **(194,739)** |
| **Balance at 31 December 2015** | **-** | **-** |
|  | **Retained Earnings** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2014** | (5,292,003) | (5,292,003) |
| Comprehensive income for the year |  |  |
| Surplus / (deficit) for the year | 5,486,742 | 5,486,742 |
| Total other comprehensive income | - | - |

**Total comprehensive income for the year** 5,486,742 5,486,742

**Balance at 31 December 2014** 194,739 194,739

|  |  |  |
| --- | --- | --- |
| **Statement of Cash Flows**  **For the Year Ended 31 December 2015** |  | |
|  |  | **2015 2014** |
|  | **Note** | **$ $** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |
| Receipts from customers |  | **1,407,641** 787,963 |
| Payments to suppliers and employees |  | **(1,523,333)** (1,093,089) |
| Distributions paid to the ultimate parent entity |  | **(49,981)** - |
| Interest received |  | **2,173** 2,582 |
| **Net cash flows from operating activities** | 17 | **(163,500)** (302,544) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |
| Purchase of property, plant and equipment |  | **-** (18,534) |
| **Net cash flows from investing activities** |  | **-** (18,534) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |
| Proceeds from borrowings |  | **-** 400,000 |
| **Net cash flows from financing activities** |  | **-** 400,000 |
| **Net increase (decrease) in cash and cash equivalents held** |  | **(163,500)** 78,922 |
| Cash and cash equivalents at beginning of the financial year |  | **163,500** 84,578 |
| **Cash and cash equivalents at end of the financial year** | 5 | **-** 163,500 |

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

1 Summary of Significant Accounting Policies

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *ACNC Act 2012 and Regulation 2013*, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

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

These financial statements have not been prepared on a going concern basis following the expiration of the Company's broadcast license on 31 December 2015.

Television Sydney (TVS) Limited ceased to exist as at 31 December 2015 with all of its assets and liabilities distributed to the Ultimate Parent entity. The Company will be deregistered in April 2016.

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

1. Revenue and other income

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

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

Revenue is recognised for the major business activities as follows:

* 1. *Rendering of services*

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

* 1. *Investment income*

Interest income is recognised using the effective interest method.

* 1. *HEPP project funding*

HEPP project funding is recognised in income when received.

1. Finance costs

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

1. Cash and cash equivalents

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

1. Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

1 Summary of Significant Accounting Policies continued

1. **Trade receivables continued**

due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

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

1. Property, Plant and Equipment

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

Plant and equipment

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

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

Depreciation

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

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

Class of Fixed Asset Useful Life

Plant and Equipment 20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

1. Intangible Assets
   1. *Transmission setup fee*

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

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

1 Summary of Significant Accounting Policies continued

1. **Financial assets**

*Classification*

The Company classifies its investments as loans and receivables.

*(i) Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non current assets. Loans and receivables are included in trade and other receivables (note 6) in the statement of financial position.

*Measurement*

Details on how the fair value of financial instruments is determined is disclosed in note 12.

*Impairment*

*(i) Assets carried at amortised cost*

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

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest reate. The loss is recognised in the statement of comprehensive income.

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

1. Employee benefits

*(i) Short term obligations*.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within

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

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

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

*(iii) Termination benefits*

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

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

1 Summary of Significant Accounting Policies continued

1. **Employee benefits continued**

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

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

1. Trade and other payables

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

1. Income Tax

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

*Income Tax Assessment Act 1997*.

1. Goods and Services Tax (GST)

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

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

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

1. Critical accounting estimates and judgments

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

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

Key judgments - provision for impairment of receivables

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

1. New and revised accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting period and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

|  |  |  |
| --- | --- | --- |
| **2** | **Revenue** | **2015 2014** |
|  | **Rendering of services** | **$ $** |
|  | Programs | **121,290** 132,295 |
|  | Advertising | **344,770** 292,825 |
|  | Production | **83,815** 3,546 |
|  | **Total rendering of services** | **549,875** 428,666 |
|  | **Other revenue**  Special funding | **650,000** 250,000 |
|  | Interest received | **2,173** 2,270 |
|  | **Total other revenue** | **652,173** 252,270 |
|  | **Total revenue** | **1,202,048** 680,936 |
|  | **HEPP income**  HEPP miscellaneous income | **-** 18,678 |
|  | HEPP interest | **-** 312 |
|  | **Total HEPP income** | **-** 18,990 |
|  | **Other income** |  |
|  | DVD sales | **91** 2,614 |
|  | Miscellaneous income | **942** 20,000 |
|  | **Total other income** | **1,033** 22,614 |
| **3** | **Expenses** | **2015 2014** |
|  | **Depreciation and amortisation expense** | **$ $** |
|  | Plant and equipment | **21,459** 22,834 |
|  | Intangible assets | **38,569** 40,000 |
|  | **Total depreciation and amortisation expense** | **60,028** 62,834 |
|  | **Employee benefits expense**  Salaries and wages | **648,187** 564,450 |
|  | Superannuation expense | **48,762** 51,839 |
|  | Leave expense | **-** 20,996 |
|  | Other | **10,421** 13,052 |
|  | **Total employee benefits expense** | **707,370** 650,337 |
|  | **Transmission expense**  Licences and maintenance | **15,240** 211,783 |
|  | Other transmission expenses | **1,431** 1,529 |
|  | **Total transmission expense** | **16,671** 213,312 |
| **4** | **HEPP project expenses** | **2015 2014** |
|  |  | **$ $** |
|  | Employee benefits | **-** 14,877 |
|  | Production expense | **-** 61,441 |
|  | Other operating | **-** 13,411 |
|  | **Total HEPP project expenses** | **-** 89,729 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

1. Cash and cash equivalents

**2015**

**$**

**2014**

**$**

Cash on hand **-** 420

Cash at bank  **-** 163,080

Total cash at bank and on hand - 163,500

Reconciliation to cash at the end of the year

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

2015

**$**

**2014**

**$**

Balance as above  **-** 163,500

Balance as per statement of cash flows - 163,500

The Company's exposure to interest rate risk is discussed in note 12. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. Cash at bank is interest bearing.

1. Trade and other receivables

**Current**

**2015**

**$**

**2014**

**$**

Trade receivables **-** 61,931

|  |  |
| --- | --- |
| Provision for impairment | **-** (4,100) |
| **Net trade receivables** | **-** 57,831 |
| Prepayments | **-** 37,219 |
| GST receivable | **-** 22,735 |
| **Total current trade and other receivables** | **-** 117,785 |

Credit risk

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

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

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

6 Trade and other receivables continued

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

|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
| **$** | **$** |
| Up to 3 months 3 to 6 months |  | **-** 53,431  **-** - |

Over 6 months  **-** 8,500

**Total -** 61,931

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

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

1. Property, plant and equipment

Plant and equipment

2015

**$**

**2014**

**$**

Cost **-** 781,585

Accumulated depreciation **-** (646,078)

Total property, plant and equipment - 135,507

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

Plant and

|  |  |  |
| --- | --- | --- |
|  | **Equipment**  **$** | **Total**  **$** |
| **Year ended 31 December 2014**  Opening net book value | 139,807 | 139,807 |
| Additions | 18,534 | 18,534 |
| Disposals | - | - |
| Depreciation charge | (22,834) | (22,834) |
| **Closing net book amount** | 135,507 | 135,507 |
| **Year ended 31 December 2015**  Opening net book value | **135,507** | **135,507** |
| Additions | **-** | **-** |
| Disposals | **(114,048)** | **(114,048)** |
| Depreciation Expense | **(21,459)** | **(21,459)** |
| **Closing net book amount** | **-** | **-** |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

1. **Intangible assets**

**Transmission start up fee**

**2015**

**$**

**2014**

**$**

Cost **-** 400,000

Accumulated amortisation and impairment  **-** (361,431)

**Total Intangibles -** 38,569

Year ended 31 December 2015

**Intangible assets**

**$**

Balance at the beginning of the year **38,569**

Amortisation  **(38,569)**

Closing value at 31 December 2015 -

**Year ended 31 December 2014**

Balance at the beginning of the year 78,569

Amortisation (40,000)

**Closing value at 31 December 2014**  38,569

1. Trade and other payables

**Current**

**2015**

**$**

**2014**

**$**

Trade payables **-** 67,968

Accrued expenses **-** 50,446

|  |  |  |
| --- | --- | --- |
|  | Sundry payables | **-** 30,232 |
| **Total current trade and other payables** | **-** 148,646 |
| **10** | **Employee Benefits** |  |
|  |  | **2015 2014** |
|  |  | **$ $** |
|  | **Current** |  |
|  | Provision for annual leave | **-** 59,981 |
|  | **Non-current** |  |
|  | Provision for long service leave | **-** 45,450 |
| **11** | **Retained Earnings** |  |
|  |  | **2015 2014** |
|  |  | **$ $** |
|  | Balance at 1 January | **194,739** (5,292,003) |
|  | Surplus / (deficit) for the year | **(194,739)** 5,486,742 |
|  | **Balance at 31 December** | **-** 194,739 |

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

1. Financial Risk Management

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

The Company holds the following financial instruments:

Financial Assets

**2015**

**$**

**2014**

**$**

Cash and cash equivalents **-** 163,500

Trade and other receivables \*  **-** 117,785

**Total financial assets -** 281,285

Financial Liabilities

Trade and other payables \*  **-** 148,646

Total financial liabilities - 148,646

\* Excludes statutory payables and receivables

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

12 Financial Risk Management continued

1. Credit risk

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

1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the reporting date the Company had cash and cash equivalents of $- (2014: $163,500).

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

*Maturities of financial liabilities*

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

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

**Less than 12 months**

**Between**

**1 and 5 years**

**Over**

**5 years Total**

**2015**

**$**

**2014**

**$**

**2015**

**$**

**2014**

**$**

**2015**

**$**

**2014**

**$**

**2015**

**$**

**2014**

**$**

Trade payables **-** 148,646 **-** - **-** - **-** 148,646

|  |  |  |
| --- | --- | --- |
| Deferred income | **-** 6,545 | **-** - **-** - **-** 6,545 |
| Total contractual outflows | **-** 155,191 | **-** - **-** - **-** 155,191 |

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

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

12 Financial Risk Management continued

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

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

* 1. *Summarised sensitivity analysis*

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

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

**31 December 2015 Financial assets**

**Carrying Amount**

**$**

**Surplus/ (deficit)**

**$**

**Equity**

**$**

**Surplus/ (deficit)**

**$**

**Equity**

**$**

Cash and cash equivalents - - - - -

Trade and other receivables - - - - -

**Total increase/(decrease) in financial assets**  - - - -

**Financial liabilities**

Trade and other payables - - - - -

**Total increase/(decrease) in financial liabilities**  - - - -

**31 December 2014 Financial assets**

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

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

1. Fair value measurements

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

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

1. Key Management Personnel Disclosures

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

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

1. Remuneration of Auditors

The Audit Office of New South Wales

2015

**$**

**2014**

**$**

Audit of the financial statements  **15,000** 12,000

Total remuneration for audit services (exclusive of GST) 15,000 12,000

1. **Contingencies**

The Company had no contingent liabilities at 31 December 2015 (31 December 2014: $Nil).

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

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

1. Transactions with related parties

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

The following transactions occurred with related parties:

* 1. *Purchase of goods and services*

Ultimate parent

2015

**$**

**2014**

**$**

|  |  |  |
| --- | --- | --- |
| Interest Expense  Distribution of funds to the ultimate parent entity | **-**  **46,026** | 51,081  - |
|  | **46,026** | 51,081 |

Upon winding up the Company a transfer of funds to the University of Western Sydney totalling $49,981 was made as a final distribution.

### Notes to the Financial Statements

**For the Year Ended 31 December 2015**

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

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| Surplus / (deficit) for the year | **(194,739)** | 5,486,742 |
| Cash flows excluded from profit attributable to operating activities  - finance costs | **-** | 51,081 |
| - amortisation | **38,569** | 40,000 |
| - depreciation | **21,459** | 22,834 |
| - loss on disposal of assets | **114,048** | - |
| - liabilities forgiven by ultimate parent | **-** | (6,100,895) |
| Changes in operating assets and liabilities: |  |  |
| - (increase)/decrease in trade and other receivables | **80,566** | (16,449) |
| - (increase)/decrease in prepayments | **37,219** | (1,385) |
| - increase/(decrease) in income in advance | **(6,545)** | - |
| - increase/(decrease) in trade and other payables | **(148,646)** | (70,863) |
| - increase/(decrease) in ultimate parent payables / borrowings | **-** | 272,250 |

- increase/(decrease) in employee benefits  **(105,431)** 14,141

Net cash used in operating activities  **(163,500)** (302,544)

1. Economic dependency

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

1. Events Occurring After the Reporting Date

All of the Company's assets and liabilities have been transferred to the Ultimate Parent entity on the basis that they remain as identified funds and investments within the Ultimate Parent entity accounts. Following the expiration of the Company's broadcast licence and transfer of net assets in December 2015, Television Sydney (TVS) ceased to exist as it no longer held any assets or liabilities.

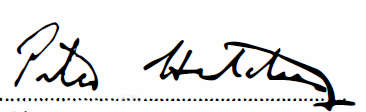
No other matters or circumstances have arisen since the end of the financial year except for the planned deregistration of the Company in 2016.

### Directors' Declaration

The director of the entity declare that:

1. The financial statements and notes, as set out on pages 105 to 121, are in accordance the *Corporations Act 2001* and:
   1. comply with Australian Accounting Standards, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and other mandatory professional reporting requirements; and
   2. give a true and fair view of the financial position as at 31 December 2015, and of the performance for the year ended on that date, of the Company.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

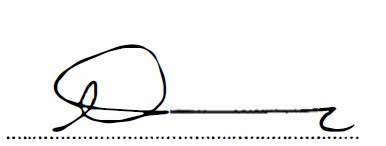
This declaration is made in accordance with a resolution of the Board of Directors.

Director:

...............................................................

Peter Hutchings

Director:

Angelo N Kourtis

................................................................

Dated 4 April 2016

##### Television Sydney (TVS) Limited

**ABN 27104674124**

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

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

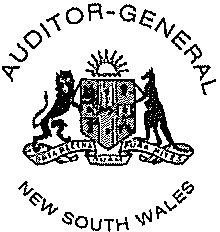
Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

...............................................................

Director:

Peter Hutchings

Dated 4 April 2016



**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 Television Sydney (TVS) Limited (the Company), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration, and the responsible entities declaration.

**Opinion**

In my opinion the financial statements:

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

giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41(8) of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
* have been prepared in accordance with Division 60 of the *Australian Charities and*

*Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for­ profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

**level 15, 1 Margaret Stroot, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t02 9275 7101 I f 02 9275 7179 I o** [**mail@audit.nsw.gov.au**](mailto:mail@audit.nsw.gov.au) **I o.udit.nsw.gov.au**

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

My opinion does *not* provide assurance:

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

**Independence**

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

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

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

 g

Margaret Crawford Auditor-General of NSW

4 April 2016

SYDNEY

This page is intentionally blank

# UWS Enterprises Pty Limited Trading as Western Sydney University The College

###### ABN: 44 003 474 468

**Financial Statements**

**For the Year Ended 31 December 2015**

These financial statements are of UWS Enterprises Pty Limited as an individual entity. The financial statements are presented in the Australian currency.

UWS Enterprises Pty Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

158 - 160 Hawkesbury Road

Westmead NSW 2145.

A description of the nature of the Company's operations and its principal activities is included in the directors' report on pages 128 to 130, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 22th March 2016. The directors have the power to amend and reissue the financial statements.

**Directors' Report**

##### 31 December 2015

The directors present their report on the Company for the financial year ended 31 December 2015.

1. General information Information on directors

The name and qualification of each person who has been a director during the year and to the date of this report are:

Mr Ramy Aziz B.Bus, CPA, FGIA

Associate Professor Craig Ellis BBus, BComms (Hons), PhD, SA Fin (Resignation 16 February 2016)

Mr Peter Graham A/Dip.Bus, MAICD, PMD HBS (Previous Chair - Resignation 31 December 2015)

Ms Rhonda Hawkins BSc, MPP, FAICD (Resignation 29 January 2015)

Ms Jackie Kelly B.Law

Professor Denise Kirkpatrick Doctor of Philosophy (PhD), Education (Chair) Mr Angelo Kourtis BA

Ms Mara Moustafine BA (Hons), MA, MAICD (Resignation 9 December 2015)

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

Principal activities and significant changes in nature of activities

The principal activities of the Company during the financial year were:

* + Provision of educational services

There were no significant changes in the nature of the Company's principal activities during the financial year.

### Directors' Report

##### 31 December 2015

1. Operating results and review of operations for the year Operating results

The net result of the Company for the year ended 31 December 2015 amounted to $ NIL (2014: $490,050) which included a royalty payment to the ultimate parent entity of $14,083,420 (2014: $14,394,061). Decrease in the surplus was a result of an increase in Royalty payment to the parent entity.

1. Other items

**Significant changes in state of affairs**

In April 2015, the Company entered into a Joint Venture Agreement with Navitas Ltd to form the Western Sydney University International College Pty Ltd (International College). The activities of the Company continue to be educational focused. The change was made to support the Strategic Plans of the organisation and its parent entity.The International College commenced teaching in October 2015. There was no material impact to the Company for the year ended 31 December 2015 as a result of the operations of the International College.

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

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

Dividends paid or recommended

No dividend was paid or payable since the commencement of the financial year and up to and including the date of signing the report. (2014 : $nil).

Company secretary

Ms Wendy Barker held the position of Company secretary for the whole of the financial year and to the date of this report. Mr Ian Londish was appointed as an additional Company Secretary, with effect from 21 April 2015.

### Directors' Report

##### 31 December 2015

Meetings of directors

During the financial year ended 31 December 2015, 6 meetings of directors were held. Attendances by each director during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Directors' Meetings** | |
| **Number eligible to attend** | **Number attended** |
| Mr Ramy Aziz | 6 | 5 |
| Associate Professor Craig Ellis | 6 | 4 |
| Mr Peter Graham | 6 | 6 |
| Ms Rhonda Hawkins | - | - |
| Ms Jackie Kelly | 6 | 2 |
| Professor Denise Kirkpatrick | 5 | 5 |
| Mr Angelo Kourtis | 6 | 5 |
| Ms Mara Moustafine | 6 | 4 |

Indemnification and insurance of officers and auditors

The Company is insured externally and in line with the parent entity's policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

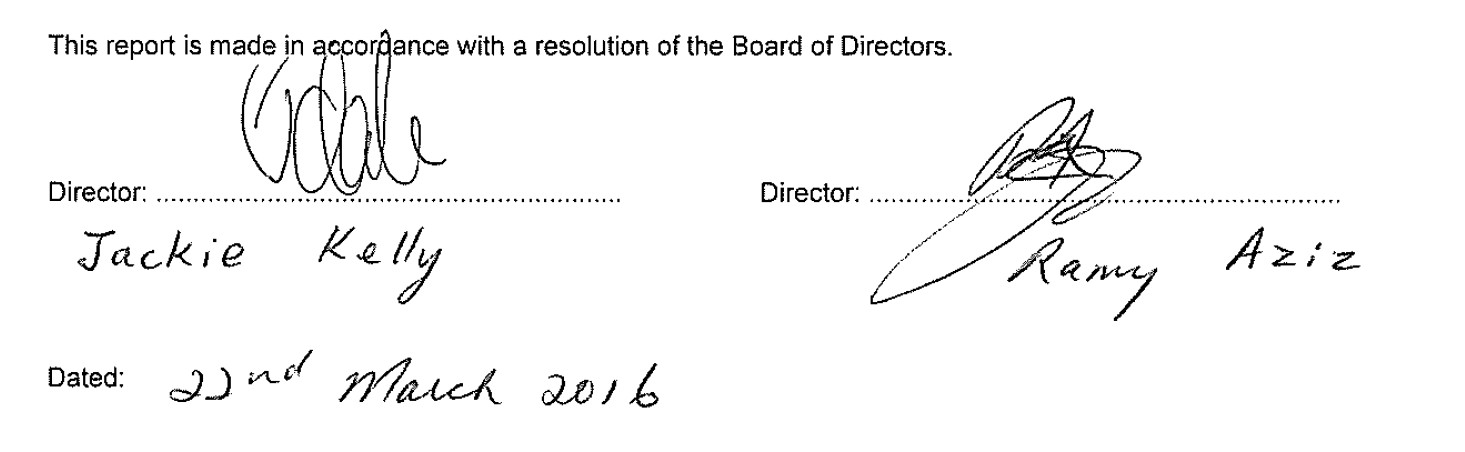
Proceedings on behalf of company

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

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2015 has been received and can be found on page 133 of the financial statements.

The Audit Office of New South Wales GPO Box 12 Sydney NSW 2001

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

Dated:

### Directors' Declaration

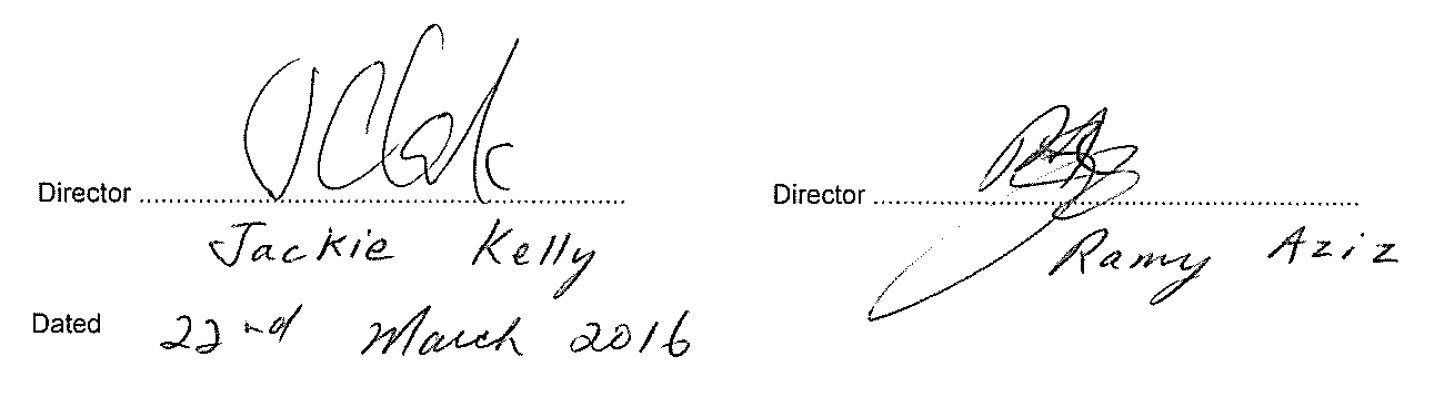
In the directors' opinion:

1. the financial statements and notes, as set out on pages 134 to 164, are in accordance with the *Corporations Act 2001*, including
   1. complying with Accounting Standards, the *Corporations Regulations 2001, Public Finance and Audit Act 1983,*

*Public Finance and Audit Regulation 201*5 and other mandatory professional reporting requirements, and

* 1. giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the financial year ended on that date, and;

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

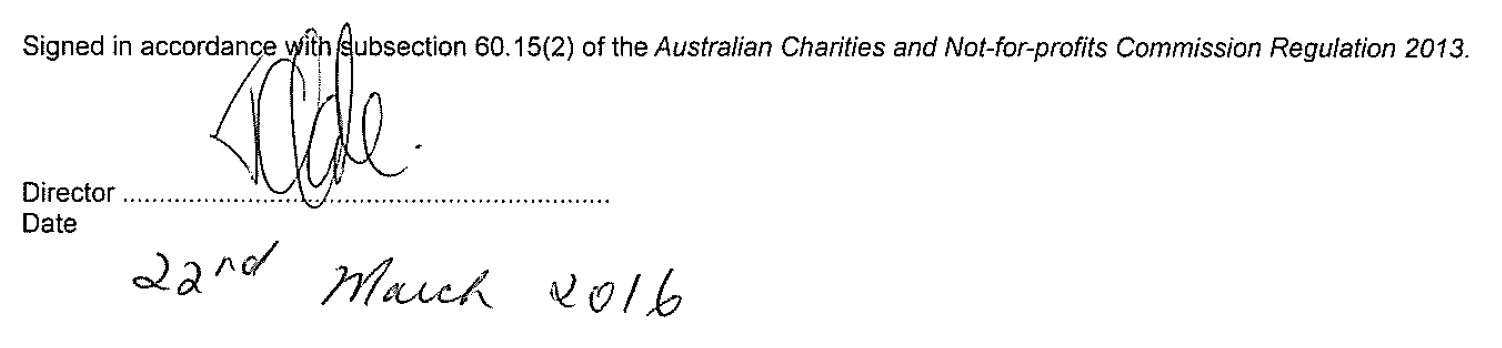
This declaration is made in accordance with a resolution of the Board of Directors.

