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**UTS
Annual
Report**

Volume 2

23

Financial statements

| | |
|---------------------------------|----|
| University of Technology Sydney | 1 |
| UTS Global Pty Ltd | 61 |
| Insearch Limited | 71 |

University of Technology Sydney

| | |
|--|----|
| Report by the members of Council | 2 |
| Statement by accountable authority for the year ended 31 December 2023 | 4 |
| Independent auditor's report | 5 |
| Income statement | 9 |
| Statement of comprehensive income | 10 |
| Statement of financial position | 11 |
| Statement of changes in equity | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 |

Report by the Members of Council 2023

The members of the Council of the University of Technology Sydney present their report on the consolidated entity consisting of the university and the entities it controlled at the end of, or during, the year ended 31 December 2023.

UTS 2027

UTS 2027, our decadal strategy, was launched in 2018 with the vision for UTS to be a leading public university of technology, recognised for our global impact. 2023 marks the halfway point of our nine-year journey on the UTS 2027 Strategy. We have made significant progress, with a strong platform for change in place and continued efforts to achieve our strategic goals embedded in everything we do. As we pass the midway point, we reflect on how far we have come. UTS has risen 70 places in the QS World University Rankings over the past five years, to a rank of 90 in 2024. UTS is the first university in Australia outside the Group of Eight (Go8) to be ranked in the top 100 universities in the world. This demonstrates international recognition for our excellence in research, teaching and learning.

UTS was also recognised in 2023 for its commitment to community engagement by the US-based Carnegie Foundation for the Advancement of Teaching. One of the first universities outside of the US to receive the classification which reflects outreach in core academic work and community involvement. UTS was the educational partner of South by Southwest (SXSW) for its inaugural year outside of Austin, Texas in October 2023. The creative arts festival events included hundreds of panels, presentations, workshops and mentor sessions across a number of conference tracks.

Operating result for 2023

In the 2022 Annual Report, the University forecast an operating loss in 2023. The reported operating loss of \$107m in 2023 reflects an underlying deficit of \$84m (\$53m in 2022) and the write-off of the \$23m IDP share franking credit following a determination of the Australian Tax Office (ATO). Excluding this one-off item, the underlying deficit was consistent with the approved budget deficit of \$88m. The underlying deficit was influenced by the gradual return of international student revenue, offset by the impact of protracted high inflation on workforce, technology and supply costs. Adding to costs was the increasing proportion of cloud-based technology investments, which were previously capitalised but are now treated as operating expenses. The financial performance in 2023 was consistent with the University's Financial Plan.

Revenue

Total revenue in 2023 from operating and other activities was \$1.1bn (2022: \$1.0bn). Domestic student revenue grew 4 per cent while UTS has experienced a gradual return in international revenue in the post-COVID recovery. International revenue in 2023 grew approximately 14.5 per cent and is now at 89 per cent of 2019 pre-pandemic levels. Total revenue was approximately 9 per cent above budget, due as well to increases in income from investments.

Expenditure

Total expenditure on operating activities was \$1.25b (2022: \$1.1b). A protracted period of high inflation has increased operating costs as has the need for additional acquisition costs to recruit international students in a very competitive and price-sensitive international market.

The University has also incurred increased costs from growth in high-cost courses in STEM and Health. Following the Job Ready program and the change in the Australian Government's funding model, these additional costs are not fully recovered, putting margins under pressure.

Education Australia / IDP Shareholding

In September 2021, as part of the Education Australia liquidity event, UTS received a dividend to the value of \$83m, which included 1.8m shares in IDP valued at \$53m.

The University sold its shareholding in IDP Education Limited (IEL) in December 2022 and January 2023, with the proceeds being used to realise the UTS 2027 Strategy through strategic investments in teaching, learning and research, as well as supporting the repayment of the \$300m bond in 2027.

In 2022, the University recognised a franking credit receivable of \$23m from the ATO related to the dividend distribution made by Education Australia. In 2023, the ATO issued a formal determination denying the eligibility of Australian universities to claim franking credits. The University has engaged legal advice on the matter and, along with the other universities, has lodged a formal appeal. In light of the ATO's determination, the University has chosen to write off the receivable in line with Australian accounting standards but it will continue with the appeals process.

Cash and capital

The University finished 2023 with \$336m in cash and other financial assets (2022: \$329m), reflecting the University's ability to fund strategic investments through operational cashflows in line with its Financial Plan. Strategic investments in 2023 totalled \$114m evenly split between developing the campus and technology investments. In the remaining half of UTS 2027 Strategy, the University will continue to invest in its Digital Strategy and Campus Masterplan while continuing to ensure there is capability to repay its \$300m Bond in 2027. Operational cashflow forecasts, coupled with existing cash levels, support these plans while investments continue to be carefully prioritised.

Borrowings

As of December 2023, the University's total borrowings excluding lease liabilities were \$299m (2022: \$299m) represented by the Bond. It also had \$200m in revolver credit facilities which remain undrawn (2022: \$175m undrawn); the increase in 2023 followed refinancing of an expiring revolver facility.

Context and outlook

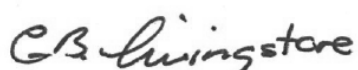
In the 2022 Annual Report, the University forecast operating losses in 2023 and 2024, with a return to surplus in 2025. Actions taken since 2020 including asset sales and cash preservation have ensured a robust balance sheet that provides a platform to absorb these losses as well as supporting future growth and investment. 2024 is anticipated to be another financially challenging year for the University and the broader Australian higher education sector. It is now anticipated that a return to surplus will be achieved by 2026.

In response to the challenging economic environment and the dynamic nature of the higher education sector, we will continue to focus on ensuring excellence in our education and research while sustaining prudent investments to realise the UTS 2027 Strategy.

A return to surplus by 2026 ensures that the University can respond to opportunities for growth provided by the changing higher education needs of future generations.

Declaration

This report is made in accordance with a resolution dated 17 April 2024 of the members of the Council of the University of Technology Sydney.



Ms Catherine Livingstone AC
Chancellor
Sydney

17 April 2024

University of Technology Sydney

Statement by accountable authority for the year ended 31 December 2023

In accordance with a resolution of the Council of the University of Technology Sydney and pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (the Act), we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair view of the financial position of the University at 31 December 2023 and the financial performance and cash flows of the University for the year then ended
2. the financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Regulation 2018* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2023 Reporting Period" issued by the Australian Government Department of Education
3. the financial statements have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due
6. the amount of Australian Government Financial Assistance expended during the reporting period was for the purposes for which it was intended and the University has complied with applicable legislation, contracts, agreements and program Guidelines in making expenditure
7. the University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



Professor Andrew Parfitt
Vice-Chancellor



Dr Jack Steele
Chair, Audit and Risk Committee

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

University of Technology Sydney

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the University of Technology Sydney (the University), which comprise the Statement by the Accountable Authority, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2023, the Statement of Financial Position as at 31 December 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a Summary of material accounting policies, and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the Government Sector Finance Regulation 2018
- presents fairly, the financial position, financial performance and cash flows of the University and the consolidated entity
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (the ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the University in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Independent auditor's report (continued)

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 31 December 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

| Key Audit Matter | How my audit addressed the matter |
|---|--|
| <p>Accrual for wage underpayments</p> <p>At 31 December 2023, the University reported an accrual for payroll of \$31.3 million in Note 17 Trade and Other Payables. This balance included an accrual of \$8 million relating to underpayments for casual professional staff.</p> <p>I considered this to be a key audit matter because of the extent of significant management judgements underpinning key assumptions used to estimate this accrual.</p> | <p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> • reviewed the reasonableness of the methodology and key assumptions used to estimate the accrual recognised in FY2023 • assessed the accuracy and completeness of the data used to calculate this accrual • Assessed the competence, capability and objectivity of managements independent expert • reviewed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards. |
| <p>Valuation of defined benefit superannuation and long service leave liabilities</p> <p>At 31 December 2023, the University reported:</p> <ul style="list-style-type: none"> • defined benefit superannuation liabilities (including the associated payroll tax) totalling \$448.2 million • long service leave liabilities totalling \$109.2 million. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> • the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position • there is a risk the data used in the defined benefit superannuation and long service leave liability valuation models (the models) is not accurate and/or complete • the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involved in the valuation assumptions, including discount rates and salary inflation • the value of the liabilities is sensitive to minor changes in key valuation inputs. <p>Further information on the valuation of defined benefit superannuation and long service leave liabilities is included in Note 19 'Provisions' and Note 25 'Defined benefit plans'.</p> | <p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of the processes and assessing key controls in place for defined benefit superannuation and long service leave liabilities valuation • assessing the completeness and mathematical accuracy of the data used in the models • reviewing management's actuarial reports and year-end adjustments, and for defined benefit superannuation liabilities, we engaged a qualified actuary ('auditor's expert') to assess the: <ul style="list-style-type: none"> – competence, capability and objectivity of management's independent experts – appropriateness of the models – reasonableness of key assumptions used – reasonableness of the reported liability balances • reviewing the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards. |

Other Information

The University's annual report for the year ended 31 December 2023, includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The University Council is responsible for the other information. At the date of this Independent Auditor's Report, the

Independent auditor's report (continued)

other information I have received comprises the draft Annual Report, which includes the Report by the Members of the Council.

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

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

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

I have nothing to report in this regard.

The University Council's Responsibilities for the Financial Statements

The University Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2023 Reporting Period'. The University Council's responsibilities also includes such internal control as the University Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the University carried out its activities effectively, efficiently and economically
- as to the appropriateness of the certifications in the Statement by the Accountable Authority that the:
 - amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended, and the University has complied with applicable legislation, contracts, agreements and program Guidelines in making expenditure
 - University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* (HES Act) and the Administration Guidelines made under the HES Act. Revenue from the fees were spent strictly in accordance with the HES Act and only on services and amenities specified in subsection 19-38(4) of the HES Act

Independent auditor's report (continued)

- 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.