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

Dated

**Responsible Entities Declaration** - *per section 60.15 of the Australian Charities and Not-for-profit*s *Commission Regulation 2013*

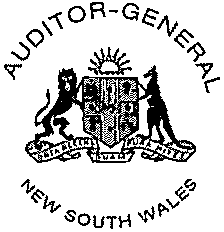
The responsible entities declare that in the responsible entities' opinion:

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

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

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

Date



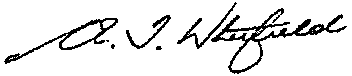
To the Directors

UWS Enterprises Ply Limited

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of UWS Enterprises Ply Limited for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



A T Whitfield PSM Acting Auditor -General

22 March 2016 SYDNEY

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue**  Rendering of services | 14(a) | **61,068,828** | 50,589,771 |
| Interest revenue |  | **195,466** | 281,501 |
| Share of net profit or loss on investments accounted for using the equity method | 7 | **(119,417)** | - |
| Other revenue | 14(b) | **307,378** | 32,447 |
| **Total revenue** |  | **61,452,255** | 50,903,719 |
| Net loss on disposal of assets |  | **(9,122)** | (11,028) |
| **Expenses** |  |  |  |
| Employee benefits expense | 15 | **(36,982,679)** | (26,369,548) |
| Fees for service | 15 | **(5,562,708)** | (5,741,023) |
| Occupancy expenses | 15 | **(183,692)** | (144,817) |
| Royalty to parent | 16 | **(14,083,420)** | (14,394,061) |
| Depreciation and amortisation expense | 15 | **(570,772)** | (422,001) |
| Consumables and supplies |  | **(538,517)** | (470,791) |
| Advertising, marketing and promotional expenses |  | **(506,123)** | (387,166) |
| Student expenses |  | **(618,110)** | (594,637) |
| Other expenses | 15 | **(2,397,112)** | (1,878,597) |
| **Total Expenses** |  | **(61,443,133)** | (50,402,641) |
| **Surplus for the year** |  | **-** | 490,050 |
| Other comprehensive income |  | **-** | - |
| **Total comprehensive income for the year** |  | **-** | 490,050 |
| **Comprehensive income for the year attributable to** |  |  |  |
| Non - controlling interest |  | **-** | - |
| The parent |  | **-** | 490,050 |
| **Total comprehensive income for the year** |  | **-** | 490,050 |

|  |  |  |  |
| --- | --- | --- | --- |
| **ASSETS**  **Current Assets** |  | | |
| Cash and cash equivalents | 2 | **696,371** | 797,346 |
| Loans to parent |  | **6,560,759** | 6,906,850 |
| Trade and other receivables | 3 | **455,337** | 578,301 |
| Prepayments | 4 | **3,451,055** | 4,006,779 |
| **Total Current Assets** | | **11,163,522** | 12,289,276 |
| **Non-Current Assets** |  |  |  |
| Property, plant and equipment | 5 | **2,359,451** | 549,118 |
| Intangible assets | 6 | **263,414** | - |
| **Total Non-Current Assets 2,622,865** | | | 549,118 |
| **Total Assets** |  | **13,786,387** | 12,838,394 |
| **LIABILITIES**  **Current Liabilities** |  |  |  |
| Trade payables |  | **491,163** | 286,877 |
| Tuition fees advance receipts |  | **779,699** | 1,162,317 |
| Amounts due to related parties |  | **78,698** | 3,332 |
| Accrued expenses | 8 | **2,142,802** | 1,698,109 |
| Provisions | 9 | **1,885,873** | 1,683,470 |
| Other liabilities | 10 | **731,071** | 545,840 |
| **Total Current Liabilities** |  | **6,109,306** | 5,379,945 |
| **Non-Current Liabilities** |  |  |  |
| Provisions | 9 | **911,632** | 693,000 |
| **Total Non-Current Liabilities** | | **911,632** | 693,000 |
| **Total Liabilities** | | **7,020,938** | 6,072,945 |
| **Net Assets** |  | **6,765,449** | 6,765,449 |
| **EQUITY**  Issued capital | 11 | **1** | 1 |
| Retained earnings |  | **6,765,448** | 6,765,448 |
| **Total Equity** | | **6,765,449** | 6,765,449 |

Issued Capital

**$**

**Retained Earnings**

**$**

**Total**

**$**

**Balance at 1 January 2015 1 6,765,448 6,765,449**

**Total comprehensive income for the year**

Surplus for the year **- - -**

Other comprehensive income **- - - Balance at 31 December 2015 1 6,765,448 6,765,449**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Issued Capital** | **Retained Earnings** | **Total** |
| **$** | **$** | **$** |
| **Balance at 1 January 2014** | 1 | 6,275,398 | 6,275,399 |
| **Total comprehensive income for the year**  Surplus for the year | - | 490,050 | 490,050 |
| Other comprehensive income | - | - | - |
| **Balance at 31 December 2014** | 1 | 6,765,448 | 6,765,449 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2015**  **$** | **2014**  **$** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:**  Receipts from customers |  | **61,405,545** | 48,613,604 |
| Payments to suppliers and employees |  | **(60,022,386)** | (47,093,839) |
| Interest received |  | **17,661** | 29,660 |
| Australian Government Grants |  | **160,000** | - |
| Other receipts / (payments) |  | **222,744** | (54,423) |
| Net cash provided by operating activities | 21 | **1,783,564** | 1,495,002 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:**  Proceeds from sale of plant and equipment |  | **30,100** | 113,869 |
| Purchase of property, plant and equipment |  | **(2,055,703)** | (1,003,251) |
| Payment for intangible Asset |  | **(263,414)** | - |
| Payments for operations of joint ventures |  | **(119,417)** | - |
| Net cash used in investing activities |  | **(2,408,434)** | (889,382) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:**  Payment of loan to ultimate parent entity |  | **8,080,191** | 9,387,994 |
| (Drawdown) of loan to ultimate parent entity |  | **(7,556,296)** | (10,230,777) |
| Net cash (used by) / provided in financing activities |  | **523,895** | (842,783) |
| **Net (decrease) / increase in cash and cash equivalents held** |  | **(100,975)** | (237,163) |
| **Cash and cash equivalents at beginning of year** |  | **797,346** | 1,034,509 |

Cash and cash equivalents at end of financial year 2 696,371 797,346

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

1 Summary of Significant Accounting Policies

1. **Basis of Preparation**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the *Corporations Act 2001*, Section 41B(1) of the *Public Finance & Audit Act 1983*, *Public Finance & Audit Regulation 2015*, the *Australian Charities and Not-for profits Commision Act 2012* and *Regulation 2013* and other legislative requirements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions.

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

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

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

1. Principles of Consolidation

*Joint Arrangements*

The Company determined that the Joint Arrangement with Navitas Ltd for the establishment of the Western Sydney University International College Pty Ltd is a Joint Venture equally controlled by the Company and Navitas Ltd.

The Company's share of assets, liabilities, revenue and expenses of the Joint Venture has been incorporated by using the equity method in accordance with AASB 11 Joint Arrangements.

Under the equity method of accounting, the Company recognises its share of the profit and net assets in the International College as a one line item in the income statement and statement of financial position, respectively.

The initial recognition of the investment in joint venture is recognised at cost, which includes the purchase price and any directly attributable expenditures necessary to obtain it.

The carrying amount is adjusted to recognise the company's share of the profit or loss of the International College after the date of acquisition.

Any shareholder loans, in substance, could form a part of the company's net investment in the joint venture and are taken into account when assessing the amount of any losses recognised by the Company relating to its interest in the International College and distributions received from the international College reduce the carrying amount of the investment.

1 Summary of Significant Accounting Policies continued

1. **Foreign currency transactions and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the ultimate parent entity's functional and presentation currency.

1. Comparative Amounts

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

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

1. Financial assets Classification

The Company classifies its financial assets as loans and receivables.

* 1. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost .

Loans and receivables are included in current assets, except for those which are not expected to be realised within 12 months after the end of the reporting period.

1. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The Company's standard terms of trade for trade receivables is 14 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

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

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

1 Summary of Significant Accounting Policies continued

1. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1. Employee benefits

The Company's liability for employee benefits arises from services rendered by employees are up to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

1. Provisions

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

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

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of comprehensive income.

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

1. Trade and other payables

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

1 Summary of Significant Accounting Policies continued

1. **Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

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

1. Revenue and other income

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Revenue recognition relating to the rendering of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

1. Goods and Services Tax (GST)

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

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

The Company is grouped with the ultimate parent entity for GST purposes and therefore these amounts are not reflected within these statements.

1 Summary of Significant Accounting Policies continued

1. **Critical accounting estimates and judgements**

The below areas involve a high degree of judgement where assumptions and estimates are significant to the financial statement of the Company.

Key judgements - provision for impairment of receivables

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

Key judgements - provision for long service leave

The value of the provision for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

1. New and revised accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied to the financial statements. The Company’s assessment of the impact of the new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1 Summary of Significant Accounting Policies continued

1. **Property, Plant and Equipment**

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

Plant and equipment

Plant and equipment are measured on a cost basis (cost less depreciation and impairment losses). Cost includes expenditure that is directly attributable to the asset.

Artwork

Artwork is measured on a cost basis. Cost includes expenditure that is directly attributable to the asset. Art is a non-depreciable asset.

Leasehold Improvements

Leasehold improvement are measured on a cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset Depreciation Rate / Useful Life

Computer Equipment 3-4 years

Leasehold improvements 2-6 years

Motor Vehicles 6-7 years

Other Equipment 10-20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1 Summary of Significant Accounting Policies continued

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

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

1. Intangible Assets

**Development costs of Online Teaching Units**

Costs directly attributable to the development of online teaching units are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Company has the intention and ability to complete and use the online units and the costs can be measured reliably. Such costs include the purchases of materials and services and payroll-related costs of employees directly involved in the project. Research costs are recognised as an expenses when incurred.

Costs associated with the development of online teaching units are captured initially as Work in Progress (WIP).

Amortisation

Total costs captured for the units will be transferred from WIP to Intangible Asset upon completion of the development.

Amortisation will commence when teaching of the units commences. Amortisation period will be two years on a straight line basis.

1. Royalties

Royalties are due by the Company for its access to the parent entity's intellectual property, infrastructure, premises and business services. Royalty is accrued on a monthly basis based on budgeted and forecasted total revenue for the related period and is effected by an intercompany transfer. Adjustment is made at the end of each financial year to reflect the agreed final contribution for the year.

1. Income Tax

The Company is exempt from the payment of tax by virtue of section 50-5 of the *Income Tax Assessment Act 1997*. Accordingly, no provision for income tax liability or future income tax benefit has been included in the accounts.

|  |  |  |  |
| --- | --- | --- | --- |
| **2** | **Cash and cash equivalents** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Cash at bank and in hand | **283,509** | 394,449 |
|  | TCorp Hour-Glass Investment Facility | **412,862** | 402,897 |
|  | Total cash and cash equivalents | **696,371** | 797,346 |
|  | **Reconciliation of cash** |  |  |

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

|  |  |  |
| --- | --- | --- |
| Cash and cash equivalents | **2015**  **$ 696,371** | **2014**  **$**  797,346 |
| **Balance as per statement of cash flows** | **696,371** | 797,346 |
| The Company's exposure to interest rate risk is discussed in Note 13. |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **3** | **Trade and other receivables** |  | **2015** | **2014** |
|  |  | **Note** | **$** | **$** |
|  | Student Receivables |  | **397,242** | 572,566 |
|  | Trade receivables |  | **299,542** | 143,306 |
|  | Provision for doubtful receivables | 3(a) | **(258,905)** | (137,882) |
|  | Accrued interest |  | **311** | 311 |
|  | Other receivables |  | **17,147** | - |
|  | **Total current trade and other receivables** |  | **455,337** | 578,301 |
|  | **(a) Provision for impairment of receivables** |  |  |  |
|  | Movement in provision for impairment of receivables is as follows: |  | **2015** | **2014** |
|  |  |  | **$** | **$** |
|  | Opening balance as at 1 January |  | **137,882** | 14,241 |
|  | Provision for impairment recognised during the year |  | **121,023** | 123,641 |
|  | Doubtful Debts Recovered |  | **-** | - |
|  | **Balance as at 31 December** |  | **258,905** | 137,882 |
|  | **Credit risk** |  |  |  |

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

On a geographical basis, the Company has credit risk exposures in Australia only as all transactions are conducted in Australian dollars.

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

3 Trade and other receivables continued

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

Past due but not impaired (days overdue)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **0-30**  **$** | **30-60**  **$** | **60-90**  **$** | **90-180**  **$** | **> 180**  **$** | **Total**  **$** |
| **2015**  Trade and term receivables | **180,492** | **160,674** | **12,968** | **61,148** | **22,598** | **437,879** |
| Other receivables | **11,101** | **-** | **15** | **4,831** | **1,200** | **17,147** |
| Accrued interest | **311** | **-** | **-** | **-** | **-** | **311** |
| Total | **191,904** | **160,674** | **12,983** | **65,979** | **23,798** | **455,337** |
| **2014**  Trade and term receivables | 301,561 | 33,896 | 77,081 | 127,611 | 37,841 | 577,990 |
| Other receivables | - | - | - | - | - | - |
| Accrued interest | 311 | - | - | - | - | 311 |
| Total | 301,872 | 33,896 | 77,081 | 127,611 | 37,841 | 578,301 |

The Company does not hold any financial assets renegotiated terms. The other class of receivables do not contain impaired assets. It is expected that these balances will be received when due.

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Prepayments** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Prepayments | **131,242** | 322,342 |
|  | Internal capital funding for capital projects | **3,319,813** | 3,684,437 |
|  | **Total Prepayments** | **3,451,055** | 4,006,779 |

|  |  |  |  |
| --- | --- | --- | --- |
| **5** | **Property, plant and equipment** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Plant and equipment**  Property, Plant and Equipment | **628,318** | 592,032 |
|  | Accumulated depreciation | **(458,040)** | (392,070) |
|  | **Total plant and equipment** | **170,278** | 199,962 |
|  | **Leasehold Improvements**  Leasehold improvements | **4,993,196** | 2,674,834 |
|  | Accumulated amortisation | **(2,815,932)** | (2,337,587) |
|  | **Total leasehold improvements** | **2,177,264** | 337,247 |
|  | **Artwork**  At cost | **11,909** | 11,909 |
|  | **Total artwork** | **11,909** | 11,909 |
|  | **Total property, plant and equipment** | **2,359,451** | 549,118 |

1. Movements in Carrying Amounts

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

Leasehold improvements

**$**

**Artwork**

**$**

**Property, Plant and Equipment**

**$**

**Total**

**$**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2015**  Balance at the beginning of year | **337,247** | **11,909** | **199,962** | **549,118** |
| Additions | **2,318,362** | **-** | **101,964** | **2,420,326** |
| Disposals | **- - (39,221)** | | | **(39,221)** |
| Depreciation expense | **(478,345) - (92,427)** | | | **(570,772)** |
| **Balance at 31 December 2015** | **2,177,264** | **11,909** | **170,278** | **2,359,451** |
| **2014**  Balance at the beginning of year | 638,586 | 11,909 | 413,009 | 1,063,504 |
| Additions | - | - | 32,511 | 32,511 |
| Disposals | - | - | (124,896) | (124,896) |
| Depreciation expense (301,339) | | - | (120,662) | (422,001) |
| **Balance at 31 December 2014** 337,247 | | 11,909 | 199,962 | 549,118 |

|  |  |  |
| --- | --- | --- |
| **6 Intangible assets** | **2015** | **2014** |
|  | **$** | **$** |
| **WIP development costs** |  |  |
| Online teaching units - at cost | **263,414** | - |
| Accumulated amortisation and impairment | **-** | - |
| **Net carrying value** | **263,414** | - |
| **Total Intangibles** | **263,414** | - |

**(a) Movements in carrying amounts of intangible assets**

|  |  |  |
| --- | --- | --- |
|  | **WIP**  **development costs** | **Total** |
| **$** | **$** |
| Balance at the beginning of the year | **-** | **-** |
| Additions | **263,414** | **263,414** |
| Amortisation | **-** | **-** |

**Closing value at 31 December 2015 263,414 263,414**

1. **Investments accounted for using the equity method**
   1. **Restrictions**

The Company has nil restrictions from the joint venture with Navitas Ltd

* 1. Individually immaterial joint ventures or associates

Aggregate carrying amount of interests in joint ventures and associates accounted for using the equity method that are not individually material in the financial statements:

Joint Ventures

|  |  |  |
| --- | --- | --- |
| Profit/(loss) from continuing operations | **2015**  **$ (119,417)** | **2014**  **$**  - |
| Profit/(loss) from continuing operations after income tax | **(119,417)** | - |
| Other comprehensive income | **-** | - |

**Total comprehensive income (119,417)** -

Capital commitments arising from the Company's interests in joint arrangements and contingent liabilities arising from the Company's interests in associates and joint arrangements are disclosed in notes 12 and 18 respectively.

The Western Sydney University International College Pty Ltd has a reporting date of 30 June.

* 1. Unrecognised share of losses of joint venture or associate

The Company has $67,068 unrecognised share of losses from the joint venture with Navitas Ltd.

* 1. Events Occurring After the Reporting Date

An investment fund was made to the joint venture in January 2016 in accordance with the agreement.

1. Accrued expenses

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| **Current**  Salary | **319,283** | 265,979 |
| Non-salary overheads | **315,628** | 388,589 |
| Agent's commission | **1,118,007** | 1,042,049 |
| Provision for staff redundancy | **389,884** | 1,492 |
|  | **2,142,802** | 1,698,109 |

1. **Employee Benefits**

**Current**

**2015**

**$**

**2014**

**$**

Employee benefits - annual leave **1,565,400** 1,230,470

Employee benefits - long service leave **320,473** 453,000

**1,885,873** 1,683,470

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes accrued annual leave. The entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Leave obligations expected to be settled after 12 months | **2015**  **$ 272,214** | **2014**  **$**  282,082 |
| **Non-Current** |  |  |
| Employee benefits - long service leave | **911,632** | 693,000 |
| **10** | **Other liabilities** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | IELTS clearing \* | **191,064** | 324,149 |
|  | Payroll tax clearing | **202,720** | 115,402 |
|  | Fringe benefits tax clearing | **74,776** | 49,005 |
|  | Student suspense receipts | **35,748** | 29,274 |
|  | Other liabilities | **226,763** | 28,010 |
|  |  | **731,071** | 545,840 |
|  | \*Represents IELTS test fees paid in advance. |  |  |
| **11** | **Issued Capital** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Ordinary shares | **1** | 1 |
|  | **Total contributed equity** | **1** | 1 |

1. Capital and Leasing Commitments
   1. **Operating lease commitments**

The Company leases plant and office equipment under non-cancellable operating leases contracted for but not capitalised in the financial statements. The lease has renewal rights whereby the terms of the lease are renegotiated.

2015 2014

|  |  |  |
| --- | --- | --- |
| Payable - minimum lease payments: | **$** | **$** |
| - no later than 1 year | **310,571** | 248,551 |
| - between 1 year and 5 years | **102,467** | 226,522 |
| - greater than 5 years | **-** | - |
|  | **413,038** | 475,073 |

* 1. **Capital commitments**

|  |  |  |
| --- | --- | --- |
| **Capital expenditure commitments contracted for:**  - no later than 1 year | **288,763** | 196,748 |
| - between 1 year and 5 years | **-** | - |
| - greater than 5 years | **-** | - |
|  | **288,763** | 196,748 |

* 1. **Expenditure commitments from joint venture entities**

The Company had no commitments arising from interests in Western Sydney University International College Pty Ltd at 31 December 2015.

1. Financial Risk Management

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

The Company's financial instruments consist mainly of deposits with banks and local money market instruments.

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

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| **Financial Assets**  Loans to parent | **6,560,759** | 6,906,850 |
| Cash and cash equivalents | **696,371** | 797,346 |
| Trade and other receivables (1) | **448,392** | 578,301 |
| **Total financial assets** | **7,705,522** | 8,282,497 |
| **Financial Liabilities**  Accrued Expenses (2) | **2,148,802** | 1,698,109 |
| Amounts due to related parties | **78,698** | 3,332 |
| Trade Payables (2) | **491,164** | 286,877 |
| Other Liabilities (2) | **224,836** | 5,904 |
| **Total financial liabilities** | **2,943,500** | 1,994,222 |

Weighted average

**interest rate Balance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Financial Assets | **2015**  **% 2.09** | **2014**  **%**  2.80 | **2015**  **$ 7,705,522** | **2014**  **$**  8,282,497 |
| Financial Liabilities | **-** | - | **(2,943,500)** | (1,994,222) |
|  |  |  |  | **4,762,022** | 6,288,275 |
| Notes: |  |  |  |  |  |

1. Excludes statutory receivable and prepayments (not within the scope of AASB 7)
2. Excludes statutory payables and unearned revenue (not within the scope of AASB7)

13 Financial Risk Management continued Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Company’s financial risk management framework.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write or buy options.

Mitigation strategies for specific risks faced are described below:

1. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company and arises principally from the Company's receivables and cash deposits.

Services are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim.

There are no material differences between the carrying amount and fair value of financial assets and liabilities and hence the carry amount represents fair value.

1. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

* + preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a weekly basis, and reported monthly; and
  + only investing surplus cash with licensed banks covered by Australian Government Deposit Guarantee, NSW - Treasury Corporation or with the parent entity;

The timing of expected outflows is not expected to be materially different from contracted cashflows. The table/s below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial guarantee liabilities are treated as payable on demand since the Company has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

##### UWS Enterprises Pty Limited Trading as Western Sydney University The College

**ABN: 44 003 474 468**

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

13 Financial Risk Management continued

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Financial liability maturity analysis -* | *Non-derivative*  **Within 1** | **Year** | **1 to 5 Years Over 5 Years Total** |  |
|  | **2015** | **2014** | **2015 2014 2015 2014 2015** | **2014** |
|  | **$** | **$** | **$ $ $ $ $** | **$** |
| **Financial assets due for receipt** |  |  |  |  |
| Loans to ultimate parent entity | **6,560,759** | 6,906,850 | **-** - **-** - **6,560,759** | 6,906,850 |
| Cash and Cash Equivalents | **696,371** | 797,346 | **-** - **-** - **696,371** | 797,346 |
| Trade and other receivables | **448,392** | 578,301 | **-** - **-** - **448,392** | 578,301 |
|  | **7,705,522** | 8,282,497 | **-** - **-** - **7,705,522** | 8,282,497 |
| **Financial liabilities due for payment** |  |  |  |  |
| Accrued Expenses | **2,148,802** | 1,698,109 | **-** - **-** - **2,148,802** | 1,698,109 |
| Amounts due to related parties | **78,698** | 3,332 | **-** - **-** - **78,698** | 3,332 |
| Trade payables | **491,164** | 286,877 | **-** - **-** - **491,164** | 286,877 |
| Other Liabilities | **224,836** | 5,904 | **-** - **-** - **224,836** | 5,904 |
|  | **2,943,500** | 1,994,222 | **-** - **-** - **2,943,500** | 1,994,222 |

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

155

##### UWS Enterprises Pty Limited Trading as Western Sydney University The College

**ABN: 44 003 474 468**

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

13 Financial Risk Management continued

*Financial assets pledged as collateral*

No financial assets have been pledged as security for any financial liability.

1. Market risk

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

1. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

1. *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic locations.

*Sensitivity analysis*

The following table illustrates sensitivities to the Company's exposures to changes in the interest rate risk.