Renee Meimaroglou
Lead Director, Financial Audit

Delegate of the Auditor-General for New South Wales

23 April 2024
SYDNEY

Income statement

for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Revenue and income from continuing operations | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 2.1 | 312,555 | 308,251 | 312,555 | 308,251 |
| HELP - Australian Government payments | 2.1 | 296,387 | 263,507 | 276,564 | 247,925 |
| State and Local Government financial assistance | | | | | |
| HECS - HELP - student payments | 2.2 | 12,383 | 7,226 | 12,383 | 7,226 |
| Fees and charges | 2.3 | 440,168 | 377,653 | 413,124 | 349,892 |
| Investment income (net gains/losses) | 2.4 | (3,694) | (1,108) | (4,107) | (1,291) |
| Royalties, trademarks and licences | 2.5 | 127 | 135 | 79 | 81 |
| Consultancy and contracts | 2.6 | 50,776 | 44,822 | 49,951 | 44,822 |
| Other revenue | 2.7 | 38,553 | 35,548 | 38,684 | 35,908 |
| Other income | 2.7 | 23,450 | 10,909 | 23,903 | 11,315 |
| Share of profit on investments accounted for using the equity method | 14 | - | 42 | - | - |
| Total revenue and income from continuing operations | | 1,194,058 | 1,066,837 | 1,146,489 | 1,023,981 |
| Expenses from continuing operations | | | | | |
| Employee related expenses | 3.1 | 728,013 | 643,401 | 689,638 | 609,230 |
| Depreciation and amortisation | 3.2 | 145,617 | 140,498 | 138,589 | 125,542 |
| Repairs and maintenance | 3.3 | 18,032 | 16,572 | 17,869 | 16,383 |
| Borrowing costs | 4 | 17,619 | 16,979 | 17,173 | 16,028 |
| Impairment (reversal)/loss on assets | 3.4 | 844 | 1 | 835 | (104) |
| Losses on disposal of assets | 5 | 2,325 | 1,412 | 2 | 1,527 |
| Deferred superannuation expense | 3.1 | 126 | - | 126 | - |
| Other expenses | 3.5 | 400,729 | 319,402 | 389,282 | 307,917 |
| Share of loss on investments accounted for using the equity method | 14 | 597 | - | - | - |
| Total expenses from continuing operations | | 1,313,902 | 1,138,265 | 1,253,514 | 1,076,523 |
| Net result before income tax from continuing operations | | (119,844) | (71,428) | (107,025) | (52,542) |
| Income tax expense | 6 | 120 | 76 | - | - |
| Net result from continuing operations (after tax) | | (119,964) | (71,504) | (107,025) | (52,542) |
| Net result attributable to members of the University of Technology Sydney | | (119,964) | (71,504) | (107,025) | (52,542) |
| Net result attributable to members from: | | | | | |
| continuing operations | | (119,964) | (71,504) | (107,025) | (52,542) |
| Total | | (119,964) | (71,504) | (107,025) | (52,542) |

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

Statement of comprehensive income

for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|--------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Net result after income tax for the period | | (119,964) | (71,504) | (107,025) | (52,542) |
| Items that will be reclassified to profit or loss | | | | | |
| Exchange differences on translation of foreign operations | 23 (b) | 92 | (284) | - | - |
| Total items that will be reclassified to profit or loss | | 92 | (284) | - | - |
| Items that will not be reclassified to profit or loss | | | | | |
| Gain/(loss) on revaluation of property, plant and equipment, net of tax | 23 (b) | 79,967 | 106,187 | 79,967 | 106,187 |
| Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax | 23 (b) | 971 | 2,074 | 971 | 2,074 |
| Net actuarial gains/(losses) recognised in respect of defined benefit plans | 23 (d) | 88 | (257) | 88 | (257) |
| Total items that will not be reclassified to profit or loss | | 81,026 | 108,004 | 81,026 | 108,004 |
| Total other comprehensive income | | (38,847) | 36,216 | (26,000) | 55,462 |
| Comprehensive result | | (38,847) | 36,216 | (26,000) | 55,462 |
| Total comprehensive income attributable to members of the University of Technology Sydney | | (38,847) | 36,216 | (26,000) | 55,462 |
| Total comprehensive income attributable to members from continuing operations | | (38,847) | 36,216 | (26,000) | 55,462 |
| Total | | (38,847) | 36,216 | (26,000) | 55,462 |

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

Statement of financial position

as at 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|--------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 9 | 243,484 | 229,624 | 226,432 | 219,024 |
| Receivables | 10 | 42,923 | 29,007 | 45,392 | 29,541 |
| Contract assets | 10 | 2,293 | 3,361 | 2,198 | 3,361 |
| Other financial assets | 11 | 30,502 | 43,265 | 30,502 | 43,265 |
| Other non-financial assets | 12 | 44,312 | 63,215 | 40,429 | 59,660 |
| Non-current assets classified as held for sale | 13 | - | - | - | - |
| Total current assets | | 363,514 | 368,472 | 344,953 | 354,851 |
| Non-current assets | | | | | |
| Receivables | 10 | 438,245 | 449,550 | 446,245 | 449,550 |
| Investment accounted for using the equity method | 14 | 4,757 | 5,314 | - | - |
| Other financial assets | 11 | 119,689 | 128,259 | 123,859 | 132,858 |
| Other non-financial assets | 12 | 2,244 | 1,637 | 2,244 | 1,573 |
| Property, plant and equipment | 15 | 2,476,181 | 2,465,026 | 2,467,019 | 2,443,534 |
| Intangible assets | 16 | 80,633 | 66,086 | 77,835 | 62,156 |
| Total non-current assets | | 3,121,749 | 3,115,872 | 3,117,202 | 3,089,671 |
| Total assets | | 3,485,263 | 3,484,344 | 3,462,155 | 3,444,522 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 17 | 90,994 | 76,907 | 88,596 | 75,224 |
| Borrowings ¹ | 18 | 17,982 | 19,042 | 13,056 | 11,768 |
| Provisions | 19 | 133,744 | 123,919 | 128,551 | 118,709 |
| Other financial liabilities | 20 | 6,312 | 7,903 | 6,312 | 7,903 |
| Other liabilities | 21 | 88,562 | 72,262 | 82,807 | 69,561 |
| Contract liabilities | 22 | 99,526 | 77,317 | 85,163 | 68,338 |
| Total current liabilities | | 437,120 | 377,350 | 404,485 | 351,503 |
| Non-current liabilities | | | | | |
| Trade and other payables | 17 | 6,086 | 7,629 | 6,086 | 7,629 |
| Borrowings ¹ | 18 | 396,954 | 404,060 | 395,435 | 395,654 |
| Provisions | 19 | 486,855 | 498,210 | 484,942 | 492,529 |
| Total non-current liabilities | | 889,895 | 909,899 | 886,463 | 895,812 |
| Total liabilities | | 1,327,015 | 1,287,249 | 1,290,948 | 1,247,315 |
| Net assets | | 2,158,248 | 2,197,095 | 2,171,207 | 2,197,207 |
| Equity | | | | | |
| Reserves | 23 (a) | 1,208,173 | 1,127,143 | 1,209,283 | 1,128,345 |
| Retained earnings | 23 (d) | 950,075 | 1,069,952 | 961,924 | 1,068,862 |
| Total equity | | 2,158,248 | 2,197,095 | 2,171,207 | 2,197,207 |

1. Borrowings include property leased assets captured under AASB 16 Leases.

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

Statement of changes in equity

for the year ended 31 December 2023

| | Reserves \$'000 | Retained earnings \$'000 | Total \$'000 |
|---|--------------------|--------------------------------|------------------|
| Consolidated | | | |
| Balance at 1 January 2022 | 1,019,166 | 1,141,713 | 2,160,879 |
| Net result after income tax | - | (71,504) | (71,504) |
| Exchange differences on translation of foreign operations | (284) | - | (284) |
| Gain/(loss) on financial assets at fair value through OCI | 2,074 | - | 2,074 |
| Gain/(loss) on revaluation of property, plant and equipment | 106,187 | - | 106,187 |
| Net actuarial gains/(losses) recognised in respect of defined benefit plans | - | (257) | (257) |
| Total comprehensive income | 107,977 | (71,761) | 36,216 |
| Balance at 31 December 2022 | 1,127,143 | 1,069,952 | 2,197,095 |
| Balance at 1 January 2023 | 1,127,143 | 1,069,952 | 2,197,095 |
| Net result after income tax | - | (119,964) | (119,964) |
| Exchange differences on translation of foreign operations | 92 | - | 92 |
| Gain/(loss) on financial assets at fair value through OCI | 971 | - | 971 |
| Gain/(loss) on revaluation of property, plant and equipment | 79,967 | - | 79,967 |
| Net actuarial gains/(losses) recognised in respect of defined benefit plans | - | 88 | 88 |
| Total comprehensive income | 81,030 | (119,876) | (38,847) |
| Balance at 31 December 2022 | 1,208,173 | 950,075 | 2,158,248 |
| Parent | | | |
| Balance at 1 January 2022 | 1,020,084 | 1,121,661 | 2,141,745 |
| Net result after income tax | - | (52,542) | (52,542) |
| Gain/(loss) on financial assets at fair value through OCI | 2,074 | - | 2,074 |
| Gain/(loss) on revaluation of property, plant and equipment | 106,187 | - | 106,187 |
| Net actuarial gains/(losses) recognised in respect of defined benefit plans | - | (257) | (257) |
| Total comprehensive income | 108,261 | (52,799) | 55,462 |
| Balance at 31 December 2022 | 1,128,345 | 1,068,861 | 2,197,207 |
| Balance at 1 January 2023 | 1,128,345 | 1,068,861 | 2,197,207 |
| Net result after income tax | - | (107,025) | (107,025) |
| Gain/(loss) on financial assets at fair value through OCI | 971 | - | 971 |
| Gain/(loss) on revaluation of property, plant and equipment | 79,967 | - | 79,967 |
| Net actuarial gains/(losses) recognised in respect of defined benefit plans | - | 88 | 88 |
| Total comprehensive income | 80,938 | (106,938) | (26,000) |
| Balance at 31 December 2023 | 1,209,283 | 961,924 | 2,171,207 |