Interest Rate Risk - Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 100 basis points would have increased equity and surplus or deficit by the amounts shown below. This analysis assumes that other variables are held constant.

The movements in surplus / (deficit) are due to higher interest costs from variable rate debt and cash balances.

The net exposure at the end of the reporting period is representative of what the Company was and is expecting to be exposed to at the end of the next twelve months. The sensitivity analysis is performed on the same basis as in 2014.

156

##### UWS Enterprises Pty Limited Trading as Western Sydney University The College

**ABN: 44 003 474 468**

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1. Financial Risk Management continued

**Interest Rate Risk - Sensitivity Analysis continued**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Carrying** | **Surplus / deficit 100 basis points** | **Surplus / deficit 100 basis points** | **Equity**  **100 basis points** | **Equity**  **100 basis points** |
| **amount** | **increase** | **decrease** | **increase** | **decrease** |
| **$** | **$** | **$** | **$** | **$** |
| **2015** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Loans to parent | 6,560,759 | 65,608 | (65,608) | 65,608 | (65,608) |
| Cash and cash equivalents | 696,371 | 6,964 | (6,964) | 6,964 | (6,964) |
| **Total increase / (decrease) in financial assets** | 7,257,130 | 72,572 | (72,572) | 72,572 | (72,572) |
| **Financial liabilities** |  |  |  |  |  |
| Amounts due to related parties | 78,698 | 787 | (787) | 787 | (787) |
| **Net increase / (decrease) in financial assets** | 7,335,828 | 73,359 | (73,359) | 73,359 | (73,359) |
| **2014** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Loans to parent | 6,906,850 | 69,069 | (69,069) | 69,069 | (69,069) |
| Cash and cash equivalents | 797,346 | 7,973 | (7,973) | 7,973 | (7,973) |
| **Total increase / (decrease) in financial assets** | 7,704,196 | 77,042 | (77,042) | 77,042 | (77,042) |
| **Financial liabilities** |  |  |  |  |  |
| Amounts due to related parties | 3,332 | 33 | (33) | 33 | (33) |
| **Net increase / (decrease) in financial assets** | 7,707,528 | 77,075 | (77,075) | 77,075 | (77,075) |

157

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1. Revenue

|  |  |  |  |
| --- | --- | --- | --- |
| **(a)** | **Revenue from rendering of services** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Tuition income | **56,158,675** | 46,109,356 |
|  | Student test fees | **4,706,130** | 4,110,621 |
|  | Student charges | **204,023** | 369,794 |
|  | **Total revenue from rendering of services** | **61,068,828** | 50,589,771 |
| **(b)** | **Other revenue** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Salary recoveries | **8,968** | - |
|  | Government grants | **160,000** | - |
|  | Other income | **138,410** | 32,447 |
|  | **Total other revenue** | **307,378** | 32,447 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **15** | **Expenses** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Depreciation and Amortisation** |  |  |
|  | Leasehold improvements | **478,345** | 301,340 |
|  | Office equipment | **92,427** | 101,035 |
|  | Motor vehicles | **-** | 19,626 |
|  | Total depreciation and amortisation | **570,772** | 422,001 |
|  | **Employee benefits expense (including academic and non academic)** |  |  |
|  | Salaries and wages | **29,018,179** | 21,009,819 |
|  | Leave | **2,435,997** | 1,725,985 |
|  | Superannuation | **3,013,317** | 1,996,096 |
|  | Payroll tax | **1,896,970** | 1,350,640 |
|  | Workers Compensation | **89,186** | 101,255 |
|  | Redundancies | **529,030** | 185,753 |
|  | **Fees for service** | **36,982,679** | 26,369,548 |
|  | Services from parent | **574,221** | 407,084 |
|  | Agent's Commission | **1,393,483** | 2,281,875 |
|  | Study Tours | **14,860** | 175,439 |
|  | Temporary contract staff | **291,468** | 307,887 |
|  | Consultants | **674,075** | 363,109 |
|  | Other | **2,614,601** | 2,205,629 |
|  |  | **5,562,708** | 5,741,023 |
|  | **Occupancy expenses** |  |  |
|  | Operating lease repayments | **-** | 820 |
|  | Cleaning | **100,484** | 78,761 |
|  | Other | **83,208** | 65,236 |
|  |  | **183,692** | 144,817 |
|  | **Other expenses** |  |  |
|  | Minor equipment | **313,900** | 176,442 |
|  | Staff recruitment | **45,806** | 56,597 |
|  | Training and seminars | **94,793** | 53,022 |
|  | Conference fees | **40,628** | 59,902 |
|  | Other expenses (See (a) below) | **1,901,985** | 1,532,634 |
|  |  | **2,397,112** | 1,878,597 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **15** | **Expenses continued**  (a) Other Expenses |  | |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Staff travel | **307,755** | 187,819 |
|  | Motor vehicles operating expenses | **184,139** | 193,479 |
|  | Repairs & maintenance | **112,778** | 12,685 |
|  | FBT on motor vehicles | **22,856** | 46,571 |
|  | Postage, printing, telephone & internet | **757,310** | 608,238 |
|  | Furniture | **85,179** | 39,424 |
|  | Equipment lease | **288,929** | 193,572 |
|  | UAC fee | **-** | 110,951 |
|  | Doubtful debt provision | **121,023** | 123,641 |
|  | Sundry expenses | **22,016** | 16,254 |
|  | **Total other expenses** | **1,901,985** | 1,532,634 |
| **16** | **Royalty to parent** |  |  |

In 2015, the Board endorsed a change in the method for calculating royalty from the Company to the parent entity to reflect an increased level of services to be delivered by the parent entity. From 2015 onwards, royalty will be 100% of the net operating surplus of the company.

1. Remuneration of Auditors

The Audit Office of New South Wales

2015

**$**

**2014**

**$**

- Audit of financial statements **38,800** 37,980

- Total remuneration for audit 38,800 37,980

1. **Contingencies**
   1. **Contingent Liabilities**

*Claims*

The Directors of the Company are not aware of the existence of any legal claims as at 31 December 2015.

*Guarantees*

The Directors of the Company are not aware of any guarantees that are in place as at 31 December 2015 (2014 NIL). The Directors of the Company are not aware of any further instances.

*Invoices not yet receive*d

All commission invoices from the international agents relating to students enrolled in 2015 may not have been received. An amount has been accrued into the financial statements. These will be paid in 2016 upon receipt.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

|  |  |  |
| --- | --- | --- |
| **19** | **Remuneration of the Board**  Total remuneration to external independent Board members of the Company during the year are as follows: |  |
|  | **2015** | **2014** |
|  | **$** | **$** |
|  | Independent Directors fees **45,000** | **37,500** |
|  | **Other key management personnel transactions** |  |

For details of other transactions with key management personnel, refer to Note 20: Related Party Transactions.

20 Related Parties

1. **The Company's main related parties are as follows:**
   1. *Entities exercising control over the Company:*

The ultimate parent entity, which exercises control over the Company, is University of Western Sydney Trading as Western Sydney University which wholly owns the Company.

* 1. *Joint Venture with Navitas Ltd:*

In April 2015, the Company entered into a Joint Venture Agreement with Navitas Ltd to form the Western Sydney University International College Pty Ltd to operate an international college at Parramatta N.S.W.. The Company, and its parent entity own 50% of the new entity.

1. Transactions with related parties

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

The following transactions occurred with related parties:

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| **Purchase of goods and services**  Purchase of capital works from ultimate parent entity | **2,155,156** | 970,741 |
| Purchase of catering services from other related parties | **119,562** | 50,778 |
| **Total** | **2,274,718** | 1,021,519 |
| **Other transactions**  Royalty to ultimate parent entity\* | **14,083,420** | 14,394,061 |
| Share of loss of joint venture | **(119,417)** | - |
| **Total** | **13,964,003** | 14,394,061 |

\*Royalty was paid for the use of the ultimate parent entity's services, infrustructure and intellectual property during the year.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1. Related Parties continued
2. **Loans to/from related parties**

**2015**

**$**

**2014**

**$**

|  |  |  |
| --- | --- | --- |
| **Loans to Parent**  Beginning of the year | **6,906,850** | 5,812,226 |
| Loans advanced | **7,556,296** | 10,230,777 |
| Loan repayment received | **(8,080,191)** | (9,387,994) |
| Interest charged | **177,804** | 251,841 |
| Interest received | **-** | - |

**End of year 6,560,759** 6,906,850

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

1. Outstanding balances

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

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| Current receivables (sale of goods and services) |  |  |
| Joint venture | **86,250** | - |
| **Total current receivables** | **86,250** | - |
| Non-current receivables (loans) |  |  |
| Parent entity | **6,560,759** | 6,906,850 |
| **Total non-current receivables** | **6,560,759** | 6,906,850 |
| Current payables (purchase of goods) |  |  |
| **Total current payables** | **-** | - |
| Non-current payables (loans) |  |  |
| Parent entity | **-** | - |
| **Total non-current payables** | **-** | - |

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1. Reconciliation of Surplus to Net Cash Flows From Operating Activities

**2015**

**$**

**2014**

**$**

Operating surplus for the year **-** 490,050

|  |  |  |  |
| --- | --- | --- | --- |
| Non-cash flows in surplus | |  | |
| Depreciation and amortisation | | **570,772** | 422,001 |
| UWS Loan Interest non cash | | **(177,804)** | (251,841) |
| Net loss on sale of non-current assets | | **9,122** | 11,028 |
| Share of joint venture entity net profit after income tax and dividends | | **119,417** | - |
| Changes in assets and liabilities | |  |  |
|  | (increase)/decrease in trade and other receivables | **(259,653)** | (48,794) |
|  | (increase)/decrease in prepayments | **191,101** | (31,424) |
|  | increase/(decrease) in intercompany account balances | **75,367** | (83,497) |
|  | increase/(decrease) in accruals | **444,694** | 504,410 |
|  | increase/(decrease) in trade and other payables | **414,512** | 89,930 |
|  | increase/(decrease) in other operating liabilities | **(25,000)** | 25,000 |
|  | increase/(decrease) in employee benefits | **421,036** | 368,139 |
|  | Net cash flows from operating activities | **1,783,564** | 1,495,002 |
| **22** | **Events Occurring After the Reporting Date** |  |  |

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

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

23 Company Details

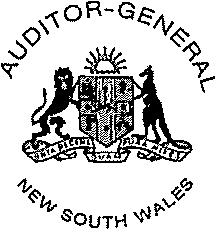
The registered office of the Company

UWS Enterprises Pty Limited Trading as Western Sydney University The College

158-160 Hawkesbury Road

Westmead NSW 2145

End of Audited Financial Statements



**INDEPENDENT AUDITOR'S REPORT**

**UWS Enterprises Pty Limited**

To Members of the New South Wales Parliament and Members of UWS Enterprises Pty Limited

I have audited the accompanying financial statements of UWS Enterprises Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration, and the responsible entities declaration.

**Opinion**

In my opinion the financial statements:

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

giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41 B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
* have been prepared in accordance with Division 60 of *the Australian Charities and Not for profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

**Level 15, 1 Margaret Street, Sydney NSW 2000 1 GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e rnail@aud .nsw.gov.au I audit.nsw.gov.au**

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

My opinion does *not* provide assurance:

, about the future viability of the Company

, that it carried out its activities effectively, efficiently and economically

, about the effectiveness of the internal control

* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
* about other information that may have been hyperlinked to/from the financial statements.

**Independence**

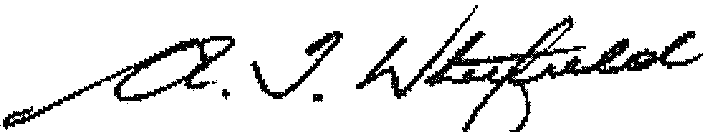
In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

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

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 22 March 2016, would be in the same terms if provided to the directors as at the time of this auditor's report.

A T Whitfield PSM Acting Auditor-General



24 March 2016 SYDNEY

# uwsconnect Limited 2015

###### ABN 45 107 759 197

**Financial Statements**

**For the Year Ended 31 December 2015**

These financial statements are the individual entity statements of uwsconnect Limited (the Company). The financial statements are presented in the Australian currency.

The Company is limited by guarantee, incorporated and domiciled in Australia. Its registered office is: University of Western Sydney

Great Western Highway Werrington NSW 2747

A description of the nature of the Company's operations and its principal activities is included in the directors' report which is part of these financial statements.

The financial statements were authorised for issue by the directors on 8 March 2016. The directors have the power to amend and reissue the financial statements.

**Directors' Report**

##### For the year ended 31 December 2015

The directors present their report on uwsconnect Limited 2015 for the financial year ended 31 December 2015.

Directors

The following persons were directors of the Company during the whole or part of the financial year and up to the date of this report:

Tim Ferraro Chair (retired 31 Mar 2015)

John Banks Chair (appointed 14 Jan 2011)

Peter Pickering (appointed 13 Aug 2013)

Ellen Brackenreg (appointed 10 Feb 2014)

Bill Parasiris (appointed 10 Feb 2014)

Elise Buisson (appointed 7 Apr 2015)

Michael Scullino (appointed 7 Apr 2015)

Short and long term objectives and strategy

The principal objective of the Company is to provide food and beverage, retail, sporting and campus life facilities and services across all six of the University of Western Sydney campuses.

The Company aims to work collaboratively to build a strong, professional and financially sustainable business that provides equitable and affordable services to meet the needs of the UWS community and residents of Greater Western Sydney.

Principal activities

During the 2015 financial year, the Company continued the provision of student services including sports and leisure, retail, food and beverage, and other services consistent with its principal objective.

Performance measures

The performance measures of the Company can be separated into financial KPI's relating to profit and revenue for all trading areas and non-financial KPI's relating to Student Services, based on participation and compliance.

Dividends

No dividends is paid or payable since the commencement of the financial year and up to and including the date of signing this report (2014: $nil).

Review of operations

The deficit for the year ended 31 December 2015 is $(1,919,693) (2014: $(1,491,642)). The increase in the losses was mainly on account of restructure of the company, sales targets not met, delay in the restructure of finance and administration and additional finance costs.

Significant changes in the state of affairs

The Company varied its operations during the year, restructuring its administration and operations, and divesting certain operations including operating the UWS bus service and graduation services. From 2015, UWS the parent entity operated the bus and graduation services.

Events subsequent to reporting date

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect , the operations of the Company, the results of the operation, or the state of affairs of the company in future financial years.

Likely developments and expected results of operations in future years

Likely developments in the entity's operation future financial years have not been included in this report. The future developments are not expected to significantly affect the results of the company.

Environmental regulation

The Company is not subject to any significant environmental regulations.

### Directors' Report

##### For the year ended 31 December 2015

Information on directors

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

Tim Ferraro

Experience & Qualifications Principal Consultant, GHD. MBA, BAppSc (Hons), Member AIM,

Member IPAA, Member Aust. Rangelands Scty, MAICD. Non- Executive Director

Special responsibilities Chair - uwsconnect Ltd Board; Chair - uwsconnect Executive

Committee; Chair - uwsconnect Audit & Risk Management Committee. Member - UWS / uwsconnect Liaison Committee. Member UWS Board of Trustees.

John Banks

Experience & Qualifications Director, Talent2. Member UWS Board of Trustees, Member UWS

Foundation Council, Member Committee of Sydney. Non-Executive Director

Special responsibilities Member - uwsconnect Executive Committee

Peter Pickering

Experience & Qualifications Vice President (Finance & Resources), University of Western Sydney.

B.Comm (Hons), DipCM, FCPA, FCIS FAICD. Non-Executive Director

Experience Chair - Audit & Risk Management Committee

Ellen Brackenreg

Experience & Qualifications BA (Psych), BSW, MBA, GAICD, Executive Director. Director, Student

Support Services at UWS, and Non-Executive Director at UWS Early Learning Limited.

Bill Parasiris

Experience & Qualifications MBA (UWS) GAICD Executive Director. Executive Director,

Commercial Services & Administration.

Elise Buisson

Qualifications Enrolled UWS student. Non-executive

Michael Scullino

Qualifications Enrolled UWS student. Non-executive

Experience Member - Audit & Risk Management Committee

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

### Directors' Report

**For the year ended 31 December 2015**

**Company secretary**

Ian Londish has been company secretary since 25th February 2014

**Meetings of directors**

During the financial year ended 31 December 2015 6 meetings of the directors were held. Attendance by each director during the year was as follows:

**Directors' Meetings**

**Number attended Number eligible to attend**

Tim Ferraro 1 1

John Banks 4 6

Peter Pickering 5 6

Ellen Brackenreg 5 6

Bill Parasiris 6 6

Elise Buisson 4 6

Michael Scullino 3 6

**Proceedings on behalf of the Company**

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceeding to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

The total amount that members of the Company are liable to contribute if the entity is wound up will not exceed $10.00

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under the section 307C of the Corporations Act 2001 for the year ended 31 December 2015 is set out on page 171.

**Auditor**

The Audit Office of New South Wales, GPO BOX 12, Sydney NSW 2001.

The report is signed in accordance with the resolution of the Board of Directors.

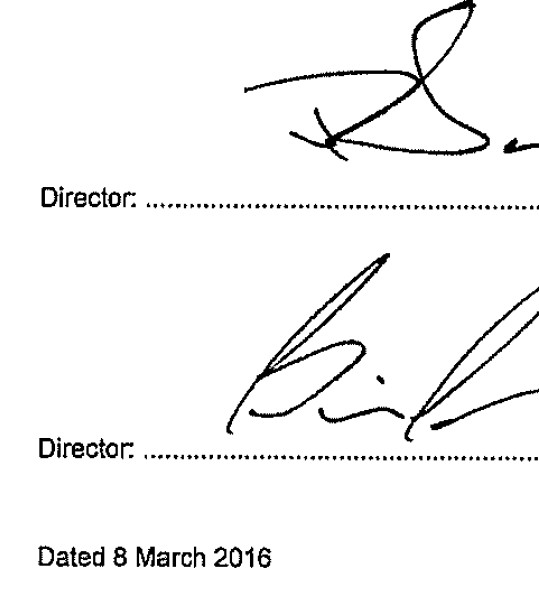
Director: ................................................................................................................................................

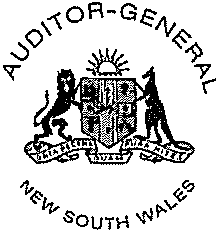
John Banks

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

Bill Parasiris

Dated 8 March 2016





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 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



A T Whitfield PSM Acting Auditor-General

4 March 2016 SYDNEY

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Comprehensive Income**  **For the Year Ended 31 December 2015** |  | | |
|  |  | **2015** | **2014** |
|  | **Note** | **$** | **$** |
| **Revenue** |  |  |  |
| Sale of goods | 3 | **18,049,009** | 19,794,196 |
| Rendering of services | 3 | **885,979** | 1,737,339 |
| UWS funding | 3 | **2,542,005** | 3,803,301 |
| Other revenue | 3 | **1,034,105** | 829,899 |
| **Total revenue from operations** |  | **22,511,098** | 26,164,735 |
| Net gain/(loss) on disposal of assets |  | **14,409** | (29,086) |
| **Total income** |  | **22,525,507** | 26,135,649 |
| **Expenses** |  |  |  |
| Raw materials and consumables used |  | **(10,828,464)** | (11,318,094) |
| Employee benefits expense | 4 | **(9,955,207)** | (10,593,232) |
| Depreciation and amortisation expense | 4 | **(99,317)** | (175,369) |
| Occupancy expenses | 4 | **(552,709)** | (865,235) |
| Minor equipment |  | **(263,105)** | (74,206) |
| Other expenses | 4 | **(2,620,495)** | (4,474,271) |
| Finance costs |  | **(125,903)** | (126,883) |
| **Total expenses** |  | **(24,445,200)** | (27,627,291) |
| **Deficit for the year** |  | **(1,919,693)** | (1,491,642) |
| Other comprehensive income for the year |  | **-** | - |
| **Total comprehensive income for the year** |  | **(1,919,693)** | (1,491,642) |
| **Comprehensive income for the year attributable to:**  Non-controlling interests |  | **-** | - |
| The Parent |  | **(1,919,693)** | (1,491,642) |
| **Total comprehensive income for the year** |  | **(1,919,693)** | (1,491,642) |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Financial Position**  **As at 31 December 2015** |  | | |
|  |  | **2015** | **2014** |
|  | **Note** | **$** | **$** |
| **ASSETS**  **Current assets** |  |  |  |
| Cash and cash equivalents | 5 | **502,541** | 406,651 |
| Trade and other receivables | 6 | **1,131,602** | 1,184,555 |
| Inventories | 7 | **2,888,192** | 3,895,997 |
| Other assets |  | **94,469** | - |
| Non-current assets held for sale | 8 | **212,761** | - |
| **Total current assets** |  | **4,829,565** | 5,487,203 |
| **Non-current assets** |  |  |  |
| Property, plant and equipment | 9 | **154,411** | 487,702 |
| Intangible assets | 10 | **10,942** | 11,692 |
| **Total non-current assets** | | **165,353** | 499,393 |
| **Total assets** |  | **4,994,918** | 5,986,596 |
| **LIABILITIES**  **Current liabilities** |  |  |  |
| Trade and other payables | 11 | **1,872,219** | 1,845,051 |
| Borrowings from the parent | 12 | **5,010,493** | 3,532,365 |
| Provisions | 13 | **457,471** | 470,993 |
| Other liabilities | 14 | **229,061** | 770,795 |
| **Total current liabilities** |  | **7,569,244** | 6,619,203 |
| **Non-current liabilities** |  |  |  |
| Provisions | 13 | **210,426** | 232,448 |
| **Total non-current liabilities** | | **210,426** | 232,448 |
| **Total liabilities** | | **7,779,670** | 6,851,651 |

**Net assets (2,784,752)** (865,059)

EQUITY

Retained earnings

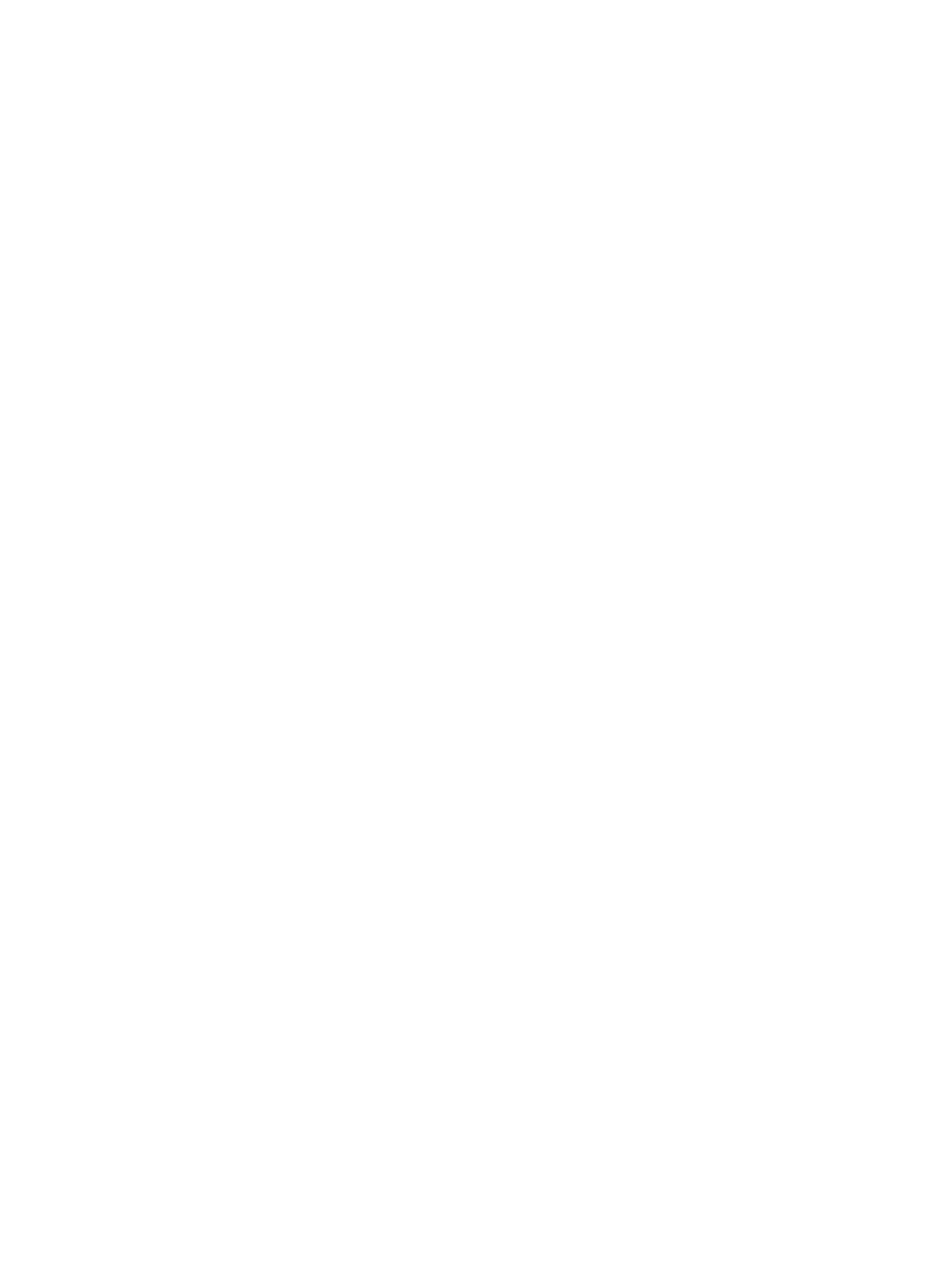
|  |  |  |
| --- | --- | --- |
| 15 | **(2,784,752)** | (865,059) |
|  | **(2,784,752)** | (865,059) |

Total equity

|  |  |  |
| --- | --- | --- |
| **Statement of Changes in Equity**  **For the Year Ended 31 December 2015** |  | |
|  | **Retained Earnings** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2015** | **(865,059)** | **(865,059)** |
| **Total comprehensive income for the year** |  |  |
| Deficit for the year | **(1,919,693)** | **(1,919,693)** |
| **Balance at 31 December 2015** 15 | **(2,784,752)** | **(2,784,752)** |
|  | **Retained Earnings** | **Total equity** |
|  | **$** | **$** |
| **Balance at 1 January 2014** | 626,583 | 626,583 |
| **Total comprehensive income for the year** |  |  |
| Deficit for the year | (1,491,642) | (1,491,642) |
| **Balance at 31 December 2014** | (865,059) | (865,059) |

The accompanying n

otes form part of these financial statements.