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

Statement of cash flows

for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|---------------|-----------------------------------|-----------------|-------------------------------|-----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Cash flows from operating activities | | | | | |
| Australian Government grants | | 601,369 | 576,546 | 581,546 | 561,322 |
| OS-Help (net) | 33.7 | 3,890 | (11,407) | 3,890 | (11,407) |
| State government grants received | | 5,933 | 16,720 | 5,933 | 16,720 |
| Local government grants received | | 450 | 506 | 450 | 506 |
| HECS-HELP – student payments | | 23,353 | 19,852 | 23,353 | 19,852 |
| Receipts from student fees and other customers | | 607,587 | 521,283 | 561,974 | 484,840 |
| Dividends received | | - | 494 | - | 494 |
| Interest received | | 16,366 | 9,159 | 15,997 | 8,686 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (1,144,656) | (1,021,330) | (1,093,417) | (965,858) |
| Interest and other costs of finance | | (16,960) | (17,387) | (16,514) | (16,436) |
| Short-term lease payments | | (143) | (467) | (143) | (245) |
| Lease payments for leases of low-value assets | | (622) | (1,402) | (622) | (1,402) |
| Net cash provided by/(used in) operating activities | 32 | 96,567 | 92,567 | 82,447 | 97,072 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment, intangible assets and other long-term assets | 5 | 364 | 84,307 | 74 | 84,141 |
| Proceeds from sale of financial assets | | 27,394 | 28,258 | 27,394 | 28,258 |
| Payments for financial assets | | (410) | (110,120) | (410) | (110,120) |
| Payments for property, plant and equipment, intangible assets and other long-term assets | | (89,801) | (76,885) | (89,020) | (75,842) |
| Net cash provided by/(used in) investing activities | | (62,453) | (74,440) | (61,962) | (73,563) |
| Cash flows from financing activities | | | | | |
| Repayment of borrowings | | - | - | - | - |
| Repayment of leases | | (20,310) | (21,423) | (13,077) | (10,013) |
| Net cash provided by/(used in) financing activities | | (20,310) | (21,423) | (13,077) | (10,013) |
| Net increase/(decrease) in cash and cash equivalents | | | | | |
| Cash and cash equivalents at the beginning of the financial year | | 229,624 | 233,113 | 219,024 | 205,528 |
| Effect of exchange rate changes on cash and cash equivalents | | 56 | (193) | - | - |
| Cash and cash equivalents at end of the financial year | 9 | 243,484 | 229,624 | 226,432 | 219,024 |
| Financing arrangements | 18 (b) | | | | |
| Non-cash financing and investing activities | 15 | 14,711 | 9,661 | 13,955 | 9,346 |

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

1. Summary of material accounting policies

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

The principal address of the University is 15 Broadway, Ultimo, NSW 2007.

The financial statements were authorised for issue by the Council of the University on 17 April 2024.

(a) Basis of preparation

These financial statements are general purpose financial statements and have been prepared in accordance with the requirements of:

- the Australian Accounting Standards including the Australian equivalents to the international financial reporting standards (AIFRS)
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and AASB Interpretations
- the Financial Statements Guidelines for Australian Higher Education Providers for the 2023 Reporting Period issued by the Commonwealth Department of Education
- the Government Sector Finance Act 2018
- the Higher Education Support Act 2003
- the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2022.

The University is a not-for-profit entity and these financial statements have been prepared on an accrual accounting and going concern basis under the historical cost convention, modified by the revaluation at fair value of land and buildings, financial assets, derivative instruments, certain classes of plant and equipment and leave entitlements.

(b) Basis of preparation (continued)

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS) but also include some requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

The financial statements and notes of the University comply with the Australian Accounting Standards as they apply to not-for-profit entities and hence are inconsistent with IFRS requirements in some instances.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with the Australian equivalents to International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the defined superannuation benefits, the valuation of land, buildings and building infrastructure, investments in non-listed entities, long service leave and annual leave.

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

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

Annual Leave and Long Service Leave provisions have been valued based on actuarial factors provided by Deloitte Consulting Pty Limited. The major assumptions relate to future salary increases and the applicable discount rate. Future salary increases are based on current management expectations from ongoing Enterprise Bargaining negotiations. The discount rate used is based on yields reported by the Reserve Bank of Australia on zero-coupon Australian Government bonds. The estimates and underlying assumptions are reviewed on an ongoing basis. The unfunded superannuation liabilities recorded in the Statement of Financial Position under Provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income in the year in which they occur.