174

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Cash Flows**  **For the Year Ended 31 December 2015** |  | | |
|  |  | **2015** | **2014** |
|  | **Note** | **$** | **$** |
| **CASH FLOWS FROM OPERATING ACTIVITIES**  Receipts from customers |  | **24,246,149** | 27,131,419 |
| Payments to suppliers and employees |  | **(25,550,529)** | (28,466,908) |
| Interest received |  | **11,663** | 14,391 |
| **Net cash flows used in operating activities** | 22 | **(1,292,717)** | (1,321,099) |
| **CASH FLOWS FROM INVESTING ACTIVITIES**  Proceeds from sale of plant and equipment |  | **36,370** | 44,585 |
| Payments for property, plant and equipment | 9 | **-** | (24,578) |
| **Net cash (used in)/provided by investing activities** |  | **36,370** | 20,007 |
| **CASH FLOWS FROM FINANCING ACTIVITIES**  Proceeds from borrowings |  | **11,855,000** | 7,175,000 |
| Payment of borrowings |  | **(10,502,763)** | (6,082,194) |
| **Net cash flows provided by financing activities** |  | **1,352,237** | 1,092,806 |
| **Net increase/(decrease) in cash and cash equivalents held** |  | **95,890** | (208,285) |
| **Cash and cash equivalents at beginning of financial year** |  | **406,651** | 614,936 |

Cash and cash equivalents at end of financial year 5 502,541 406,651

The accompanying notes form part of these financial statements.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies

1. **Basis of Preparation**

These financial statements are prepared on an accruals basis and in accordance with Australian Accounting Standard*s, the Corporations Act 2001*, *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and Regulation 201*3, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

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

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

* 1. Critical accounting estimates

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

These accounting policies have been consistently applied to all periods in the financial statements. The estimates and assumptions are reviewed on an ongoing basis. Revisions to any estimates are recognised in the period in which the estimate is reviewed, if the revision affects only that period or in a period of the revision and the future periods if the revision affects both current and future periods.

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

1. Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

* 1. Sale of goods and rendering of services

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable. Revenue from rendering of services is recognised when that service has been provided.

* 1. Other revenue

All other material revenue is accounted for on an accrual basis. Funding from the parent entity is received quarterly in advance. Only the revenue pertaining to the month is accounted as revenue with the balance shown as income earned in advance.

1. Finance costs

Finance costs relating to the University of Western Sydney loan facilities are expensed.

1. Income Tax

The Company is exempt from the payment of tax by virtue of section 50-B of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax liability or future income income tax benefit has been included in the accounts.

1. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and cash at bank.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The amount of the provision is recognised in the income statement. This is recognised as the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Collectability of trade receivables is reviewed on an ongoing basis at board level. Individual debts that are known to be uncollectable 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.

The Company's primary debtor for the business is the University of Western Sydney. Standard terms for trade receivables are fourteen (14) days.

1. Inventories

All inventories are measured at the lower of cost and net realisable value. All stock is valued at a weighted average cost.

1. Financial assets

**Classification**

The Company classifies its investments as loans and receivables.

***Loans and receivables***

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

Measurement

Details on how the fair value of financial instruments is determined are disclosed in note 2.

***Assets carried at amortised cost***

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

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

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

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

1. **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation.

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

Depreciation on assets is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Class of Assets Useful Life

Plant and Equipment 3-10 years

Motor Vehicles 6-7 years

Computer Equipment 3-4 years

Leasehold Improvements 2-6 years

Other Property, Plant and Equipment 10-20 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

1. Intangible Assets
   1. IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that contribute to future period financial benefits through revenue generation and/or cost reduction, are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs to employee's time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

* 1. Franchise Fees

Cost incurred to acquire Subway Franchise fees are amortised over a period of 20 years on a straight line basis.

1. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to the credit terms agreed with the suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

1. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months after the end of each reporting period are measured at the amounts expected to be paid when the liabilities are settled and recognised in other payables. The liability for annual leave is recognised in the provision for employee benefits.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

1. Provisions

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

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

Contributions to the defined fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

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

1. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1. Goods and Services Tax (GST)

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

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

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

1. New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. Comparative amounts

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

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

2 Financial Risk Management

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

The Company holds the following financial instruments:

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| **Financial Assets**  Cash and cash equivalents | **502,541** | 406,651 |
| Trade and other receivables\* | **1,131,602** | 1,101,746 |
| **Total Financial Assets** | **1,634,143** | 1,508,397 |
| **Financial Liabilities**  Trade and other payables\* | **1,856,084** | 1,823,038 |
| Borrowings | **5,010,493** | 3,532,365 |
| **Total Financial Liabilities** | **6,866,577** | 5,355,403 |
| \* Excludes statutory receivables and payables |  |  |
| **(a) Market risk** |  |  |

1. Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from short term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

As at the end of the reporting period, the Company had the following variable rate borrowings:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2015**  **Weighted average** |  | **2014**  **Weighted average** |  |
| **interest rate** | **Balance** | **interest rate** | **Balance** |
| **%** | **$** | **%** | **$** |
| Borrowings | 4.6 | 5,010,493 | 5.0 | 3,532,365 |
| **Net exposure to cash flow interest rate risk** | **4.6** | **5,010,493** | 5.0 | 3,532,365 |

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

2 Financial Risk Management (continued)

1. Summarised sensitivity analysis

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | **-1%**  **Surplus/(Deficit)** | **-1%**  **Equity** | **+1%**  **Surplus/(Deficit)** | **+1%**  **Equity** |
| **31 December 2015** | **$** | **$** | **$** | **$** | **$** |
| **Financial Assets**  Cash and cash equivalents | 502,541 | (5,025) | (5,025) | 5,025 | 5,025 |
| Receivables | 1,131,602 | (11,316) | (11,316) | 11,316 | 11,316 |
| **Financial Liabilities**  Borrowings | (5,010,493) | 50,105 | 50,105 | (50,105) | (50,105) |
| Payables | (1,856,084) | 18,561 | 18,561 | (18,561) | (18,561) |
|  | **(5,232,434)** | **52,325** | **52,325** | **(52,325)** | **(52,325)** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Carrying amount | -1%  Surplus/(Deficit) | -1%  Equity | +1%  Surplus/(Deficit) | +1%  Equity |
| **31 December 2014** | $ | $ | $ | $ | $ |
| **Financial Assets**  Cash and cash equivalents | 406,651 | (4,067) | (4,067) | 4,067 | 4,067 |
| Receivables | 1,101,746 | (11,017) | (11,017) | 11,017 | 11,017 |
| **Financial Liabilities**  Borrowings | (3,532,365) | 35,324 | 35,324 | (35,324) | (35,324) |
| Payables | (1,823,038) | 18,230 | 18,230 | (18,230) | (18,230) |
|  | **(3,847,006)** | **38,470** | **38,470** | **(38,470)** | **(38,470)** |

1. Credit risk

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

1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Maturities of financial liabilities

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

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

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

2 Financial Risk Management (continued)

Contractual maturities of financial assets and liabilities

**2015**

**Less than 1 year**

**$**

**Between 1 and**

**5 years**

**$**

**Over 5 years**

**$**

**Non interest**

**$**

**Carrying amount**

**$**

**Average interest rate**

**%**

Cash and cash equivalents 502,541 - - - 502,541 2.30

Trade and other receivables 1,131,602 - - 1,131,602 1,131,602 - Trade and other payables (1,856,084) - - (1,856,084) (1,856,084) - Borrowings (5,010,493) - - - (5,010,493) 4.60

**Total non derivatives** (5,232,434) - - (724,482) (5,232,434)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Less than 1 year | Between 1 and 5  years Over 5 years Non interest | Carrying amount | Average interest rate |
| **2014**  Cash and cash equivalents | $  406,551 | $ $ $  - - - | $ 406,551 | %  2.40 |
| Trade and other receivables | 1,101,746 | - - 1,101,746 | 1,101,746 | - |
| Trade and other payables | (1,823,038) | - - (1,823,038) | (1,823,038) | - |
| Borrowings | (3,532,365) | - - - | (3,532,365) | 5.00 |
| **Total non derivatives** | (3,847,106) | - - (721,292) | (3,847,106) |  |
| **(d)** | **Fair value measurements** |  |  |  |  |

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

As the Company's financial instruments are short term in nature, their carrying values recognised in the statement of financial position approximates their fair value.

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

|  |  |  |
| --- | --- | --- |
|  | **Carrying amount** | **Fair value** |
| **$** | **$** |
| **Financial assets**  Cash and cash equivalents | **502,541** | 502,541 |
| Trade and other receivables | **1,131,602** | 1,131,602 |
| **Financial Liabilities**  Borrowings from the parent | **5,010,493** | 5,010,493 |
| Trade and other payables | **1,856,084** | 1,856,084 |

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

|  |  |  |  |
| --- | --- | --- | --- |
| 3 | **Revenue**  **Revenue from operating activities** |  | |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Sale of goods**  Books | **8,782,499** | 9,053,475 |
|  | Food and beverage | **8,751,331** | 9,813,007 |
|  | Retail | **515,179** | 927,714 |
|  | **Total sale of goods** | **18,049,009** | 19,794,196 |
|  | **Rendering of services**  Sports | **882,708** | 1,276,303 |
|  | Graduation | **-** | 347,395 |
|  | Venue hire | **3,271** | 113,641 |
|  | **Total rendering of services** | **885,979** | 1,737,339 |
|  | **UWS funding**  UWS funding - general | **1,200,000** | - |
|  | UWS funding - community services | **650,746** | 1,313,277 |
|  | UWS funding - bus services | **-** | 2,095,892 |
|  | UWS funding - clubs | **401,459** | 394,132 |
|  | UWS funding - sport | **289,800** | - |
|  | **Total UWS Funding** | **2,542,005** | 3,803,301 |
|  | **Other revenue**  Bank interest | **11,663** | 14,391 |
|  | Other revenue | **1,022,442** | 815,508 |
|  | **Total other revenue** | **1,034,105** | 829,899 |
|  | **Total revenue from operating activities** | **22,511,098** | 26,164,735 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Expenses** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Employee benefits expense**  Salaries and wages | **8,333,768** | 8,643,760 |
|  | Superannuation | **751,161** | 816,433 |
|  | Annual leave | **346,931** | 385,177 |
|  | Long service leave | **30,687** | 100,326 |
|  | Workers compensation | **212,707** | 201,982 |
|  | Termination benefits | **159,553** | 249,994 |
|  | Other | **120,400** | 195,560 |
| **9,955,207** 10,593,232 | | | |
| **Depreciation**  Plant and equipment | | **50,945** | 112,273 |
| Motor vehicles | | **47,623** | 62,092 |
|  | | **98,568** | 174,365 |
| **Amortisation**  Franchise fees | | **750** | 1,004 |
| **Total depreciation and amortisation** | | **99,318** | 175,369 |
| **Occupancy expenses\***  Rental minimum operating lease payments | | **96,356** | 107,300 |
| Repairs and maintenance | | **140,141** | 467,313 |
| Utilities | | **63,170** | 91,928 |
| Cleaning and waste removal | | **193,199** | 142,125 |
| Security | | **59,843** | 56,569 |
|  | | **552,709** | 865,235 |

\* uwsconnect Limited currently resides in facilities owned by the University (Parent) in which there is no charge, this amount cannot be reliably measured or quantified due to the specialised nature of the premises

|  |  |  |
| --- | --- | --- |
| **Other expenses**  Consultancy, agency and service provider fees | **67,002** | 2,138,368 |
| Advertising, promotional and event | **1,235,209** | 958,518 |
| Equipment hire | **100,657** | 362,846 |
| Motor vehicle | **120,384** | 264,775 |
| Consumables and supplies | **441,088** | 132,124 |
| Other | **656,155** | 617,640 |
|  | **2,620,495** | 4,474,271 |

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

5 Cash and cash equivalents

**2015**

**$**

**2014**

**$**

Cash at bank and on hand  **502,541** 406,651

Total cash at bank and on hand 502,541 406,651

1. Reconciliation to cash at the end of the year

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

|  |  |  |
| --- | --- | --- |
| Balance as above | **2015**  **$ 502,541** | **2014**  **$**  406,651 |
| Balance as per statement of cash flows | **502,541** | 406,651 |

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

|  |  |  |
| --- | --- | --- |
| Cash at Bank and on hand are interest bearing.  6 **Trade and other receivables** |  | |
|  | **2015** | **2014** |
|  | **$** | **$** |
| Trade receivables | **1,082,275** | 1,144,298 |
| Sundry debtors and accruals | **21,763** | 7,963 |
| Less allowance for impairment | **-** | - |
| **Net trade receivables** | **1,104,038** | 1,152,261 |
| Prepayments | **27,564** | 32,294 |
| **Total current trade and other receivables** | **1,131,602** | 1,184,555 |
| Trade and other receivables are non-interest bearing. |  |  |

At 31 December 2015, current receivables of uwsconnect Limited with a nominal value of $Nil (2014: Nil) were impaired. The amount of the provision was $Nil (2014: Nil)

As at 31 December 2015, trade receivables of $145,578 (2014 $937,490) were past due but not impaired. These relate to UWS. The ageing of these receivables is as follows:

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| Up to 3 months | **129,522** | 936,346 |
| 3 to 6 months | **12,718** | 349 |
| Over 6 months | **3,338** | 795 |
| **Total** | **145,578** | 937,490 |

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

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

6 Trade and other receivables (continued)

(a) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Company and the credit quality of the entity's trade receivables.

7 Inventories

**2015**

**$**

**2014**

**$**

|  |  |  |
| --- | --- | --- |
| Finished goods  At net realisable value | **2,954,192** | 3,895,997 |
| Provision for impairment | **(66,000)** | - |
|  | **2,888,192** | 3,895,997 |
| **Provision for impairment** |  |  |

Provision for impairment of inventories to net realisable value recognised as an expense during the year ended 31 December 2015 amounted to $66,000 (2014: Nil)

|  |  |  |
| --- | --- | --- |
| **Movement in the allowance for impairment** | **2015**  **$** | **2014**  **$** |
| At 1 January |  | 485,985 |
| Allowance for stock obsolescence recognised during the year | **66,000** | - |
| Stocks written off during the year as unrealisable |  | (485,985) |
| **At 31 December** | **66,000** | - |
| **8 Disposal group classified as held for sale ('NCA')** |  |  |
|  | **2015** | **2014** |
|  | **$** | **$** |
| **Current**  Disposal group relating to franchised Subway outlets | **212,761** | - |
|  | **212,761** | - |

NCAs (or disposal groups) held for sale are carried at the lower of the carrying amount or the fair values less costs to sell.

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

|  |  |  |  |
| --- | --- | --- | --- |
| 9 | **Property, plant and equipment** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Plant and equipment** |  |  |
|  | At cost | **244,997** | 446,010 |
|  | Accumulated depreciation | **(187,195)** | (365,018) |
|  | Total plant and equipment | **57,802** | 80,992 |
|  | **Furniture, fixtures and fittings** |  |  |
|  | At cost | **-** | 498,390 |
|  | Accumulated depreciation | **-** | (243,841) |
|  | Total furniture, fixtures and fittings | **-** | 254,549 |
|  | **Motor vehicles** |  |  |
|  | At cost | **487,579** | 539,610 |
|  | Accumulated depreciation | **(390,970)** | (387,450) |
|  | Total motor vehicles | **96,609** | 152,160 |
|  | **Total property, plant and equipment** | **154,411** | 487,701 |

1. Movements in carrying amounts of property, plant and equipment

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

Furniture,

|  |  |
| --- | --- |
|  | **Plant and Fixtures and Motor**  **Equipment Fittings Vehicles Total** |
| **$ $ $ $** |
| **Year ended 31 December 2015**  Balance at the beginning of year | **80,993 254,550 152,161 487,704** |
| Additions | **- - - -** |
| Disposals | **(14,036) - (7,929) (21,965)** |
| Transfers | **254,550 (254,550) - -** |
| Transfers to held for sale | **(212,761) - - (212,761)** |
| Depreciation charge | **(50,944) - (47,623) (98,567)** |
| **Balance at the end of the year** | **57,802 - 96,609 154,411** |
| **Year ended 31 December 2014**  Balance at the beginning of year | 145,705 333,035 263,346 742,086 |
| Write offs | (18,973) (11,697) - (30,670) |
| Additions | - - 24,578 24,578 |
| Disposals | - - (73,671) (73,671) |
| Depreciation charge | (45,739) (66,788) (62,092) (174,619) |
| **Balance at the end of the year** | 80,993 254,550 152,161 487,704 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **10** | **Intangible assets** | **Franchise** |  |
|  |  | **Software fees** | **Total** |
|  | **At 1 January 2015** | **$ $** | **$** |
|  | Cost | **65,500 15,000** | **80,500** |
|  | Accumulated amortisation | **(65,500) (3,308)** | **(68,808)** |
|  | **Net book amount** | **- 11,692** | **11,692** |
|  | **Year ended 31 December 2015** |  |  |
|  | Opening net book amount | **- 11,692** | **11,692** |
|  | Amortisation charge | **- (750)** | **(750)** |
|  | **Closing net book amount** | **- 10,942** | **10,942** |
|  | **At 31 December 2015** |  |  |
|  | Cost | 65,500 15,000 | 80,500 |
|  | Accumulated amortisation | (65,500) (4,058) | (69,558) |
|  | **Net book amount** | - 10,942 | 10,942 |
|  | **At 1 January 2014** |  |  |
|  | Cost | 65,500 15,000 | 80,500 |
|  | Accumulated amortisation | (65,500) (3,308) | (68,808) |
|  | **Net book amount** | **- 11,692** | **11,692** |
|  | **Year ended 31 December 2014** |  |  |
|  | Opening net book amount | **- 12,442** | **12,442** |
|  | Additions | **- -** | **-** |
|  | Amortisation charge | **- (750)** | **(750)** |
|  | **Closing net book amount** | **- 11,692** | **11,692** |
|  | **At 31 December 2014** |  |  |
|  | Cost | 65,500 15,000 | 80,500 |
|  | Accumulated amortisation | (65,500) (3,308) | (68,808) |
|  | **Net book amount** | - 11,692 | 11,692 |
| **11** | **Trade and other payables** |  |  |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Trade payables | **1,255,736** | 1,484,647 |
|  | Accrued expenses | **416,142** | 126,509 |
|  | Other payables | **200,341** | 233,895 |
|  |  | **1,872,219** | 1,845,051 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **12** | **Borrowings from the Parent** | **2015** | **2014** |
|  | **Unsecured - current** | **$** | **$** |
|  | Loans from related parties | **5,010,493** | 3,532,365 |
|  | **Total current borrowing** | **5,010,493** | 3,532,365 |
|  | uwsconnect Limited has an unused borrowing facility to the value of $0.990M |  |  |
| **13** | **Provisions** |  |  |
|  | Current provisions expected to be settled within 12 months. | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Annual leave | **252,812** | 136,699 |
|  | Long service leave | **140,446** | 110,944 |
|  |  | **393,258** | 247,643 |
|  | Current provisions expected to be settled after more than 12 months | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Annual leave | **-** | 95,749 |
|  | Long service leave | **64,213** | 127,601 |
|  |  | **64,213** | 223,350 |
|  | Non-current provisions |  |  |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Employee benefits - long service leave | **210,426** | 232,448 |
|  |  | **210,426** | 232,448 |
| **14** | **Other liabilities** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Voucher liability | **228,522** | 293,576 |
|  | Deposits on hand | **539** | 13,509 |
|  | Unearned income - UWS funding | **-** | 463,710 |
|  |  | **229,061** | 770,795 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **15** | **Retained earnings**  Movements in retained earnings were as follows: |  | |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Balance 1 January 2015 | **(865,059)** | 626,583 |
|  | Surplus/(deficit) for the year | **(1,919,693)** | (1,491,642) |
|  | **Balance 31 December 2015** | **(2,784,752)** | (865,059) |
| **16** | **Remuneration of Auditors** |  |  |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Audit of financial statements | **40,893** | 33,825 |
|  | Total remuneration for audit and other assurance services (inclusive of GST) | **40,893** | 33,825 |
| **17** | **Contingencies** |  |  |
|  | The Company had no contingent liabilities at 31 December 2015 (2014: $nil). |  |  |
| **18** | **Commitments** |  |  |
|  | **(a)** Operating lease commitments |  |  |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Commitments for minimum lease payments in relation to non- cancellable operating leases are payable as follows: |  |  |
|  | Within one year | **40,423** | 79,316 |
|  | Later than one year | **6,019** | 46,443 |
|  |  | **46,442** | 125,759 |
|  | **(b)** Capital expenditure commitments |  |  |

There are no capital expenditure commitments as at the end of the 2015 reporting period (2014: $nil).

1. Related party transactions
   1. Parent entities

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

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

* 1. Transactions with related parties

The following transactions occurred with related parties:

Sale of goods and services

**2015**

**$**

**2014**

**$**

Sale of goods and services to the ultimate parent entity UWS **1,367,512** 2,255,100 Sale of goods and services to other related parties **99,700** 3,821,400

**1,467,212** 6,076,500

Purchase of goods and services

Purchase of goods and services from the ultimate parent entity **-** 163,901

**-** 163,901

Other transactions

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| University funding from the ultimate parent entity | **2,542,005** | 3,803,301 |
| **Total** | **2,542,005** | 3,803,301 |

* 1. Outstanding balances arising from sales or purchases of goods and services

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

2015 2014

|  |  |  |
| --- | --- | --- |
| **Current receivables**  Ultimate parent entity | **978,500** | 3,008 |
| Other related parties | **12,438** | 3,332 |
|  | **990,938** | 6,340 |
| **Current payables**  Ultimate parent entity | **712,978** | 3,532,365 |
| Other related parties | **2,013** | - |

**714,991** 3,532,365

|  |  |  |  |
| --- | --- | --- | --- |
| **(d)** | Loans from UWS | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Beginning of the year | **3,532,365** | 2,439,562 |
|  | Loans advanced | **11,855,000** | 7,175,000 |
|  | Loan repayments | **(10,502,763)** | (6,190,432) |
|  | Interest charged | **125,891** | 108,236 |
|  | End of the year | **5,010,493** | 3,532,365 |

### Notes to the Financial Statements

##### For the Year Ended 31 December 2015

1. Economic dependency

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

The Company, as a 100% owned entity of the University of Western Sydney, received $2,542,005 in direct funding in 2015 for University services.