(c) Basis of consolidation

(i) Subsidiaries

The financial statements are for the University of Technology Sydney consolidated reporting entity consisting of:

- University of Technology Sydney
- Insearch Limited, a controlled entity of the University
- Insearch Shanghai Limited, a controlled entity of Insearch Limited
- Insearch Education International Pty Limited, a controlled entity of Insearch Limited
- Insearch India LLP, a controlled entity of Insearch Limited
- Insearch Global Pty Ltd, a controlled entity of Insearch Limited
- Insearch Lanka Pty Ltd, a controlled entity of Insearch Global Pty Limited
- accessUTS Pty Ltd, a controlled entity of the University
- UTS Global Pty Ltd, a controlled entity of the University
- UTS Beijing Ltd, a controlled entity of UTS Global Pty Ltd
- UTS Research and Innovation Institute (Shenzhen) Co Ltd, a controlled entity of UTS Global Pty Ltd.

The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the consolidated entity except as otherwise indicated. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Separate financial statements are prepared for the same period by the University's controlled entities, which are audited by the Auditor General of New South Wales where required under legislation.

Power over the investee exists when the University has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) University companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

(e) Revenue recognition

In accordance with AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058), the operating and research grants provided by the government under the Higher Education Support Act 2003 are considered to be contracts with customers with measurable performance obligations and are recognised in the year those performance obligations are satisfied. The below have been recognised as revenue as per the following criteria:

- Funding received in relation to the Commonwealth Grants Scheme and Higher Education Loan Schemes is considered to be revenue arising from the provision of a service and has been recognised as the service is provided to the students in accordance with AASB 15.
- Funding received from Australian Research Council (ARC) is recognised as per AASB 15 as specific measurable performance obligations exist. Revenue is recognised over time as the service is being provided.
- Funding received from National Health and Medical Research Council (NHMRC) (excluding postgraduate scholarships) is recognised as per AASB 15 as specific measurable performance obligations exist. Revenue is recognised over time as the service is being provided. NHMRC amounts received for postgraduate scholarships are for the benefit of the students and are recognised under AASB 9 Financial Instruments (AASB 9).
- Funding received from the Department of Education in relation to the Research Training Program and Research Support Program is recognised under AASB 1058 as no specific measurable performance obligations exist. Revenue is recognised when the University gains control of the funds.
- Revenue from student fees is recognised under AASB 15 and is recognised as revenue as the course is delivered to the students.
- Investment income is recognised under AASB 9 and is recognised as revenue as the interest accrues.
- Revenue from sales or the provision of services including consultancy and contract revenue is recognised under AASB 15 and is recognised as revenue in the period in which the goods are supplied or the services provided.
- Donations are recognised under AASB 1058. Revenue is recognised when the University gains control of the funds.

(f) Income tax

The parent entity, the University of Technology Sydney, is exempt from income tax under section 50-1 of the Income Tax Assessment Act 1997.

For the tax paying entities of the University, the income tax expense on revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities and their carrying amounts in the financial statements and for unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

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

(g) Leases

The University leases a range of assets and accounts for these as either right-of-use assets, capitalised in accordance with the requirements of AASB 16 Leases (AASB 16), or short-term or low value leases which are expensed to the income statement.

Leases, except for certain low value leases or those with a term of less than 12 months, are capitalised at the inception of the lease at the present value of the minimum lease payments discounted using the University's weighted average incremental borrowing rate. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under the lease arrangement are depreciated over the shorter of the asset's useful life and the lease term.

Payments made under leases (net of any incentives received from the lessor) which do not fall under AASB 16 are recognised as an expense in the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term. Details of leased assets are provided in Note 15.

(h) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the University's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(i) Impairment of assets

Assets that have an infinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at banks, term deposits and deposits at call.

(k) Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less provision for impairment.

Non-current receivables are recognised at fair value.

Collectability of trade receivables is reviewed on an ongoing basis. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts which are known to be uncollectible are written off to the income statement.

For trade receivables the University applies a simplified approach in calculating expected credit losses. Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The University has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets represent the capitalised costs of fulfilling a contract with a customer where the revenue recognition is at a point in time.

(l) Inventories

The University holds no inventory.

(m) Non-current assets held for sale

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

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the holding of assets classified as held for sale continue to be recognised.

(n) Investments and other financial assets

The University classifies its investments in the following categories:

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

The University's investments in managed funds are classified as financial assets at fair value through profit or loss. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

(ii) Financial assets at fair value through other comprehensive income

The University's investments in equity investments in non-listed companies are classified as financial assets at fair value through other comprehensive income. The University elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the other comprehensive income statement.

(o) Derivatives

At the date of initial application of AASB 9 all of the University's existing hedging relationships were eligible to be treated as continuing hedging relationships. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The University designates derivatives as hedges of highly probable forecast transactions (cash flow hedges).

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

A portion of the gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the balance sheet under property, plant and equipment as per the capitalisation election under AASB 123 Borrowing Costs (AASB 123).

Details of the derivatives held by the University are disclosed in Note 34.

(p) Fair value measurement

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

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

The fair value of assets and liabilities traded in active markets such as financial instruments traded in active markets, is based on quoted market prices at the balance sheet date (Level 1).