Funding for 2016 has been approved for $1,200,000 for the purpose of providing food, beverages, health awareness services, campus life activities and events.

In addition there is support and funding for community services and clubs from the parent entity UWS (refer to Note 3).

Further all borrowings are from the Parent Entity as mentioned in Note 19 (d), with funding limited to the purchase of books and day to day working capital.

Therefore the management believes that the company will continue as a going concern entity and a Letter of Support has been provided by the University of Western Sydney.

1. Events occurring after the reporting period

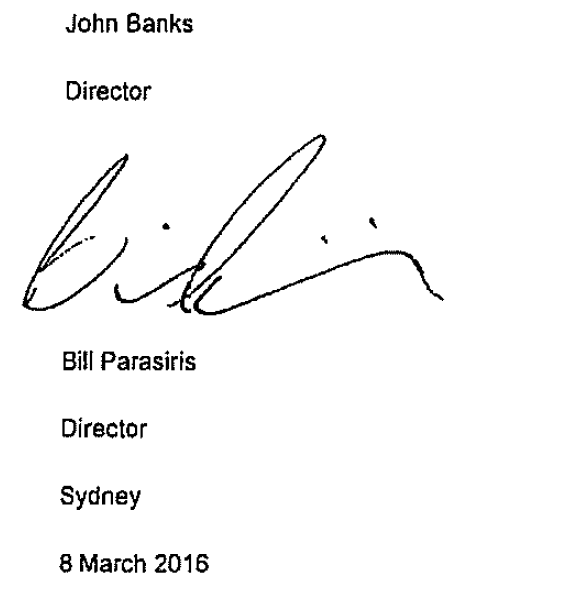
There are no events after the balance sheet date of which the Directors are aware that will have a material effect on the Company's operations (2014: $Nil).

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

|  |  |  |
| --- | --- | --- |
| Operating deficit for the year | **2015**  **$ (1,919,693)** | **2014**  **$**  (1,491,642) |
| Depreciation and amortisation | **99,317** | 175,369 |
| Interest accrual | **125,891** | 30,670 |
| Net (gain)/loss on sale of non-current assets | **(14,409)** | 29,086 |
| Changes in operating assets and liabilities |  |  |
| (Increase)/decrease in trade debtors | **52,953** | (794,285) |
| (Increase)/decrease in inventories | **1,007,805** | 1,711,929 |
| (Increase)/decrease in other operating assets | **(94,473)** | 158,323 |
| Increase/(decrease) in trade creditors | **27,168** | (1,454,660) |
| Increase/(decrease) in other operating liabilities | **(541,734)** | 446,376 |
| Increase/(decrease) in other provisions | **(35,542)** | (132,265) |

Net cash flows used in operating activities **(1,292,717)** (1,321,099)

End of the audited financial statements



**uwsconnect Limited 2015**

**ABN 45 107 759 197**

**Directors' Declaration**

In the director's opinion:

(a) the financial statements and notes set out on pages 172 to 192 are in accordance with the Corporations Act 2001, including:

(i) complying with the Accounting Standards, the Corporations Regulations 2001, Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the financial year ended on that date, and

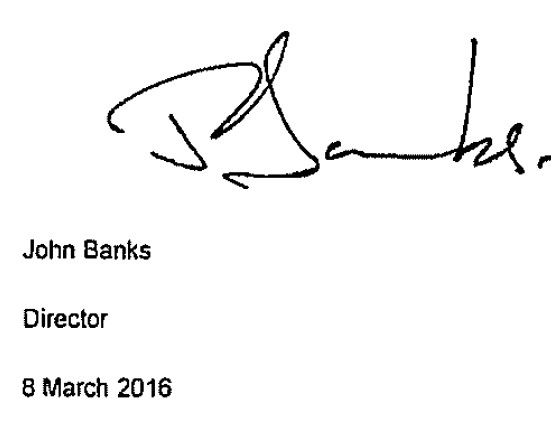
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,

This declaration is made in accordance with a resolution of the directors as at 8 March 2016.

John Banks Director

Bill Parasiris Director Sydney

8 March 2016



**uwsconnect Limited 2015**

**ABN 45 107 759 197**

**Directors' Declaration**

**Responsible entities declaratio**n - *per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013*

The responsible entities declare that in the responsible entities opinion:

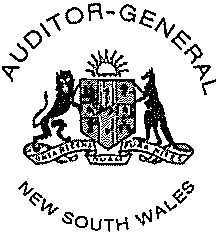
(a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

John Banks Director

8 March 2016



#### INDEPENDENT AUDITOR'S REPORT

**uwsconnect Limited 2015**

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

I have audited the accompanying financial statements of uwsconnect Limited (the Company), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration, and the responsible entities declaration.

**Opinion**

In my opinion the financial statements:

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

giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

, are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

, have been prepared in accordance with Division 60 of the *Australian Charities and*

*Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for­ profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

My opinion does *not* provide assurance:

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

**Independence**

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

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

- ***V.N .e«:..***

A T Whitfield PSM Acting Auditor-General

14 March 2016 SYDNEY

# UWS Early Learning Limited

###### ABN 39155993445

**Financial Statements**

**For the Year Ended 31 December 2015**

These financial statements are the individual entity statements of UWS Early Learning Limited (the Company).

The Company is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements are presented in Australian currency.

Its registered office is:

UWS Early Learning Limited

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

Richmond NSW 2753 The principal place of business is:

Western Sydney University Building P18 College Drive Richmond NSW 2753

A description of the nature of the company's operations and it's principal activities is included in the Directors report on pages 198 to 201, which form part of these financial statements.

The financial statements were authorised for issue by the Directors on 21 March 2016. The Directors have the power to amend and reissue the financial statements.

##### Director's Report

**For the year ended 31 December 2015**

Your Directors present their report on UWS Early Learning Limited (hereafter referred to as the Company) for the financial period from 1 January 2015 to 31 December 2015.

Directors

The following persons were Directors of the Company during the period from 1 January 2015 to 31 December 2015 and up to the date of this report:

**Ms Susan Alison Hudson,** BA (UWS), Grad Cert BA (UQ), MLMEd (U Newcastle), Diploma AICD, JP, Non- Executive Director and Chair

Appointed as an inaugural member of the Board of UWS Early Learning Ltd, as from 2 March 2012. Susan has extensive experience in senior management positions at the University which includes over 15 years of key management committee experience. Susan has served as the Academic Register for the School of Public Health and Tropical Medicine at the University of Sydney. She is an Executive Member of the NSW Branch of the Association of Tertiary Education Managers. Susan is presently the Director of Human Resources and Organisational Development at Western Sydney University.

**Mr Darren Greentree,** MBA(Exec) AGSM, BBus(Acc), GAICD, CPA, JP, Non-Executive Director

Appointed as a member of the Board of UWS Early Learning Ltd, as from 14 May 2013. Darren has over 20 years senior management experience within Multi-National, Publicly Listed and Private Organisations joining the Education Sector in early 2010. In his role as Director – Financial Operations at the Western Sydney University, Darren is responsible for the University’s Management Reporting, Forecasting and Budgeting along with the Financial Systems, Treasury, Financial Accounting and Management Accounting. Darren holds a joint Executive MBA from the Universities of Sydney and New South Wales (AGSM), a Bachelor Degree in Business (Accounting), is a Graduate Member of the Australian Institute of Company Directors, a Justice of the Peace and a member of CPA Australia. Darren is a Director of UWSELL and an independent member of the Penrith City Council’s Audit Committee. Darren is an experienced Finance and Accounting practitioner and has been instrumental in leading structural and cultural change throughout his career specialising in integrating Finance functions as strategic partners within organisations.

**Mrs Denise Fraser,** BEd Early Childhood, Grad Cert HRM, Non-Executive Director

Appointed as an inaugural member of the Board of UWS Early Learning Ltd, as from 2 March 2012. Denise is a senior educational professional in the provision of Early Childhood Programs as well as course advisor in such programs for the University. She has extensive experience in the governance of children’s services at both local and state government levels. For the past 9 years Denise has been actively involved as a Board member of a large not for profit provider of child care in Long Day Care, Pre-school and OOSH services as well as a number of other child related activities. Denise is Chair of the Community Early Learning Partnership Committee.

**Mrs Ellen Brackenreg,** BA(Psych), BSW, MBA, GAICD, Non-Executive Director

Appointed as an inaugural member of the Board of UWS Early Learning Ltd, as from 2 March 2012. Ellen has extensive experience in senior management positions in WA Health and at Western Sydney University which includes over 20 years key management committee experience. Her vast experience extends from her work in children’s services, student support services, allied health services and psychiatric services. Ellen’s professional experience includes child and adolescent services, residential child care, child care management committee and she is a Director of UWS Enterprises Pty Ltd.

**Mrs Susan Benzie,** Teach Cert (Infants & Preschool), Teach Cert (Deaf), Dip Teach, Bed, MLMEd, Grad Cert Ed Stud. (Spec Ed), MACE, MACEL, JP, Non-Executive Director

Appointed as an external Independent Non-Executive member of the Board of UWS Early Learning Limited as from 23 July 2012. Susan is a very senior educational professional. After her retirement as Head of the Royal Institute for Deaf and Blind Children (RIDBC) Early Childhood Services, Susan’s very extensive experience spans roles in the provision of Early Childhood services in preschool, infants and more recently at RIDBC. Susan’s extensive skill set covers such roles as program and staff management, policy development and review, budget control and performance management, event planning and family support. Susan served as a senior member on a number of professional committees with emphasis on special and mainstream early Childhood education.

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

##### Director's Report

**For the year ended 31 December 2015**

Company Secretary

The following person held the position of UWS Early Learning Limited Secretary at the end of the financial year:

**Mr Ian Gregory Londish,** BALLB (Hons) appointed 1 August 2013

Principal activities

The Company was incorporated in the state of NSW on 2 March 2012. The principal activity of the Company during the financial period was to provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community.

Short-term objectives

The Company's short-term objectives have been to:

* Consolidate the management of the operations of Hawkesbury, Blacktown, Penrith, Campbelltown and Bankstown and Parramatta into coherent operation with consistent operational practices and policies;
* Ensure that all services are actively developing and reviewing quality improvement plans in line with National Quality Standards;
* Standardise all accounting, banking and ancillary systems.
* Increase occupancy at all services;
* Increase proportional usage by Western Sydney University students and staff at all services;
* Promote occasional care places that exist in all of the UWSELL services for students to assist in catering for Western Sydney University student needs.
* Continue to review ways to optimise student accessibility and affordability when utilising Western Sydney University early childhood facilities.

Long-term objectives

The Company's long-term objectives are to:

* Achieve optimal usage at all services whilst addressing the needs of Western Sydney University students and staff;
* Improve the standard of operation of all services such that they are all exceeding National Quality Standard;
* Develop a viable occasional care system for Western Sydney University students and staff;
* Become financially self-sufficient whilst acknowledging the specific needs of Western Sydney University students and staff;
* Ensure that the company maintains best practice governance standards;
* Ensure that the company meets the expectations of the University in achieving the strategic purpose determined by the University for the company.

Performance measures

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

* Reporting actual operating results for each centre against approved annual budgets.
* Reporting actual occupancy rates for each age group for each centre against approved licenced places.
* Maintaining sufficient working capital to meet ongoing employee entitlements and related liabilities as and when due for payment.
* Monitoring retention rates, maintaining family satisfaction surveys and evaluating feedback.
* Managing occupational health and safety risk management practices for both children under care and staff interaction where sickness may severely impact the operations of each centre.
* Maintaining appropriate levels of children/teacher ratios as prescribed by regulation.

##### Director's Report

**For the year ended 31 December 2015**

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the period from 1 January 2015 to 31 December 2015, and the number of meetings attended by each Director were:

|  |  |  |
| --- | --- | --- |
| Susan Hudson | **A**  5 | **B**  5 |
| Darren J Greentree | 5 | 5 |
| Denise Fraser | 4 | 5 |
| Ellen M Brackenreg | 4 | 5 |
| Susan M Benzie | 5 | 5 |
| A = Number of meetings attended  B = Number of meeting held during the time the Director held office |  |  |
| **Members** |  |  |

The following were members of the Company during the period from 1 January 2015 to 31 December 2015 and up to the date of this report:

* Western Sydney University.
* Any parent, relative or guardian of a child currently enrolled in a centre who has completed an application form for membership. New membership is no longer available for this category.

Members' guarantee

The Liability of members of the company is limited. If the company is wound up during the time of a member's membership or within one year afterwards, each member of the company is liable to contribute an amount not greater than $2.00.

Review of operations

Total revenue for the period 1 January 2015 to 31 December 2015 is $6.2 Million, compared with $4.9 Million in 2014 for the same period. The net surplus for 2015 is $216,654, compared with a deficit of $363,769 in 2014.

The turn around in 2015 is mainly due to additional capacity following the acquisition of the Parramatta campus centre during 2014 and lower non-employee expenses following a number of one-off costs incurred during 2014 including set-up costs for the Parramatta centre and consultancy costs. In 2015 the child care centres had an average 93% occupancy rate.

Dividend Paid or recommended

No dividend was paid or is payable since the commencement of the financial period and up to and including the date of signing of this report. (2014: $Nil).

Significant changes in state of affairs

There were no significant changes to the state of affairs of the Company during the year.

Matters subsequent to the end of the financial period

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

Environmental regulation

The Company is not subject to any significant environmental regulations.

Insurance of officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company. Indemnity insurance is provided for by the University of Western Sydney (parent) trading as Western Sydney University.

##### Director's Report

**For the year ended 31 December 2015**

Proceeding on behalf of the Company

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

The Company was not a party to any such proceedings during the period.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period from 1 January 2015 to 31 December 2015 has been received and can be found on page 202 of the financial report.

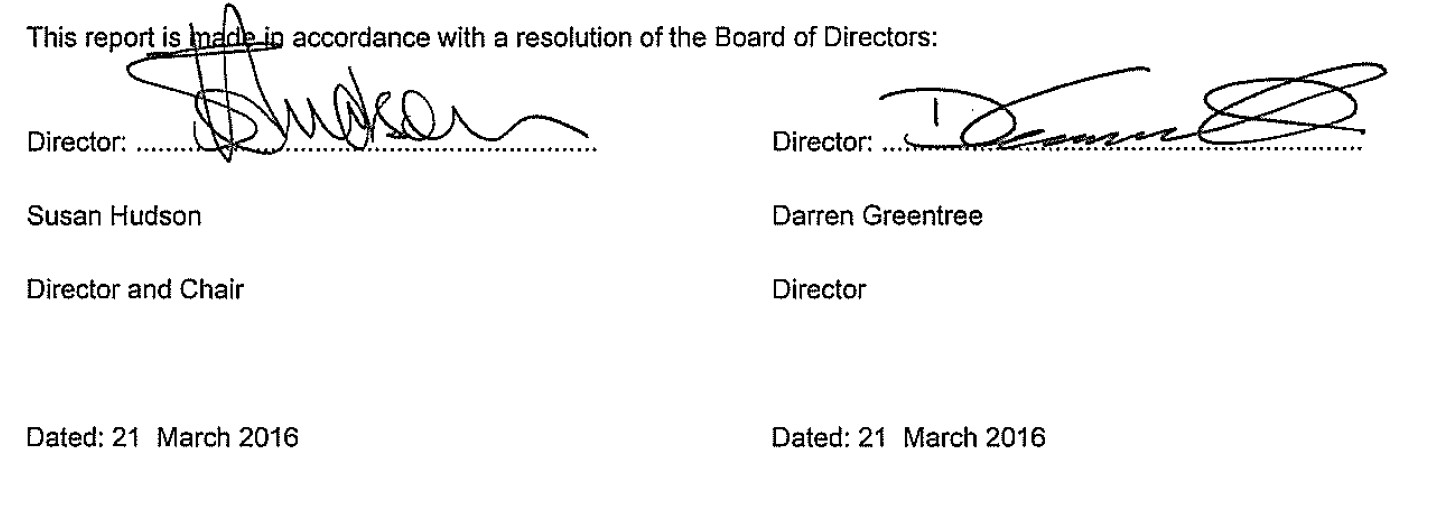
This report is made in accordance with a resolution of the Board of Directors:

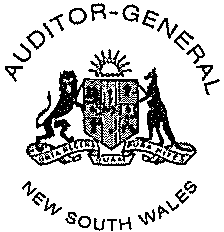
Director: .............................................................. Director: ................................................................

Susan Hudson Darren Greentree

Director and Chair Director

Dated: 21 March 2016 Dated: 21 March 2016





To the Directors

UWS Early Learning Limited

**Auditor's Independence Declaration**

As auditor for the audit of the financial statements of UWS Early Learning Limited for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



A T Whitfield PSM Acting Auditor-General

17 March 2016 SYDNEY

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2015**  **$** | **2014**  **$** |
| **Revenue**  Child Care Services | 2 | **6,010,368** | 4,744,012 |
| Interest |  | **32,537** | 31,625 |
| Other Revenue | 2 | **162,741** | 77,809 |
| **Total Revenue** |  | **6,205,646** | 4,853,446 |
| **Expenses**  Employee Benefits Expense | 3 | **(5,333,351)** | (4,427,043) |
| Provision for Doubtful Debts |  | **(14,818)** | (2,000) |
| Other Expenses | 3 | **(640,823)** | (788,172) |
| **Total Expenses** |  | **(5,988,992)** | (5,217,215) |
| **Surplus (Deficit) for the year** |  | **216,654** | (363,769) |

Other Comprehensive Income for the year - -

**Total Comprehensive Income for the year 216,654** (363,769)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2015**  **$** | **2014**  **$** |
| **ASSETS** |  |  |  |
| **Current Assets**  Cash and Cash Equivalents | 4 | **555,260** | 304,675 |
| Receivables | 5 | **84,918** | 143,717 |
| Prepayment |  | **11,562** | 35,890 |
| **Total Current Assets** |  | **651,740** | 484,282 |
| **Non-Current Assets**  Loan Receivable | 5 | **1,187,436** | 974,898 |

Total Non-Current Assets 1,187,436 974,898

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Assets** |  | **1,839,176** | 1,459,180 |
| **LIABILITIES** |  |  |  |
| **Current Liabilities**  Trade and Other Payables | 6 | **472,567** | 354,205 |
| Deferred Income |  | **61,136** | 64,772 |
| Income Received in Advance |  | **-** | 22,718 |
| Provisions | 7 | **429,810** | 318,629 |
| **Total Current Liabilities** |  | **963,513** | 760,324 |
| **Non-Current Liabilities**  Provisions | 7 | **54,529** | 94,376 |
| **Total Non-Current Liabilities** | | **54,529** | 94,376 |
| **Total Liabilities** | | **1,018,042** | 854,700 |
| **Net Assets** |  | **821,134** | 604,480 |
| **EQUITY**  Retained Earnings | 8 | **821,134** | 604,480 |
| **Total Equity** | | **821,134** | 604,480 |

|  |  |  |
| --- | --- | --- |
|  | **Retained earnings** | **Total equity** |
| **$** | **$** |
| **Balance at 1 January 2015** | **604,480** | **604,480** |
| **Comprehensive income for the year**  Surplus for the year | **216,654** | **216,654** |
| Other comprehensive income for the year | **-** | **-** |
| **Total comprehensive income for the year** | **216,654** | **216,654** |
| **Balance at 31 December 2015** | **821,134** | **821,134** |

Retained earnings

**$**

**Total equity**

**$**

**Balance at 1 January 2014** 968,249 968,249

Comprehensive income for the year

Deficit for the year (363,769) (363,769)

Other comprehensive income for the year - -

**Total comprehensive income for the year** (363,769) (363,769)

**Balance at 31 December 2014** 604,480 604,480

Note

**2015**

**$**

**2014**

**$**

|  |  |  |
| --- | --- | --- |
| **CASH FLOWS FROM OPERATING ACTIVITIES**  Receipts from fees | **2,998,772** | 2,342,310 |
| Payments to suppliers and employees | **(5,809,200)** | (5,302,168) |
| Receipts from Australian Government child care benefits | **2,676,518** | 1,874,595 |
| Subsidies received | **564,496** | 615,418 |
| Interest received | **32,537** | 31,625 |
| **Net cash inflow/(outflow) from operating activities** 14 **463,123** | | (438,220) |
| **CASH FLOWS FROM INVESTING ACTIVITIES**  Loans to related parties **(212,538)** | | (974,898) |
| **Net cash (outflow) from investing activities (212,538)** | | (974,898) |

|  |  |  |
| --- | --- | --- |
| **Net increase / (decrease) in cash and cash equivalents held** | **250,585** | (1,413,118) |
| **Cash and cash equivalents at the beginning of the year** | **304,675** | 1,717,793 |

**Cash and cash equivalents at the end of the year** 4 **555,260** 304,675

1 Summary of significant accounting policies

UWS Early Learning Limited (the Company) is a not-for-profit company limited by guarantee incorporated on 2nd March 2012 and domiciled in Australia.

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

The financial statements for the year ended 31 December 2015 are authorised for issue in accordance with a resolution of the Board of Directors on 21 March 2016.

1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

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

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

- *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulations 2015*

UWS Early Learning Ltd is a not-for-profit entity and these statements have been prepared on a going concern basis. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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

1. Functional and presentation currency

The financial statements are presented in Australian dollars.

1. Revenue recognition

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

1 Summary of significant accounting policies continued

1. **Revenue recognition continued**

Revenue is recognised for the major business activities as follows:

* 1. Child care services

Revenue from child care services is recognised when services have been provided to the customer, the customer has accepted the services and collectability of the related receivables is probable.

* 1. Government grants

UWS Early Learning Limited treats operating grants received from Australian Government entities as income in the year of receipt.

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

* 1. Investment income

Interest income is recognised using the effective interest method.

1. Income tax exemption

The Company is exempt from the payment of tax by virtue of section 50-B of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax liability or future income tax benefit has been included in the financial statements.

1. Cash and cash equivalents

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

1. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days for debtors. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

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

1 Summary of significant accounting policies continued

1. **Financial assets**

The UWS Early Learning Limited did not hold financial assets at fair value through profit or loss either in the current or comparative financial years.

* 1. Loans and receivables

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

Loans and receivables are carried at amortised cost using the effective interest method.

* 1. Assets carried at amortised cost.