The fair value of assets or liabilities that are not traded in an active market (for example, defined benefit superannuation liabilities or investments in non-listed entities) is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date (level 2). Fair value measurement of non-financial assets is based on the highest and best use of the asset. The University considers market participants' use of, or purchase price of the asset, to be the highest and best use. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The value of long-term debt instruments has been calculated using the amortised cost method.

Other techniques that are not based on observable market data (Level 3) such as the deprival method, estimated discounted cash flows or cost, are used to determine fair value for the remaining assets and liabilities.

(q) Property, plant and equipment

(i) Initial recognition and measurement

Assets with a useful life of more than 12 months and an acquisition cost of more than \$5,000 are initially capitalised at cost. Costs incurred on plant and equipment which do not meet the capitalisation criteria are expensed as incurred. Following initial recognition at cost, land, buildings and works of art are carried at fair value. Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of revaluation less any subsequent accumulated depreciation on buildings.

The library collection is recorded at current replacement cost.

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

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

(ii) Revaluations

Independent valuations are performed with sufficient regularity or once every three years to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Revaluation surpluses have been credited to the asset revaluation reserve included in the equity section of the statement of financial position.

(iii) Depreciation

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

| Asset class | Depreciation rate (%) | Depreciation method |
|---|-----------------------|----------------------------|
| Buildings | 2% and 4% | Straight line |
| Building infrastructure | 4.00% | Straight line |
| Electrical installations | 4.00% | Straight line |
| Suspended ceilings | 5.00% | Straight line |
| Carpet and carpet tiles | 6.67% | Straight line |
| Motor vehicles | 20.00% | Straight line |
| Right-of-use assets | 4% to 47% | Straight line |
| Computer hardware | 20.00% | Straight line |
| Computer software — minor | 33.33% | Straight line |
| Computer software — major | 14.30% | Straight line |
| Office, teaching and research equipment | 10% to 25% | Straight line |
| Library collection | 12.50% | Straight line, 5% residual |

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

(iv) Leasehold improvements

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

(v) Impairment

Property, plant and equipment assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(vi) Disposals

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

(r) Intangible assets

(i) Research and development

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

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

(ii) Software

Software that is not an integral part of the related hardware is classified as an intangible asset with a finite life. Amortisation is charged on a straight-line basis at the rate of 14.30% per annum.

(iii) Perpetual licences for online serials

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

(s) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA), now known as the Department of Education, the effects of the unfunded superannuation liabilities of the University were recorded in the income statement and the balance sheet for the first time in 1998. The previous practice had been to disclose these liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer Note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

An arrangement exists between the Australian Government and the New South Wales State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the Higher Education Funding Act 1988, the Commonwealth Higher Education Support Act 2003 and a memorandum of understanding signed by the federal government and the New South Wales State Government on 5 December 2014. Accordingly, the unfunded liabilities have been recognised in the statement of financial position under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not materially affect the year end net asset position of the University. Where the the provision exceeds the receivable due to excess salary components, this difference is to be covered by the University.

The University recognises a payroll tax liability on its unfunded superannuation liabilities which is not offset by a related receivable from the federal and New South Wales governments. The University considers that there is a right to recover any payroll tax paid in future which relates to the unfunded superannuation liabilities under the Conditions of Grant for the Higher Education Funding Act 1988, the Commonwealth Higher Education Support Act 2003 and a memorandum of understanding signed by the federal government and the New South Wales government on 5 December 2014. No receivable for such amounts is recognised until recovery is considered virtually certain.

(t) Trade and other payables

Accounts payable, including accruals, represent liabilities for goods and services provided to the economic entity prior to the end of the 2023 reporting period. These amounts are usually settled on 30-day terms.

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

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

The University's borrowings comprise a bond (\$300 million) and lease liabilities. Details of the borrowings are listed in Note 34. In addition to the borrowings, the University has available \$200 million in revolving debt facilities of which Nil is drawn as at 31 December 2023.

(v) Borrowing costs

Borrowing costs, except those incurred for the construction of any qualifying asset, are expensed as per AASB 123. Borrowing costs incurred for the construction of any qualifying assets are capitalised as per AASB 123. For immaterial prepaid borrowing costs relating to qualifying assets, the University amortises the expense on a straight-line basis, which is a departure from the standard. The amounts are regarded as immaterial and do not affect the operating result over the term of the loan. Finance charges in respect of finance leases are included in the definition of borrowing costs.

(w) Provisions

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

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

(x) Employee benefits

(i) Wages, salaries and sick leave

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

(ii) Long service leave and annual leave

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

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

The University in 2023 engaged Deloitte Consulting Pty Ltd to provide an updated set of discount factors for determination of the Long Service Leave provision and Annual Leave provision to satisfy the requirements of AASB 119 Employee Benefits.

(iii) Superannuation

Employees of the University are entitled to benefits on retirement, disability or death from the University's superannuation plans. The University has both defined contribution plans and defined benefit plans. The defined benefit plans provide employees with defined benefits based on years of service and final average salary.