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

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

1. Trade and other payables

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

1. Employee benefits

Provision is made for the UWS Early Learning Limited's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

Employee benefits are presented as current liabilities in the statement of financial position if the UWS Early Learning Limited does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

1 Summary of significant accounting policies continued

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

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

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

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

1. New and Revised Accounting Standards

Certain new accounting standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

|  |  |  |  |
| --- | --- | --- | --- |
| **2** | **Revenue** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Child care services**  Family fee income | **2,890,223** | 2,298,454 |
|  | Australian Government Childcare Benefits | **2,532,803** | 1,830,140 |
|  | Subsidies | **587,342** | 615,418 |
|  | **Total child care services** | **6,010,368** | 4,744,012 |
|  | **Other revenue**  Australian Government Traineeship Funding | **37,100** | 35,227 |
|  | Long Day Care Professional Development Grants | **113,546** | 24,773 |
|  | Other Income | **12,095** | 17,809 |
|  | **Total other revenue** | **162,741** | 77,809 |
| **3** | **Expenses** |  |  |
|  | The result for the year includes the following specific expenses: |  |  |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **Employee benefits expense** |  |  |
|  | Salaries and Wages | **4,777,730** | 3,889,725 |
|  | Superannuation Expense | **414,596** | 341,455 |
|  | Annual and Long Service Leave | **72,745** | 108,759 |
|  | Worker's Compensation | **64,928** | 63,669 |
|  | Other | **3,352** | 23,435 |
|  | **Total employee benefit expense** | **5,333,351** | 4,427,043 |
|  | **Other expenses** |  |  |
|  | Catering | **169,814** | 144,666 |
|  | Cleaning | **157,131** | 101,938 |
|  | Legal Expenses | **7,172** | 71,825 |
|  | Non-capitalised Equipment | **59,290** | 209,265 |
|  | Centre resources and supplies | **66,902** | 81,625 |
|  | Repairs and Maintenance | **4,286** | 16,203 |
|  | Staff Development | **53,470** | 30,960 |
|  | Printing | **22,781** | 24,778 |
|  | Other expenses | **99,977** | 106,912 |
|  | **Total other expenses** | **640,823** | 788,172 |

1. Cash and cash equivalents

**Note**

**2015**

**$**

**2014**

**$**

**Cash at bank** 14 **555,260** 304,675

The Company's exposure to interest rate risk is discussed in note 15. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. Cash at bank is interest bearing.

|  |  |  |  |
| --- | --- | --- | --- |
| **5** | **Trade and other receivables** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **CURRENT**  Trade Receivables | **47,024** | 32,113 |
|  | Receivable from Parent | **30,071** | 83,669 |
|  | Less: Provision for impaired receivable | **(16,818)** | (2,000) |
|  |  | **60,277** | 113,782 |
|  | GST receivable | **24,641** | 26,159 |
|  | Other Receivables | **-** | 3,776 |
|  | **Total current receivables** | **84,918** | 143,717 |
|  | **NON-CURRENT**  Loan to Parent Entity | **1,187,436** | 974,898 |
|  | **Total non-current receivable** | **1,187,436** | 974,898 |
|  | **Total trade and other receivables** | **1,272,354** | 1,118,615 |

* 1. Trade and other receivables

As at 31 December 2015, trade receivable of $47,024 (2014: $32,113), receivable from parent entity of $30,071 (2014:

$83,669) and other receivable of $nil (2014: $3,776).

|  |  |  |
| --- | --- | --- |
| The ageing of total current receivables (excluding GST receivable) is as follows: | **2015** | **2014** |
|  | **$** | **$** |
| Up to 3 months | **60,277** | 114,645 |
| 3 to 6 months | **12,268** | 1,278 |
| Over 6 months | **4,550** | 3,635 |
|  | **77,095** | 119,558 |

1. Trade and other receivables continued

(b) Credit risk

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

The amounts within receivables do not contain impaired assets and are not significantly overdue. Based on credit history, it is expected that these amounts will be received in a timely manner and do not represent any material risk.

|  |  |  |  |
| --- | --- | --- | --- |
| **6** | **Trade and other payables** | **2015** | **2014** |
|  |  | **$** | **$** |
|  | **CURRENT**  Trade Payables | **29,642** | 15,745 |
|  | Payables to Parent | **-** | 1,251 |
|  | Enrolment Deposits | **224,326** | 177,019 |
|  | Accrued Expenses | **30,952** | 11,044 |
|  | Other Payables | **187,647** | 149,146 |
|  | **Total trade and other payables** | **472,567** | 354,205 |

7 Provisions

**CURRENT**

**Employee benefits**

**2015**

**$**

**2014**

**$**

|  |  |  |
| --- | --- | --- |
| Annual Leave | **287,131** | 231,354 |
| Long Service Leave | **142,679** | 87,275 |

**Total current provisions 429,810** 318,629

**NON-CURRENT**

**Employee benefits**

Long Service Leave **54,529** 94,376

Total non-current provisions 54,529 94,376

**Total provisions 484,339** 413,005

|  |  |  |  |
| --- | --- | --- | --- |
| **8** | **Retained earnings**  Movements in Retained Earnings |  | |
|  |  | **2015** | **2014** |
|  |  | **$** | **$** |
|  | Retained Earnings at 1 January | **604,480** | 968,249 |
|  | Surplus/(Deficit) for the year | **216,654** | (363,769) |
|  | **Balance at 31 December** | **821,134** | 604,480 |

1. Key management personnel disclosures
   1. **Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of UWS Early Learning Limited during the financial period.

Responsible Persons:

Mrs Angie Atkinson - General Manager

All responsible persons and executive officers are employees of UWS Early Learning Ltd and are remunerated directly by the entity.

* 1. Remuneration of Board Members

No Board Member is remunerated for their services.

1. Remuneration of auditors

During the period, the following fees were paid for services provided by the auditor of UWS Early Learning Limited:

|  |  |  |
| --- | --- | --- |
| Audit and review of the financial statements | **2015**  **$**  **24,000** | **2014**  **$**  24,000 |
| **Total fees paid to auditors** | **24,000** | 24,000 |

1. Contingencies

The Company had no contingent liabilities at 31 December 2015.

1. Commitments

The Company had no commitments at 31 December 2015.

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

The ultimate parent entity of the Company is the University of Western Sydney (trading as Western Sydney University).

|  |  |  |
| --- | --- | --- |
| **(b) Transactions with related parties**  The following transactions occurred with related parties: |  | |
|  | **2015** | **2014** |
|  | **$** | **$** |
| **Subsidies**  Parent entity | **587,342** | 615,418 |
| **Total subsidies received** | **587,342** | 615,418 |

Related Party Receivables

**2015**

**$**

**2014**

**$**

|  |  |  |
| --- | --- | --- |
| Parent entity subsidies | **30,071** | 83,669 |
| Loan to Parent Entity | **1,187,436** | 974,898 |

**Total related party receivables 1,217,507** 1,058,567

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

**2015**

**$**

**2014**

**$**

Surplus/(Deficit) for the year **216,654** (363,769)

Change in operating assets and liabilities:

|  |  |  |
| --- | --- | --- |
| (Increase) / decrease in trade debtors | **58,799** | (7,226) |
| (increase)/decrease in prepayments | **24,328** | - |
| Increase/(decrease) in income in advance | **(3,635)** | 17,729 |
| Increase / (decrease) in trade creditors | **12,646** | (35,890) |
| Increase / (decrease) in other operating liabilities | **82,997** | (160,460) |
| Increase / (decrease) in other provisions | **71,334** | 111,396 |

**Net cash inflow/(outflow) from operating activities 463,123** (438,220)

1. **Financial risk management**

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

The Company holds the following financial instruments:

Note: Excludes GST receivable, prepayment, deferred income, income in advance and provision payable (not within scope of AASB 7).

|  |  |  |
| --- | --- | --- |
|  | **2015**  **$** | **2014**  **$** |
| **Financial Assets**  Cash and Cash Equivalents | **555,260** | 304,675 |
| Trade Receivables | **60,277** | 117,557 |
| Loan to Parent Entity | **1,187,436** | 974,898 |
| **Total financial assets** | **1,802,973** | 1,397,130 |
| **Financial Liabilities**  Trade and other payables | **217,289** | 117,186 |
| **Total financial liabilities** | **217,289** | 117,186 |

* 1. Market risk

1. Cash flow and fair value interest rate risk

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

15 Financial risk management continued

1. **Market risk continued**
2. Sensitivity analysis

The following table summarises the sensitivity of the Company's financial assets to interest rate risk.

31 December 2015 Interest rate risk

**-1% +1%**

**Carrying amount**

**$**

**Result**

**$**

**Equity**

**$**

**Result**

**$**

**Equity**

**$**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial assets**  Cash and Cash Equivalents | **555,260** | **(5,553)** | **(5,553)** | **5,553** | **5,553** |
| Loan Receivable - Parent Entity | **1,187,436** | **(11,874)** | **(11,874)** | **11,874** | **11,874** |

**Total increase/(decrease) (17,427) (17,427) 17,427 17,427**

**31 December 2014 Interest rate risk**

**-1% +1%**

**Financial assets**

**Carrying amount**

**$**

**Result**

**$**

**Equity**

**$**

**Result**

**$**

**Equity**

**$**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cash and Cash Equivalents | 304,675 | (3,047) | (3,047) | 3,047 | 3,047 |
| Loan Receivable- Parent Entity | 974,898 | (9,749) | (9,749) | 9,749 | 9,749 |

**Total increase/(decrease)** (12,796) (12,796) 12,796 12,796

None of the Company's financial liabilities are subject to interest rate risk.

1. Credit risk

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

15 Financial risk management continued

1. **Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

* preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
* obtaining funding from a variety of sources;
* maintaining a reputable credit profile;
* managing credit risk related to financial assets;
* only investing surplus cash with major financial institutions; and
* comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days. Therefore the liquidity risk is considered to be minimal.

The following tables summarise the maturity of the Company's financial assets and financial liabilities.

31 December 2015

**Financial Assets**

**Average Interest Rate**

**Less than 12 months**

**2015**

**$**

Between 1

**to 5 years**

**2015**

**$**

Over 5 years

**2015**

**$**

Total 2015

**$**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Receivables 2.9% | | 60,277 | 1,187,436 | - 1,247,716 |
| **Total financial assets** | | 60,277 | 1,187,436 | - 1,247,716 |
| **Financial Liabilities**  Trade and other payables | - 217,289 | | - - 217,289 | |
| **Total financial liabilities** | 217,289 | | - - 217,289 | |

1. Financial risk management continued

**31 December 2014**

**Financial Assets**

Receivables

Average Interest Rate

**Less than 12 months**

**2014**

**$**

Between 1

**to 5 years**

**2014**

**$**

Over 5 years

**$**

Total 2014

**$**

Total financial assets

|  |  |  |  |
| --- | --- | --- | --- |
| 3.5% | 117,757 | 974,898 | - 1,092,659 |
|  | 117,757 | 974,898 | - 1,092,659 |

|  |  |  |
| --- | --- | --- |
| **Financial Liabilities**  Trade and other payables | - 177,186 | - - 177,186 |
| **Total financial liabilities** | 177,186 | - - 177,186 |

1. **Fair value estimation**

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

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

1. Economic dependency

The Company is economically dependent on the University of Western Sydney (trading as Western Sydney University) for the provision of accommodation for each centre and operational support activities.

1. Events occurring after the reporting date

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

##### Directors' Declaration

The directors of the UWS Early Learning Limited declare that:

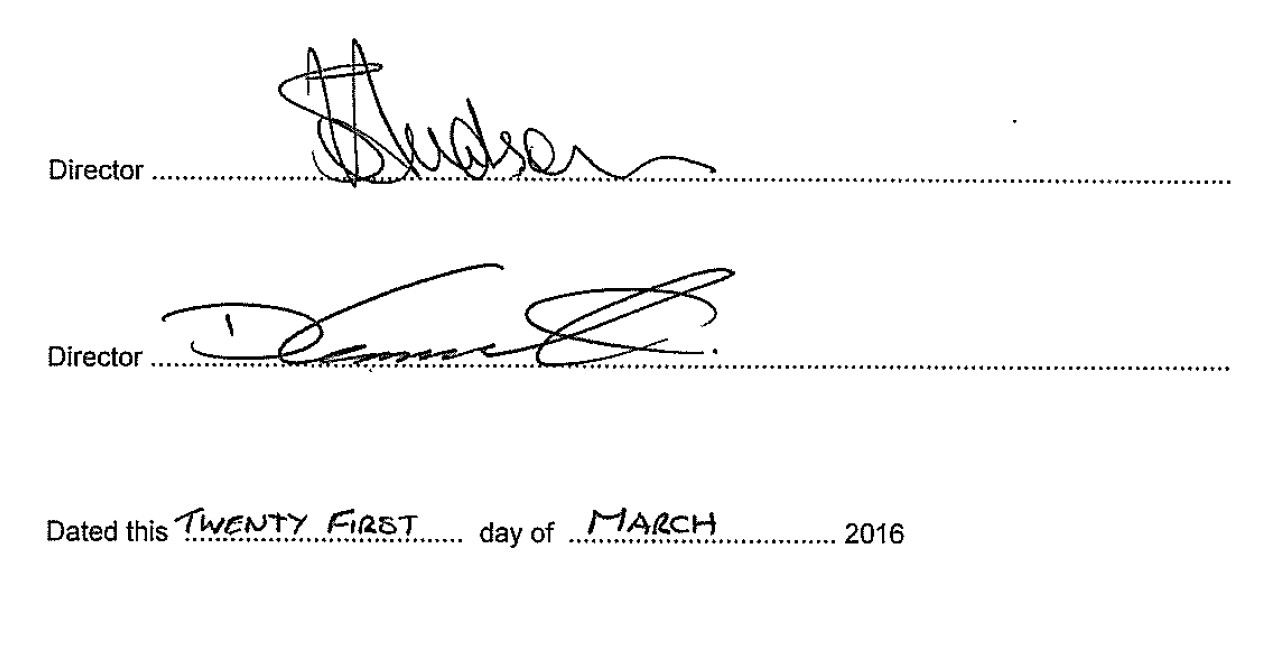
* 1. The financial statements and notes, as set out on pages 203 to 219, are in accordance with the *Corporations Act 2001* and:
     1. comply with Australian Accounting Standards, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the mandatory professional reporting requirements, and
     2. give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the UWS Early Learning Limited.
  2. In the directors' opinion, there are reasonable grounds to believe that the UWS Early Learning Limited will be able to pay its debts as and when they become due and payable.

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

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

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

Dated this ..................................... day of .................................... 2016



##### Directors' Declaration

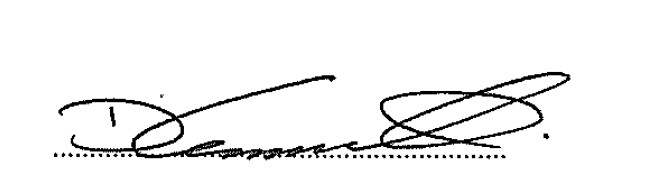
Responsible entities declaration per section 60.15 of Australian Charities and Not-for-profits Commission Regulation 2013

The responsible entity declares that in the responsible entity's opinion:

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

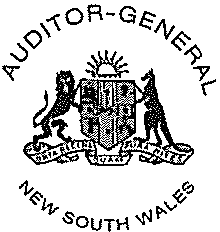
Signed in accordance with subsection 60.15(2) of the Australian Charities and not-for-profits Commission Regulation 2013.

.............................................................



Darren Greentree Director

21 March 2016



**INDEPENDENT AUDITOR'S REPORT**

**UWS Early Learning Limited**

To Members of the New South Wales Parliament and Members of UWS Early Learning Limited.

I have audited the accompanying financial statements of UWS Early Learning Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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, the directors' declaration and the responsible entities declaration.

**Opinion**

In my opinion the financial statements:

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

giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

have been prepared in accordance with Division 60 of the *Australian Charities and Not-for­ profits Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

**Directors' Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

My opinion does not provide assurance:

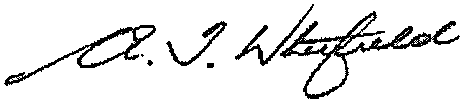
* about the future viability of the Company
* that it carried out its activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they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

**Independence**

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

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

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 17 March 2016, would be in the same terms if provided to the directors as at the time of this auditor's report.



A T Whitfeld PSM Acting Auditor-General

24 March 2016 SYDNEY

This page is intentionally blank

# Whitlam Institute within the University of Western Sydney Limited

###### ABN: 50 100 342 309

**Financial statements**

**For the year ended 31 December 2015**

These financial statements of the Whitlam Institute Within the University of Western Sydney Limited (the Company) are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Company is:

Whitlam Institute Within the University of Western Sydney Limited University of Western Sydney

Building EZ, Parramatta Campus Cnr James Ruse Dr & Victoria Rd Rydalmere NSW 2116

Registered postal address is:

Whitlam Institute Within the University of Western Sydney Limited Locked Bag 1797

Penrith NSW 2751

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

These financial statements were authorised for issue by the directors on 22 February 2016. The directors have the power to amend and reissue the financial statements.

**Director's report**

##### For the year ended 31 December 2015

Your directors present their report on the Company for the financial year ended 31 December 2015.

Directors

The names of each person who has been a director during the year and to the date of this report are: The Hon. John Faulkner

Ms Patricia Amphlett OAM Prof. Barney Glover

Mr Geoffrey Roberson Dr Kerry Schott AO Ms Gabrielle Trainor Mr John Wells

Mr Nicholas Whitlam Resigned 14 December 2015 Mr Talal Yassine OAM

Ms Catherine Dovey Appointed 14 December 2015

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

Company secretary

Ms Sandra Stevenson held the position of Company Secretary for the whole of the financial year and to the date of this report.

Principal activities

The principal activity of the Company is to manage the Company and to act as Trustee of the Trust. The main function of the Company is fundraising in support of the University, and the effective management control of all Trust funds held within the Whitlam Institute Trust account.

The Whitlam Institute works as an educator, policy influencer and research institute. The Institute bridges the historical legacy of the late Gough 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 schools to bring knowledge to life in the community. In a range of practical ways we make scholarship relevant to everyday lives. We are inspired by the E.G Whitlam Prime Ministerial Collection which represents the life's work of an Australian statesmen who has pursued his convictions with a constant commitment to community engagement and a determination to put words into action.

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

Review of operations

The surplus of the Company amounted to $ NIL (2014: $ NIL).

Dividends

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing this report (2014: $nil).

Events after the reporting date

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

Future developments

Future developments are not expected to significantly affect the future operations of the Company.

Environmental matters

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

### Director's report

##### For the year ended 31 December 2015

Auditors independence declaration

The Audit Office of New South Wales continues in office in accordance with section 327 of the *Corporations Act 2001*.

The lead auditors independence declaration for the year ended 31 December 2015 has been received and can be found on page 232 of the financial statements.

Information on directors

The Hon. John Faulkner BA, DipEd (Macquarie). Chair.

Experience Appointed as Director 8 March 2011. Senator the Hon. John Faulkner was a Labor Senator for New South Wales from 1989 to 2015. Since his election to the Senate in 1989, Senator Faulkner has held a number of ministries, serving as Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for the Environment, Sport and Territories, Cabinet Secretary, Special Minister of State and Minister for Defence. He served as Leader of the Opposition in the Senate from 1996 to 2004. He has also held a range of senior positions within the Australian Labor Party, including National President of the party, twenty years as a member of its National Executive and nine years as Assistant General Secretary of the New South Wales Branch. Senator Faulkner is well versed in, and passionate about the history of the Australian Labor Party. Prior to his political career, Senator Faulkner worked as a teacher of children with severe disabilities.

Ms Patricia Amphlett OAM Non-Executive

Experience Appointed as Director 29 June 2010. Ms Patricia Amphlett OAM is the Federal President of the Media, Entertainment and Arts Alliance, a position she has held since 2002. With a succession of hits and as a long standing member of the Bandstand Family, she established herself as a prominent force in the Australian music industry. Her musical talents are credited with many industry awards including Best Female Singer, Most Popular Female Performer, TV Logie for Best Teenage Personality and a succession of Gold Records. A definite 'all rounder' in the music and entertainment industry, Ms Amphlett’s talent spans a broad spectrum from writing, producing and performing shows for children, and hosting charity and corporate events. She maintains a high profile in the music industry, with many live performances at Festivals, Corporate Events, Clubs and Television shows. Ms Amphlett has a strong commitment to music education. She is a consultant for the NSW Government’s Talent Development Project. She is a member of the Board of the National Film & Sound Archives.

### Director's report

##### For the year ended 31 December 2015

Information on directors (continued)

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

MAICD. Non-Executive.

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

Mr Geoffrey Roberson HonDLitt (UWS). Non-Executive.

Experience Appointed as Director 26 April 2002. Mr Geoffrey Roberson is a solicitor, an Accredited Specialist in Commercial Litigation and he is a former President of the Law Society of New South Wales and former Deputy Chancellor of the University of Western Sydney. Currently the Chairman of Champion Legal Pty Limited, a Sydney-based law firm he also chairs and serves on a number of company Boards.

Dr Kerry Schott AO BA (Hons) (UNE), MA (British Columbia), DPhil (Oxon). Non-Executive.

Experience Appointed as Director 11 September 2009. Dr Kerry Schott AO is Chairman of the Moorebank Intermodal Company Ltd, a Director of NBN Co, a Director of the TCorp Board in NSW, a member of the Infrastructure Australia Board, Patron and Board member of Infrastructure Partnerships Australia and a member of the Whitlam Institute Board. Dr Schott was the Project Director for the NSW Treasury managing the sales of the government owned electricity generating plants. She was previously the Project Director of the successful sale and lease of the Sydney desalination plant. She completed her role as CEO of the Commission of Audit for the NSW Government early in 2012.

Previously she was Managing Director and CEO of Sydney Water from 2006 to 2011. Dr Schott spent 15 years as an investment banker, including as Managing Director of Deutsche Bank and Executive Vice President of Bankers Trust Australia. During this time she specialised in privatisation, restructuring, and infrastructure provision. Dr Schott holds a doctorate from Oxford University (Nuffield College), a Master of Arts from the University of British Columbia, Vancouver and a Bachelor of Arts (first class Honours) from the University of New England.

### Director's report

##### For the year ended 31 December 2015

Information on directors (continued)

Ms Gabrielle Trainor LLB (Melb). Non-Executive.

Experience Appointed as Director 29 June 2010. Ms Gabrielle Trainor is a non-executive director and advisor. Her chair and director roles have spanned organisations in urban development, transport, education, public interest law, tourism, culture and sport. She was a founding partner and co-owner of specialist consultancy John Connolly & Partners and over 25 years advised large listed companies on the management of major transactions and significant issues across stakeholder groups including in capital markets, government, NGO’s and other influencers. Ms Trainor is a member of the board of Leighton Contractors (advisory board), a director of the Barangaroo Delivery Authority, Business Events Sydney, Cape York Group, the Aurora Education Foundation and is a trustee of the Charlie Perkins Education Trust. She is a member of the board of trustees of the University of Western Sydney. She is Chair of the National Film and Sound Archive and Chair of Barnardo’s Australia. She co-chaired the 2012 Federal Government review of the Australia Council for the Arts. She has had a long term involvement in indigenous affairs, including as director of Cape York Partnerships and a member of the Victorian Government’s Aboriginal Economic Development Group which reported in 2010. Ms Trainor was educated as Ll.B at the University of Melbourne and was awarded a 1986 Churchill Fellowship. She studied in the USA and UK, including as a visiting scholar at Stanford University. She is an Honorary Associate in the Graduate School of Government at Sydney University and a Fellow of the Australian Institute of Company Directors.

Mr John Wells Non-Executive.

Experience Appointed as Director 15 June 2005. Mr John Wells is Chairman of Wells Haslem Pty Ltd. His career has embraced journalism at the most senior levels in Australia and overseas, senior media involvement in newspapers, television and radio, policy advice to Federal political leaders and public affairs consulting. His major interests are in government and media and the operational elements of strategic communication campaigns. He works for all of Wells Haslem’s major clients in these and many other roles.

Mr Nicholas Whitlam AB (Hons) (Harv), MSc (Lon), Hon D. Univ (UNSW). Non-Executive. Experience Appointed as Director 2 October 2003. Mr Nicholas Whitlam is chairman of Port

Kembla Port Corporation, Newcastle Port Corporation and Sydney Ports Corporation. In a career that has embraced most aspects of banking and finance, he was CEO of the State Bank of New South Wales from 1981 to 1987, and was joint CEO of the investment bank Whitlam Turnbull from 1987 to 1990. He is a former President of the NRMA; in 2000, as chairman of NRMA Insurance/IAG, he supervised its demutualization and listing on the ASX. Mr Whitlam was the inaugural Chairman of the Whitlam Institute between 2000 and 2002. He holds degrees from Harvard College (AB cum laude, 1967) and London Business School (MSc, 1969), and an honorary doctorate (Hon DUniv) from The University of New South Wales.

### Director's report

##### For the year ended 31 December 2015

Information on directors (continued)

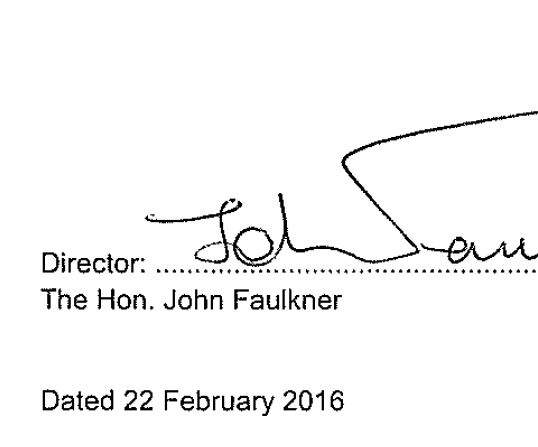
Mr Talal Yassine OAM BA Lib (Macquarie), Master of Laws (Sydney), MBA (Deakin). Non-

Executive.

Experience Appointed as Director 8 October 2010. Mr Talal Yassine OAM is an experienced lawyer, banker and Non-Executive Director. After 10 years at PricewaterhouseCoopers as a Director and strategist, he joined investment firm Babcock & Brown Ltd in the Corporate Finance Group and later in the Technical Real Estate Division. Later he held leadership positions in Better Place Australia and is currently the Managing Director of Crescent Wealth. Mr Yassine currently serves on the Board of Australia Post, Sydney Ports, the Whitlam Institute, The Australian Multicultural Council and as Deputy Chairman of the Gulf Australia Business Council. He has also served on the Board of Macquarie University; and as the Deputy Chairman of a government regulator, and as Chairman as Platinum Sound Pty Ltd. Mr Yassine holds a Master of Laws, a Master of Business Administration which was focused on international business strategy, as well as holding degrees in law and diplomas from the AICD and UNE in directorship. In November 2012, he was appointed as a Professorial Fellow at the Crawford School of Public Policy, at the Australian National University. On Australia Day 2010, he was awarded a Medal of the Order of Australia (OAM) for his service to business and to the community through a range of education.

Ms Catherine Dovey BA (UNSW), Dip Ed (Sydney Teacher College). Non-Executive.

Experience Catherine Dovey worked in the New South Wales public service in public policy formulation and administration. Her roles include an early period as a probation and parole officer with the NSW Corrections system and later as a member of the parole Board of NSW. In the interim she served in a variety of positions at Sydney Water. Catherine graduated from the University of New South Wales as a Bachelor of Arts and with a Diploma of Education from the then Sydney Teachers’ College. Catherine has always reflected a spirited engagement with community and education issues which included serving a decade as a Board member of the International Grammar School.



Dr Kerry Schott AO 4 4

Ms Gabrielle Trainor 4 3

Mr John Wells 4 3

Mr Nicholas Whitlam 4 4

Mr Talal Yassine OAM 4 3

Ms Catherine Dovey - -

**Indemnification of Directors and Officers**

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

**Proceedings on behalf of company**

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

Signed in accordance with a resolution of the Board of Directors'.

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

The Hon. John Faulkner Mr Geoffrey Roberson

Dated 22 February 2016

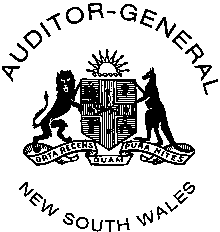
### Director's report

##### For the year ended 31 December 2015

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Directors' Meetings** | |
| **Number eligible to attend** | **Number attended** |
| The Hon. John Faulkner | 4 | 4 |
| Ms Patricia Amphlett OAM | 4 | 4 |
| Prof. Barney Glover | 4 | 2 |
| Mr Geoffrey Roberson | 4 | 3 |



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 Whitlam Institute within the University of Western Sydney Limited for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Renee Meimaroglou, CA Director, Financial Audit Services

19 February 2016 SYDNEY

### Statement of comprehensive income

##### For the year ended 31 December 2015

Revenue

**2015**

**$**

**2014**

**$**

Other revenue  **-** -

Total revenue - -

**Total income -** -

**Expenses**

Finance costs  **-** -

Total expenses - -

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

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

Total comprehensive income for the year - -

|  |  |  |
| --- | --- | --- |
| **Statement of financial position**  **As at 31 December 2015** |  | |
|  |  | **2015 2014** |
|  | **Note** | **$ $** |
| **ASSETS**  **Current assets**  Cash and cash equivalents | 6 | **1** 1 |
| Total current assets |  | **1** 1 |
| **Total assets** |  | **1** 1 |
| **LIABILITIES**  **Current liabilities**  Trade and other payables |  | **-** - |
| Total current liabilities |  | **-** - |
| **Total liabilities** |  | **-** - |
| **Net assets** |  | **1** 1 |
| **EQUITY**  Contributed equity |  | **1** 1 |
| Retained earnings |  | **-** - |
| **Total equity** |  | **1** 1 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of changes in equity**  **For the year ended 31 December 2015** |  | | |
|  | **Contributed equity** | **Retained Earnings** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance at 1 January 2015** | **1** |  | **- 1** |
| Total comprehensive income for the year | **-** |  | **- -** |
| **Balance at 31 December 2015** | **1** |  | **- 1** |
|  | **Contributed equity** | **Retained Earnings** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance at 1 January 2014** | 1 |  | - 1 |
| Total comprehensive income for the year | - |  | - - |
| **Balance at 31 December 2014** | 1 |  | - 1 |

|  |  |  |
| --- | --- | --- |
| **Statement of cash flows**  **For the year ended 31 December 2015** |  | |
|  |  | **2015 2014** |
|  | **Note** | **$ $** |
| **Cash flows from operating activities**  Payments to suppliers and employees |  | **-** - |
| **Net cash inflow/(outflow) from operating activities** | 14 | **-** - |
| **Cash flows from investing activities** |  |  |
| **Net cash (outflow)/inflow from investing activities** |  | **-** - |
| **Cash flows from financing activities** |  |  |
| **Net cash inflow/(outflow) from financing activities** |  | **-** - |
| **Net increase/(decrease) in cash and cash equivalents**  Cash and cash equivalents at beginning of year |  | **-** -  **1** 1 |
| **Cash and cash equivalents at end of year** | 6 | **1** 1 |

### Notes to the financial statements

##### For the year ended 31 December 2015

1 Summary of Significant Accounting Policies

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

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

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

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

1. Revenue recognition

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

1. Cash and cash equivalents

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

1. Income tax exemption

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

1. Foreign currency transactions and balances

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the ultimate parent entity's functional and presentation currency.

1. Goods and Services Tax (GST)

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

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

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

1. Comparative amounts

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

### Notes to the financial statements

##### For the year ended 31 December 2015

1. Summary of Significant Accounting Policies (continued)
2. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. Critical accounting estimates and judgments

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

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

1. Financial Risk Management

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

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

Financial Assets

**2015**

**$**

**2014**

**$**

Cash and cash equivalents  **1** 1

**1** 1

Financial Liabilities

Trade and other payables  **-** -

**-** -

* 1. Credit risk

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

* 1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Company held deposits at call of $1 (2014: $1) that are expected to readily generate cash inflows for managing liquidity risk.

* 1. Market risk

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

### Notes to the financial statements

##### For the year ended 31 December 2015

1. Financial Risk Management (continued)
2. **Market risk (continued)**
   1. *Cash flow and fair value interest rate*

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

1. Expenses

No expenses were paid by the ultimate parent entity on behalf of the Company during 2015 (2014: NIL).

1. Remuneration of Auditors

Full audit fees for 2015 are reflected in the books of the Whitlam Institute Within the University of Western Sydney Trust and will be paid by the ultimate parent entity (2014: NIL).

1. Fair Value Measurement

Fair value measurements of balance sheet items are not categorised given the lack of any assets or liabilities as at 31 December 2015.

1. Cash and cash equivalents

**2015**

**$**

**2014**

**$**

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

**1** 1

* 1. Risk exposure

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

* 1. Cash at bank and on hand

These are non-interest bearing.

* 1. Fair value

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

### Notes to the financial statements

##### For the year ended 31 December 2015

1. Contributed equity

**Shares Total**

**Ordinary shares**

**2015**

**$**

**2014**

**$**

**2015**

**$**

**2014**

**$**

Fully paid  **1** 1 **1** 1

Total contributed equity 1 1 1 1

* 1. **Movements in ordinary share capital**

There were no movements in contributed equity during the financial year.

1. Commitments

The Company had no commitments at 31 December 2015 (31 December 2014: nil).

1. Contingencies

In the opinion of the Directors, the Company did not have any contingencies as at 31 December 2015 (31 December 2014: nil).

1. Key Management Personnel Disclosures

No remuneration has been paid to the key management personnel of Whitlam Institute within the University of Western Sydney Limited during the year (2014: nil).

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

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

* 1. Transactions with related parties

There were no transactions with related parties in 2015.

1. Economic dependency

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

1. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years (2014: nil).

1. Reconciliation of result for the year to cashflows from operating activities

**2015**

**$**

**2014**

**$**

Surplus for the year **-** -

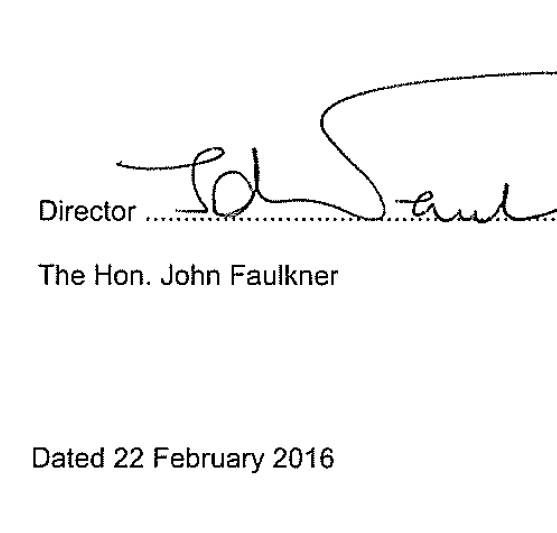
Changes in assets and liabilities:

* (increase)/decrease in trade and other receivables **-** -
* (increase)/decrease in assets **-** -
* increase/(decrease) in trade and other payables **-** - Cashflow from operations **-** -

### Notes to the financial statements

##### For the year ended 31 December 2015

END OF AUDITED FINANCIAL STATEMENTS



**Whitlam Institute within the University of Western Sydney Limited**

**ABN: 50 100 342 309**

**Director's declaration**

In the Director's opinion:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:

a. comply with Australian Accounting Standards and other interpretations, the *Corporations Regulations 2001, Public Finance and Audit Act 1983 the Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements; and

b. give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the Company.

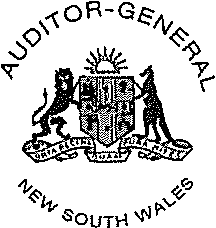
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

The Hon. John Faulkner Mr Geoffrey Roberson

Dated 22 February 2016



#### INDEPENDENT AUDITOR'S REPORT

**Whitlam Institute within the University of Western Sydney Limited**

To Members of the New South Wales Parliament and Members of Whitlam Institute within the University of Western Sydney Limited

I have audited the accompanying financial statements of Whitlam Institute within the University of Western Sydney Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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.

**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 2015 and its performance for the year ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41 B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

**Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

My opinion does not provide assurance:

about the future viability of the Company

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

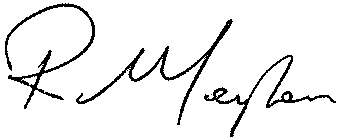
**Independence**

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

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

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

I confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of the Company on 19 February 2016, would be in the same terms if provided to the directors as at the time of this auditor's report.



Renee Meimaroglou, CA Director Financial Audit Services

26 February 2016 SYDNEY

# Whitlam Institute Within the University of Western Sydney Trust

###### ABN: 42 247 216 279

**Financial Statements**

**For the Year Ended 31 December 2015**

These financial statements of the Whitlam Institute Within the University of Western Sydney Trust are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Whitlam Institute Within the University of Western Sydney Trust is:

Whitlam Institute Within the University of Western Sydney Trust University of Western Sydney

Building EZ, Parramatta Campus Cnr James Ruse Dr & Victoria Rd Rydalmere NSW 2116 Registered postal address is:

Whitlam Institute Within the University of Western Sydney Trust Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Trust's operations and it principal activities is included in the Trustees' report which is not part of these financial statements.

These financial statements were authorised for issue by the Trustees' on 19 February 2016. The Trustees have the power to amend and reissue the financial statements.

**Trustees' report**

##### For the year ended 31 December 2015

The Trustees present their report on Whitlam Institute Within the University of Western Sydney Trust for the financial year ended 31 December 2015.

Trustees

The Whitlam Institute Within the University of Western Sydney Limited (referred to hereafter as the Trustee Company) has been appointed as the Trustee of the Trust. The following persons have been directors of the Trustee Company during the whole of the financial year and to the date of this report:

The Hon. John Faulkner Ms Patricia Amphlett OAM Prof. Barney Glover

Mr Geoffrey Roberson Dr Kerry Schott AO Ms Gabrielle Trainor Mr John Wells

Mr Nicholas Whitlam Resigned 14 December 2015

Mr Talal Yassine OAM

Ms Catherine Dovey Appointed 14 December 2015

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

Principal Activities

There were no significant changes in the nature of the Trust's activities during the year.

The Whitlam Institute Within the University of Western Sydney Trust exists to support (through the provision of money, property or benefits) the University of Western Sydney, specifically the work of the Whitlam Institute with respect to the Whitlam Prime Ministerial Collection and the Institute's research, educational and policy activity.

### Tr

**ustees' report**

**the year ended 31 December 2015**

**Meetings of trustees**

During the financial year, 4 meetings of trustees (including committees of trustees) were held. Attendances by each trustee during the year were as follows:

**Trustees Meetings**

**Number eligible Number to attend attended**

The Hon. John Faulkner 4 4

Ms Patricia Amphlett OAM 4 4

Prof. Barney Glover 4 2

Mr Geoffrey Roberson 4 3

Dr Kerry Schott AO 4 4

Ms Gabrielle Trainor 4 3

Mr John Wells 4 3

Mr Nicholas Whitlam 4 4

Mr Talal Yassine OAM 4 3

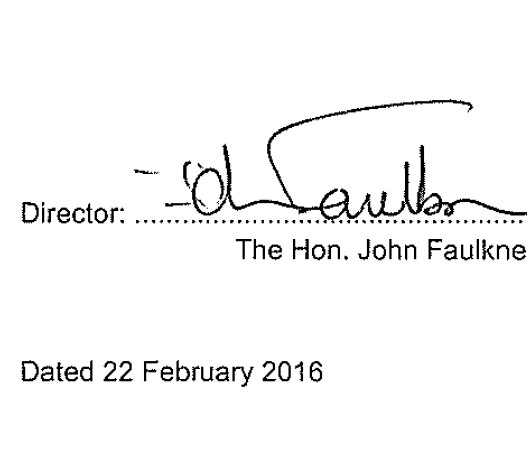
Ms Catherine Dovey - -

This report is made in accordance with a resolution of the Trustee.

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

The Hon. John Faulkner Mr Geoffrey Roberson

Dated 22 February 2016



##### For

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of comprehensive income**  **For the Year Ended 31 December 2015** |  | | |
|  |  | **2015** | **2014** |
|  | **Notes** | **$** | **$** |
| **Revenue** |  |  |  |
| Services | 3 | **79,328** | 61,908 |
| Other revenue | 3 | **11,341** | 11,323 |
| Contribution of assets |  | **-** | 99,815 |
| **Total revenue** |  | **90,669** | 173,046 |
| **Expenses** |  |  |  |
| Contribution to Ultimate Parent Entity | 4 | **(55,000)** | (40,000) |
| Bank charges | 4 | **(194)** | (223) |
| **Total expenses** |  | **(55,194)** | (40,223) |
| **Surplus for the year** |  | **35,475** | 132,823 |
| Other comprehensive income for the year  **Total Comprehensive Income for the year** |  | **- 35,475** | - 132,823 |

|  |  |  |
| --- | --- | --- |
| **Comprehensive income for the year attributable to**  Non - controlling interest | **-** | - |
| The parent | **35,475** | 132,823 |
| **Total comprehensive income for the year** | **35,475** | 132,823 |

|  |  |  |
| --- | --- | --- |
| **Statement of financial position**  **As at 31 December 2015** |  | |
|  |  | **2015 2014** |
|  | **Notes** | **$ $** |
| **ASSETS**  **Current assets**  Cash and cash equivalents | 7 | **471,976** 436,501 |
| Total current assets |  | **471,976** 436,501 |
| **Non-current assets**  Property, plant and equipment | 8 | **778,827** 778,827 |
| Total non-current assets |  | **778,827** 778,827 |
| **Total assets** |  | **1,250,803** 1,215,328 |
| **LIABILITIES**  **Current liabilities** |  |  |
| Other liabilities |  | **600** 600 |
| Total current liabilities |  | **600** 600 |
| **Total liabilities** |  | **600** 600 |
| **Net assets** |  | **1,250,203** 1,214,728 |
| **TRUST FUNDS**  Settled fund |  | **1** 1 |
| Reserves | 9 | **175,207** 175,207 |
| Retained earnings | 10 | **1,074,995** 1,039,520 |
| **Total trust funds** |  | **1,250,203** 1,214,728 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of changes in equity**  **For the Year Ended 31 December 2015** |  | | | |
|  | **Settled fund** | **Retained Earnings** | **Reserves** | **Total Equity** |
|  | **$** | **$** | **$** | **$** |
| **Balance at 1 January 2015** | 1 | 1,039,520 | 175,207 | **1,214,728** |
| Total comprehensive income for the year | **-** | 35,475 | **-** | **35,475** |
| **Balance at 31 December 2015** | **1** | **1,074,995** | **175,207** | **1,250,203** |
|  | **Settled fund** | **Retained Earnings** | **Reserves** | **Total Equity** |
|  | **$** | **$** | **$** | **$** |
| **Balance at 1 January 2014** | 1 | 906,697 | 43,085 | 949,783 |
| Revaluation of property, plant and equipment | - | - | 132,122 | 132,122 |
| Total comprehensive income for the year | - | 132,823 | - | 132,823 |
| **Balance at 31 December 2014** | 1 | 1,039,520 | 175,207 | 1,214,728 |

### Statement of cash flows

##### For the Year Ended 31 December 2015

Notes

**2015**

**$**

**2014**

**$**

**Cash flows from operating activities**

Receipts from customers **79,328** 62,718

Payments to suppliers and employees **(55,194)** (40,223)

Investment income **11,341** 11,323

Net cash inflow/(outflow) from operating activities 16 35,475 33,818

**Cash flows from investing activities**

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

**Cash flows from financing activities**

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

**Net increase/(decrease) in cash and cash equivalents 35,475** 33,818

Cash and cash equivalents at beginning of year **436,501** 402,683

Cash and cash equivalents at end of year 7 471,976 436,501

### Notes to the financial statements

##### For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Whitlam Institute within the University of Western Sydney Trust comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

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

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

1. Revenue recognition

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

Revenue is recognised for the major business activities as follows:

* 1. Donations, Scholarships and Prizes

Donations, scholarships and prizes are recognised when they are received.

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

* 1. Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

* 1. Event income

Event income is only recognised when the economic benefits associated with the transaction flows to the entity.

* 1. Investment income

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

### Notes to the financial statements

##### For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

1. **Cash and cash equivalents**

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

1. Income tax exemption

The Trust is exempt from the payment of tax by virtue of section 50 B of the Income Tax Assessment Act 1997. Accordingly no provision for income tax liability or future income tax benefit has been included in the accounts.

1. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Trust will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the surplus or deficit over the period necessary to match them with the costs that they are intended to compensate.

1. Fair value estimation

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

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

1. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment.

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

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

### Notes to the financial statements

##### For the Year Ended 31 December 2015

1. Summary of Significant Accounting Policies (continued)
2. **Property, plant and equipment (continued)**

Whitlam Collection

Assets comprising the Whitlam Collection have been donated to the Trust. The collection was last revalued in 2014 following the passing of the Hon Gough Whitlam AC QC, previously revalued in 2013.

1. Goods and Services Tax (GST)

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

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

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

1. Comparative amounts

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

1. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied in the financial report. The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

1. Critical accounting estimates and judgments

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

The valuation of assets and the estimate of useful life uses estimates and judgments.

The valuation of the Whitlam Collection within Property Plant and Equipment has been assessed by an independent expert valuer McWilliam & Associates Pty Ltd on the basis of a fair value for accounting purposes.

### Notes to the financial statements

##### For the Year Ended 31 December 2015

1. Financial Risk Management

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

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

Financial Assets

**Notes**

**2015**

**$**

**2014**

**$**

Cash and cash equivalents 7  **471,976** 436,501

**471,976** 436,501

Financial Liabilities

Other liabilities  **600** 600

**600** 600

* 1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Trust held deposits at call of $471,976 (2014: $436,501) that are expected to readily generate cash inflows for managing liquidity risk.

* 1. Market risk

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

1. Cash flow and fair value interest rate

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

1. Summarised sensitivity analysis

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

### Notes to the financial statements

##### For the Year Ended 31 December 2015

2 Financial Risk Management (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Carrying | -100bps  Surplus/ |  | +100bps  Surplus/ |  |
| amount | (deficit) | Trust funds | (deficit) | Trust funds |
| $ | $ | $ | $ | $ |

**31 December 2015**

**Financial assets**

Cash and cash equivalents 471,976 (4,720) (4,720) 4,720 4,720

|  |  |
| --- | --- |
| Total increase/(decrease) in financial assets  **Financial liabilities** | (4,720) (4,720) 4,720 4,720 |
| Other liabilities (a) | 600 (6) (6) 6 6 |
| Total increase/(decrease) in financial |  |
| liabilities | (6) (6) 6 6 |
| Total increase/(decrease) | (4,726) (4,726) 4,726 4,726 |

31 December 2014

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Carrying | -100bps  Surplus/ |  | +100bps  Surplus/ |  |
| amount | (deficit) | Trust funds | (deficit) | Trust funds |
| $ | $ | $ | $ | $ |

**Financial assets**

Cash and cash equivalents 436,501 (4,365) (4,365) 4,365 4,365

|  |  |
| --- | --- |
| Total increase/(decrease) in financial assets  **Financial liabilities** | (4,365) (4,365) 4,365 4,365 |
| Other liabilities (a) | 600 (6) (6) 6 6 |
| Total increase/(decrease) in financial |  |
| liabilities | (6) (6) 6 6 |
| Total increase/(decrease) | (4,371) (4,371) 4,371 4,371 |

1. These amounts exclude all statutory payables and receivables.

### Notes to the financial statements

##### For the Year Ended 31 December 2015

|  |  |
| --- | --- |
| **3 Revenue** | **2015 2014** |
|  | **$ $** |
| **Services**  Donations (a) | **55,778** 61,263 |
| Royalty and intellectual property | **23,550** - |
| Fundraising | **-** 645 |
| Total services | **79,328** 61,908 |
| **Other revenue** |  |
| Interest | **607** 788 |
| Distributions from managed funds | **10,734** 10,535 |
| **Total other revenue** | **11,341** 11,323 |
| **Total revenue** | **90,669** 73,231 |
| **(a) Donations** |  |

In 2014 the Trust received donations (including general donations, merchandise sales and ticket sales) of $61,263. This has increased significantly from 2013 with the passing of the Hon Gough Whitlam AC QC .

|  |  |  |
| --- | --- | --- |
| **4 Expenses** | **2015**  **$** | 2014  $ |
| Contribution to Ultimate Parent Entity | **55,000** | 40,000 |
| Bank charges | **194** | 223 |
| **Total expenses** | **55,194** | 40,223 |
| **5 Remuneration of Auditors** |  |  |

Audit fees of $9,404 for 2015 (2014: $9,404) will be paid by the ultimate parent entity.

### Notes to the financial statements

##### For the Year Ended 31 December 2015

6 Fair Value Measurement Fair value hierarchy

Whitlam Institute Within the University of Western Sydney Trust categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Trust.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Level 1**  **$** | **Level 2**  **$** | **Level 3**  **$** | **Total**  **$** |
| **31 December 2015 Non-Financial assets** |  |  |  |  |
| Property, plant and equipment | **13,575** | **765,252** |  | **- 778,827** |
| **Total non-financial assets** | **13,575** | **765,252** |  | **- 778,827** |
| **Total assets** | **13,575** | **765,252** |  | **- 778,827** |

1. Fair value measurements

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

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

Carrying Amount Fair Value

**Financial Liabilities**

**2015**

**$**

**2014**

**$**

**2015**

**$**

**2014**

**$**

Other liabilities **600** 600 **600** 600

Total financial liabilities 600 600 600 600

The Trust measure and recognises the following assets and liabilities at fair value on a recurring basis:

* Property, plant and equipment

### Notes to the financial statements

##### For the Year Ended 31 December 2015

1. Fair Value Measurement (continued)
2. **Valuation techniques used to derive level 1, level 2 and level 3 fair values**
3. Recurring fair value measurements

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

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

Property, plant and equipment is valued using current observable market values. All of the resulting fair value estimates are included in level 1 and level 2.

1. Non-recurring fair value measurement

The Trust does not hold assets that use non-recurring fair value measurements during the current or prior periods.

1. Cash and cash equivalents

**2015**

**$**

**2014**

**$**

Cash at bank and on hand **23,915** 46,174

* 1. orp Investments  **448,061** 390,327

**471,976** 436,501

* + 1. Risk exposure

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

* + 1. Cash at bank and on hand

These are non-interest bearing.

* + 1. Fair value

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

### Notes to the financial statements

##### For the Year Ended 31 December 2015

|  |  |
| --- | --- |
| **8 Property, plant and equipment** | **Library Total** |
|  | **$ $** |
| **At 1 January 2014**  Valuation | 546,890 546,890 |
| Net book amount | 546,890 546,890 |
| **Year ended 31 December 2014**  Opening net book amount | 546,890 546,890 |
| Revaluation | 132,122 132,122 |
| Additions | 99,815 99,815 |
| Closing net book amount | 778,827 778,827 |
| **At 31 December 2014** |  |
| Valuation | 778,827 778,827 |
| Net book amount | 778,827 778,827 |
| **Year ended 31 December 2015** |  |
| Opening net book amount | 778,827 778,827 |
| Revaluation | - - |
| Additions | - - |
| Closing net book amount | 778,827 778,827 |
| **At 31 December 2015** |  |
| Valuation | 778,827 778,827 |
| Net book amount | 778,827 778,827 |

9 Reserves

**2015**

**$**

**2014**

**$**

Revaluation surplus - property, plant and equipment **175,207** 175,207

**175,207** 175,207

Movements

Revaluation surplus - property, plant and equipment

2015

**$**

**2014**

**$**

Balance 1 January **175,207** 43,085

Revaluation - gross  **-** 132,122

Balance 31 December  **175,207** 175,207

1. Nature and purpose of reserves

(i) Revaluation surplus - property, plant and equipment

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(g).

|  |  |  |
| --- | --- | --- |
| **Notes to the financial statements**  **For the Year Ended 31 December 2015** |  | |
| **10 Retained surplus** |
| Movements in retained surplus were as follows: | **2015** | **2014** |
| Balance as at 1 January | **$ 1,039,520** | **$**  906,697 |
| Surplus for the year | **35,475** | 132,823 |

Trust distributions for the year  **-** -

Balance as at 31 December  **1,074,995** 1,039,520

1. Commitments

The Trust had no commitments at 31 December 2015 (31 December 2014: nil).

1. Contingencies

The Trust did not have any contingencies at 31 December 2015 (31 December 2014:nil).

1. Key Management Personnel Disclosures

No remuneration has been paid to the key management personnel of Whitlam Institute Within the University of Western Sydney Trust during the year (2014: nil).

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

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

|  |  |  |
| --- | --- | --- |
| **(b) Transactions with related parties** | **2015** | **2014** |
|  | **$** | **$** |
| Matched Donations from the Ultimate Parent Entity | **(17,717)** | - |
| Payments to the Ultimate Parent Entity | **55,000** | 40,000 |
| **15 Economic dependency** |  |  |

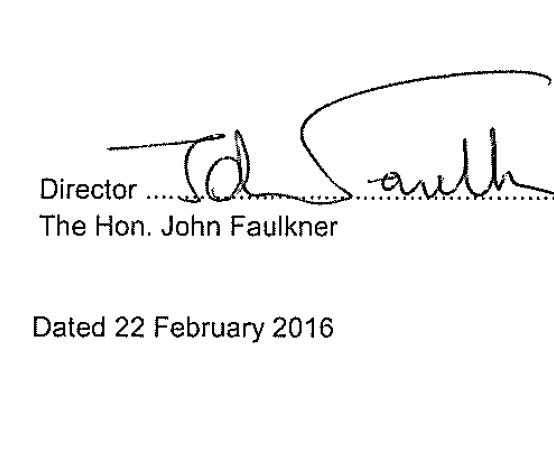
The Trust is economically dependent on the University of Western Sydney for the provision of office accommodation and support activities.

|  |  |  |
| --- | --- | --- |
| **Notes to the financial statements**  **For the Year Ended 31 December 2015** |  | |
| **16 Reconciliation of surplus/(deficit) to net cash inflow from operating activities** |
| Reconciliation of net income to net cash provided by operating activities: | **2015** | **2014** |
| Surplus for the year | **$**  **35,475** | **$**  132,823 |
| **Changes in assets and liabilities:**  - (increase)/decrease in trade and other receivables | **-** | 210 |
| - (increase)/decrease in assets | **-** | (99,815) |
| - increase/(decrease) in other liabilities | **-** | 600 |
| Cashflow from operations | **35,475** | 33,818 |

17 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years (2014: nil).

END OF AUDITED FINANCIAL STATEMENTS



**Whitlam Institute Within the University of Western Sydney Trust**

**ABN: 42 247 216 279**

**Trustees' declaration**

In the Trustee's opinion:

1. the financial statements and notes, as set out on pages 248 to 262:

a. comply with Australian Accounting Standards and other interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and other mandatory professional reporting requirements; and

b. give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the Trust;

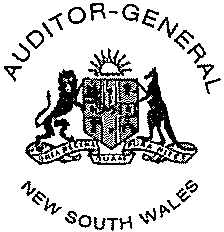
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustee Company, the Whitlam Institute within the University of Western Sydney Limited.

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

The Hon. John Faulkner Mr Geoffrey Roberson

Dated 22 February 2016



#### INDEPENDENT AUDITOR'S REPORT

**Whitlam Institute within the University of Western Sydney Trust**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Whitlam Institute within the University of Western Sydney Trust (the Trust), which comprise the statement of financial position as at 31 December 2015, 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.

**Opinion**

In my opinion, the financial statements:

* give a true and fair view of the financial position of the Trust as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
* are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

**The Directors' Responsibility for the Financial Statements**

The Directors of the Trust are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

My opinion does not provide assurance:

* about the future viability of the Trust
* that it carried out its activities effectively, efficiently and economically
* about the effectiveness of the internal control
* about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented

about 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 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.

*Qpvjr..*

Renee Meimaroglou, CA Director Financial Audit Services

26 February 2016 SYDNEY

This page is intentionally blank

**University of Western Sydney and Controlled Entities**

**Budget and Performance Indicators**

Budget and Performance Indicators

**2015 Actual to Budget Comparative Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **2015** | **2015** | ***2015*** | ***2015*** |
| **BUDGET** | **ACTUAL** | ***VARIANCE*** | ***VARIANCE*** |
| **$'000** | **$'000** | ***$'000*** | % |

**INCOME FROM CONTINUING OPERATIONS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **GOVERNMENT**  **ACADEMIC ACTIVITIES** |  | **548,552** | **550,051** | ***1,499*** | **0.3%** |
| International Onshore |  | 76,023 | 70,928 | ***(5,095)*** | **-6.7%** |
| International Offshore |  | 729 | 649 | ***(80)*** | **-11.0%** |
| Local fee-paying |  | 13,897 | 13,118 | ***(779)*** | **-5.6%** |
| External Research Grants |  | 26,793 | 24,199 | ***(2,594)*** | **-9.7%** |
| Consulting, Contracting & Royalties |  | 3,020 | 2,290 | ***(730)*** | **-24.2%** |
| Other Academic |  | 35,733 | 33,816 | ***(1,917)*** | **-5.4%** |
|  | **Sub Total** | **156,195** | **145,000** | ***(11,195)*** | **-7.2%** |
| **OTHER INCOME ACTIVITIES**  Leases & Other Commercial |  | 3,748 | 3,268 | ***(480)*** | **-12.8%** |
| Investment Income |  | 6,791 | 12,661 | ***5,870*** | **86.4%** |
| Land/Property Development Projects |  | 48,406 | 31,530 | ***(16,876)*** | **-34.9%** |
| Other Incidental |  | 11,426 | 14,706 | ***3,280*** | **28.7%** |
| **UWS ENTITIES** | **Sub Total** | **70,371** | **62,165** | ***(8,206)*** | **-11.7%** |
| UWS College | | 52,835 | 61,482 | ***8,647*** | **16.4%** |
| Whitlam Institute | | 57 | 91 | ***34*** | **59.6%** |
| UWSELL | | 5,782 | 6,206 | ***424*** | **7.3%** |
| uwsconnect | | 19,780 | 22,526 | ***2,746*** | **13.9%** |
| Television Sydney (TVS) | | 687 | 1,203 | ***516*** | **75.1%** |
| Adjustments on Consolidation | |  | 190 |  |  |
| **Sub Total** | | **79,141** | **91,698** | ***12,557*** | **15.9%** |
| **TOTAL SELF-GENERATED INCOME** | | **305,707** | **298,863** | ***(6,844)*** | **-2.2%** |
| **TOTAL INCOME** | | **854,259** | **848,914** | ***(5,345)*** | **-0.6%** |
| **EXPENSES FROM CONTINUING OPERATIONS**  Schools 218,483 | | | 208,895 | ***9,588*** | **4.4%** |
| Research | 83,154 | | 79,647 | ***3,507*** | **4.2%** |
| Divisions | 156,344 | | 157,536 | ***(1,192)*** | **-0.8%** |
| UWS Entities | 77,784 | | 93,377 | ***(15,593)*** | **-20.0%** |
| UWS Wide | 114,042 | | 120,983 | ***(6,941)*** | **-6.1%** |
| Strategic Initiatives | 50,000 | | 52,174 | ***(2,174)*** | **-4.3%** |
| Minor Works (Expensed) | 7,000 | | 11,646 | ***(4,646)*** | **-66.4%** |
| External Trust & Tied Grants | 26,424 | | 22,876 | ***3,548*** | **13.4%** |
| Depreciation | 36,000 | | 38,921 | ***(2,921)*** | **-8.1%** |
| Land Development Projects Adjustments on Consolidation | 41,112 | | 21,536 | ***19,576*** | **47.6%** |

**TOTAL EXPENDITURE 810,343 807,591 *2,752* 0.3%**

**NET OPERATING RESULT 43,916 41,323 *(2,593)* -5.9%**

Budget and Performance Indicators

|  |  |
| --- | --- |
| **Western Sydney University 2016 Budget** | **2016** |
|  | **BUDGET** |
|  | **$'000** |
| **INCOME FROM CONTINUING OPERATIONS** |  |
| **GOVERNMENT** | **559,247** |
| **ACADEMIC ACTIVITIES**  International Onshore | 80,569 |
| International Offshore | 699 |
| Local fee-paying | 15,322 |
| External Research Grants | 29,800 |
| Consulting, Contracting & Royalties | 1,705 |
| Other | 42,764 |
| **Sub Total** | **170,859** |
| **OTHER INCOME ACTIVITIES** |  |
| Leases & Other Commercial | 5,903 |
| Investment Income | 10,163 |
| Land/Property Development Projects | 162,676 |
| Other Incidental | 12,266 |
| **Sub Total** | **191,008** |
| **UWS ENTITIES** |  |
| UWS College | 65,112 |
| Whitlam Institute | 62 |
| UWS Early Learning | 6,294 |
| uwsconnect | 19,999 |
| TVS | 0 |
| **Sub Total** | **91,467** |
| **TOTAL SELF-GENERATED INCOME** | **453,334** |
| **TOTAL INCOME** | **1,012,581** |

**EXPENSES FROM CONTINUING OPERATIONS**

|  |  |
| --- | --- |
| Schools | 228,362 |
| Research | 86,400 |
| Divisions | 161,923 |
| UWS Entities | 90,678 |
| UWS Wide | 131,908 |
| Strategic Initiatives | 58,502 |
| Minor Works (Expensed) | 7,000 |
| External Trust & Tied Grants | 17,208 |
| Depreciation | 37,000 |
| Land Development Projects | 61,022 |

**TOTAL EXPENDITURE 880,003**

**NET REPORTED RESULT 132,578**

**Accounts Payable Performance Indicators - 2015**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **First Quarter** | **Second Quarter** | **Third Quarter** | **Fourth Quarter** |
|  | **$** | **$** | **$** | **$** |
| **1. Schedule of Accounts Payable** |  |  |  |  |
| Paid within 30 days | 62,913,248 | 72,684,778 | 89,123,804 | 93,299,319 |
| Paid between 31-60 days | 25,126,038 | 26,572,287 | 30,694,560 | 35,990,879 |
| Paid between 61-90 days | 3,885,581 | 2,155,346 | 2,410,474 | 1,693,900 |
| Paid between 91-120 days | 681,435 | 960,866 | 433,712 | 91,041 |
| Paid more than 120 days | 1,781,715 | 347,198 | 1,039,938 | 21,759 |
| **Total** | **94,388,017** | **102,720,476** | **123,702,488** | **131,096,898** |
| **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# | 66.7% | 70.8% | 72.0% | 71.2% |
| Total dollar amount of accounts paid on time | 62,913,248 | 72,684,778 | 89,123,804 | 93,299,319 |
| **Total dollar amount of accounts paid** | **94,388,017** | **102,720,476** | **123,702,488** | **131,096,898** |
| # based on invoice date, not date received in Accounts Payable. |  |  |  |  |

**Investment Performance**

The University had $85.5 million in investments at 31 December 2015 ($56.5 million at 31 December 2014). The University increased its investment in the Acadian Australian Equity High Yield Fund during the 2015 year by

$20.7 million. Investment performance was satisfactory and reflected a more challenging performance in the equity markets. Distributions received were re-invested. The University increased its investment in a fixed income portfolio managed by JBWere during 2015 by $0.5 million. Investment performance was satisfactory and the lower yield reflected lower interest rates. Distributions received were re-invested.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2015** | | **2014** | | **2013** | | **2012** | |
| **Fund** | **Actual Return**  **%** | **Benchmark Return**  **%** | **Actual Return**  **%** | **Benchmark Return**  **%** | **Actual Return**  **%** | **Benchmark Return**  **%** | **Actual Return**  **%** | **Benchmark Return**  **%** |
| ***Other Financial Assets - Non-current*** |  |  |  |  |  |  |  |  |
| Acadian Australian Equity High Yield Fund 4 | 10.38% | 4.40% | 12.01% | 6.90% | 22.28% | 21.76% | 7.45% | 8.66% |
| Held To Maturity - JB Were 5 | 4.04% | 2.33% | 4.76% | 2.69% | - | - | - | - |
| Unlisted Securities 6 | - | - | - | - | - | - | - | - |

4 Acadian Australian Equity High Yield Fund - full year performance

5 Fixed income portfolio managed by JBWere - full year performance

6 The University had $9.5 million in unlisted securities as at 31 December 2015 ($5.2 million at 31 December 2014) which are not measured for performance.

**Television Sydney (TVS) Ltd**

Principal Objectives

Television Sydney (TVS) Ltd is a not-for-profit Community Television Station which seeks to engage community involvement in content production and programming while developing opportunities for students in the areas of media production, design, visual communication and journalism training and internships. In partnership with Western Sydney University, TVS showcases the research and engaged learning outcomes of students and academics at the University.

Principal Activities and Strategic Projects

The principal activity of Television Sydney (TVS) Limited during the financial year was to operate a Community Television Station in accordance with the licence granted to the Company under the Broadcasting Services Act 1992 (Cth). The operation of the Community Television station is essential for the Company to meet its objectives. The Company’s broadcast licence expired on 31 December 2015, and the Company ceased operations.

Performance Measures

The performance measures of the company are financial, quantitative and qualitative. The company has adopted the following key performance indicators

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

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2015 Actual*** | ***Annual 2015 Budget*** | ***% Full year achieved*** |
| Revenue | $1,203,082 | $686,800 | 175% |
| Expenses | $1,351,796 | $1,050,715 | 129% |
| **Operating Surplus/(Deficit)** | **($148,714)** | **($363,915)** | 0% |
| Accumulated Retained Earnings | - |  |  |

Management and Operations

The University of Western Sydney (trading as Western Sydney University) holds 75% of the voting rights in Television Sydney (TVS) Ltd with the remaining 25% being held by Metro Screen Ltd. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a part time Chief Executive Officer provided by the University.

All of the Company’s assets and liabilities have been transferred to the Ultimate Parent entity on the basis that they remain as identified funds and investments within the Ultimate Parent entity accounts. Following the expiration of the Company’s broadcast licence and transfer of net assets in December 2015, Television Sydney (TVS) Limited ceased to operate as it no longer held any assets or liabilities.

### UWS Enterprises Pty Ltd (trading as Western Sydney University The College)

Principal Objectives

The principal objective of the company is to provide English and Academic Pathways programs to the University, complemented by other professional and community programs, consistent with Western Sydney University imperatives.

Principal Activities and Strategic Projects

The principal activities of the company are structured into the following three key areas:

* Academic Pathways which provides Foundation Studies and a variety of Diploma programs for students proceeding to an academic degree at Western Sydney University. In 2015, the Extended (Four Term Diploma) was introduced in addition to the existing University Foundation Studies and Diplomas courses (that are equivalent to first year University programs). The College also established the UWS International College (Western Sydney International College) in 2015 as a joint venture with Navitas.
* English Programs which enable international students to gain the academic English skills essential for university entrance. This unit also provides a diversity of programmes for international groups including industry visits and cultural immersion, as well is IELTS and other English-language assessment tests.
* Professional and Community Programs which delivers VET sector courses, acts as the College Registered Training Organisation (RTO), and conducts Property and Trust Management, SKILLMAX and HSC preparation courses.

During the 2015 financial year the company undertook numerous strategic projects in accordance with the company’s overall objectives and principal activities.

Performance Measures

The performance measures of the Company are both financial and non-financial:

* The newly introduced Extended Diploma Program provided some challenges in the prediction of load/revenue for the year. Other Academic Pathway Programs performed in line with projections.
* English Programs continue to be affected by Visa issues.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2015 Actual*** | ***Annual 2015 Budget*** | ***% Full year achieved*** |
| Revenue | $61,452,255 | $52,835,235 | 116% |
| Expenses | $61,452,255 | $51,252,157 | 120% |
| **Operating Surplus** | **-** | **$1,583,078** | 0% |
| Accumulated Retained Earnings | $6,765,448 |  |  |

Management and Operations

UWS Enterprises Pty Ltd (trading as Western Sydney University The College) is a wholly owned entity of the University of Western Sydney (trading as Western Sydney University). An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a full-time Dean.

The Board has oversight of the Academic Advisory Committee and the English and Professional and Community Programs Academic Advisory Committee. An Audit Committee of the Board was established in 2010 and has made a significant contribution to financial monitoring and reporting within the organisation.

### uwsconnect Ltd

Principal Objectives

The principal objective of the company is to provide food and beverage, retail, sporting and campus life facilities and services across all six of the Western Sydney University campuses.

Principal Activities and Strategic Projects

The principal activity of the company during the 2015 financial year was the provision of sports and leisure, retail, food and beverage, and other services to the Western Sydney University community including students, staff, alumni and residents of greater Western Sydney.

Performance measures

The performance measures of the company are financial and non-financial related to trading in community services.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2015 Actual*** | ***Annual 2015 Budget*** | ***% Full year achieved*** |
| Revenue | $22,525,507 | $19,780,201 | 114% |
| Expenses | $24,445,200 | $19,764,399 | 124% |
| **Operating Surplus/(Deficit)** | **($1,919,693)** | **$15,802** | 0% |
| Accumulated Retained Earnings | ($2,784,752) |  |  |

Financial KPI’s were not achieved with the budgeted operating surplus not met due to higher expenses than budget, primarily due to additional overheads and staffing costs.

Non-financial KPI’s related primarily to the centralisation of shared services, including Finance and Administration, IT, Visual Communications and Human Resources, and inventory reduction.

As a key provider of student services uwsconnect receives some ongoing financial support from the University.

Management and Operations

uwsconnect Ltd is a wholly owned entity of the University of Western Sydney (trading as Western Sydney University). An independent Board of Directors is responsible for the overall operations of the Company.

### UWS Early Learning Ltd

Principal Objectives

The principal objective of the Company is to provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community.

Principal Activities and Strategic Projects

|  |
| --- |
| To provide affordable, high quality early childhood care and education for the children of Western Sydney  University staff, students and the local community. The provision of this service is campus based to enable staff, students and the local community the greatest opportunity to balance work and study commitments with childrearing. |
| Performance Measures |
| The performance measures of the company are both financial and non-financial. The Company has adopted the following key performance indicators |
| * Ensure all services at least meet National Quality Standards * Utilisation rates at all Centres increasing and stabilising * Centralisation of the Financial and Administrative functions * Financial operations of the Company now consolidated into the University’s financial reporting and budgeting cycle * Community Engagement |

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2015 Actual*** | ***Annual 2015 Budget*** | ***% Full year achieved*** |
| Revenue | $6,205,646 | $5,781,942 | 107% |
| Expenses | $5,988,992 | $5,659,692 | 106% |
| **Operating Surplus** | **$216,654** | **$122,250** | 177% |
| Accumulated Retained Earnings | $821,134 |  |  |

Management and Operations

UWS Early Learning Limited is a wholly owned entity of the University of Western Sydney (trading as Western Sydney University). An independent Board of Directors is responsible for the overall operations of the Company.

### Whitlam Institute within the University of Western Sydney Ltd

Principal Objectives

The Whitlam Institute is a trustee of the Whitlam Institute within the University of Western Sydney Trust which was established by agreement between the University of Western Sydney and the Hon EG Whitlam in 2000. Its spirit is best captured in Gough’s own words when signing the Deed of Gift:

*‘The greatest contribution that I hope to bestow is inspiration. That the work and causes championed in my parliamentary career and the statesman service that followed, will provide the basis for ongoing research and advocacy from this university into the contemporary challenges that confront and can improve the quality of life for all Australians.’[December 2003]*

Principal Activities and Strategic Projects

The Whitlam Institute works as an educator, policy influencer and research institute. It is also home to the Whitlam Prime Ministerial Collection and the Whitlam Reading Room which houses selected books and papers donated by Mr. Whitlam. The collection provides on-line access to papers held both at the Institute and in the National Archives. It maintains an active public education program.

The Institute's strategic program continues to expand in accordance with the intentions outlined in its current Strategic Plan 2013-2015 and subsequently amended in the mid-term review. The strategic priorities focus on:

* The historical legacy;
* Contemporary relevance through public policy development;
* The education and outreach program;
* Governance; and
* Organisation.

Performance Measures

The performance measures of the Company are primarily of a non-financial nature and are driven by the philanthropic nature of the trust and the role of the trustee.

The Whitlam Institute is guided by the ‘three great aims’ that drove the Whitlam Program of 1972. They are

* to promote equality
* to involve the people of Australia in the decision-making processes of our land, and
* to liberate the talents and uplift the horizons of the Australian people.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2015 Actual*** | ***Annual 2015 Budget*** | ***% Full year achieved*** |
| Revenue | $90,669 | $57,332 | 158% |
| Expenses | $55,194 | $57,788 | 96% |
| **Operating Surplus** | **$35,475** | **($456)** | 0% |
| Accumulated Retained Earnings | $1,074,995 |  |  |

Management and Operations

The Whitlam Institute within the University of Western Sydney Ltd is a wholly owned entity of the University of Western Sydney (trading as Western Sydney University).

The Whitlam Institute Board is politically bipartisan and consists of leaders in academia, business, and government organisations. The Board participates in the strategic development of the Institute.

The Whitlam Institute is led by its Director Eric Sidoti. Its small secretariat is committed to the highest quality in all its activity whether that might be its policy and research work, outreach activity, public information program or events.

This page is intentionally blank

This page is intentionally blank

ANNUAL REPORT 2015

2 Western Sydney University

Western Sydney University Locked Bag 1797

Penrith NSW 2751 Australia

**WESTERNSYDNEY.EDU.AU**