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

The liability or asset in respect of the defined benefit plans is measured as the present value of the defined benefit obligation at the reporting date 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. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position. Past service costs are recognised in the income statement immediately. Contributions to the defined contribution section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

A liability or asset in respect of the defined benefit superannuation plan for UniSuper has not been recognised in the statement of financial position based on advice from UniSuper that the defined benefit plan is a contribution fund for the purposes of AASB 119 due to the amendment of the trust deed during 2006 (clause 34 of the UniSuper Trust Deed). The plan has been classified as a contribution plan in the parent entity's accounts.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The University recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(y) Contract liabilities

A contract liability is recognised when consideration is received before the performance obligation has been satisfied. Revenue is recognised when the relevant performance obligation is satisfied.

(z) Joint ventures

For the consolidated entity financial statements, the interest in jointly controlled entities is accounted for using the equity method. Under this method, the share of the profits or losses of the joint venture is recognised in the income statement. In addition, the share of movements in reserves is recognised in the statement of comprehensive income and the statement of changes in equity. Details of joint ventures are set out in Note 14.

(aa) Associates

Associates are all entities over which the University has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The University's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

When the University's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the University does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(ab) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of expense.

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(ac) Comparative amounts

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. When the presentation or classification of items in the financial statements is amended in respect of changes in the current year, the comparative amounts are reclassified to enhance comparability unless the reclassification is impracticable.

(ad) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 Financial Instruments and the amount initially recognised less cumulative amortisation, where appropriate.

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

(ae) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period. The recently issued or amended standards are not expected to have a material impact on the University's statutory accounts. The University has not exercised the right to early adopt any new or revised accounting standard.

(af) Changes in accounting policy

There have been no changes to accounting policy in the 2023 year.

(ag) Rounding of amounts

Amounts in the financial statements where applicable have been rounded off to the nearest thousand dollars, unless otherwise stated.

2.1 Australian Government financial assistance including Australian Government loan programs (HELP)

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| (a) Commonwealth Grant Scheme and other grants | 33.1 | | | | |
| Commonwealth Grant Scheme ¹ | | 216,107 | 219,260 | 216,107 | 219,260 |
| Indigenous Student Success Program | | 1,615 | 1,771 | 1,615 | 1,771 |
| Access and Participation Fund | | 2,499 | 2,900 | 2,499 | 2,900 |
| Disability Performance Funding | | 259 | 261 | 259 | 261 |
| Regional Partnerships Project Pool Program | | 1,816 | - | 1,816 | - |
| Advanced Apprenticeships Pilot | | 50 | 197 | 50 | 197 |
| Strategic University Reform Fund | | - | 289 | - | 289 |
| National Priorities and Industry Linkage Fund | | 7,310 | 8,829 | 7,310 | 8,829 |
| Total Commonwealth Grant Scheme and other grants | | 229,656 | 233,507 | 229,656 | 233,507 |
| (b) Higher education loan programs (HELP) | 33.2 | | | | |
| HECS-HELP | | 206,897 | 183,823 | 206,897 | 183,823 |
| FEE-HELP | | 85,563 | 75,975 | 65,740 | 60,393 |
| SA-HELP | | 3,927 | 3,709 | 3,927 | 3,709 |
| Total higher education loan programs | | 296,387 | 263,507 | 276,564 | 247,925 |
| (c) Education research | 33.5 | | | | |
| Research Training Program | | 28,541 | 25,974 | 28,541 | 25,974 |
| Research Support Program | | 15,908 | 16,601 | 15,908 | 16,601 |
| Total education research grants | | 44,449 | 42,575 | 44,449 | 42,575 |
| 1. Includes the basic CGS grant amount, CGS – Regional Loading, and CGS – Enabling Loading. | | | | | |
| (d) Australian Research Council | 33.3 | | | | |
| Discovery | | 13,082 | 12,233 | 13,082 | 12,233 |
| Linkages | | 3,816 | 2,402 | 3,816 | 2,402 |
| Networks and centres | | 794 | 1,022 | 794 | 1,022 |
| Total ARC | | 17,692 | 15,657 | 17,692 | 15,657 |
| (e) Other capital funding | 33.4 | | | | |
| Linkage Infrastructure, Equipment and Facilities grant | | 389 | 276 | 389 | 276 |
| Total other capital funding | | 389 | 276 | 389 | 276 |
| (f) Other Australian Government financial assistance | | | | | |
| Non-capital | | | | | |
| Other Australian Government financial assistance | | 20,369 | 16,236 | 20,369 | 16,236 |
| Total non-capital Other Australian Government financial assistance | | 20,369 | 16,236 | 20,369 | 16,236 |
| Total Australian Government financial assistance | | 608,942 | 571,758 | 589,119 | 556,176 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Australian Government financial assistance including Australian Government loan programs | | | | | |
| Reconciliation | | | | | |
| Australian Government grants (a+c+d+e+f) | | 312,555 | 308,251 | 312,555 | 308,251 |
| Higher education loan programs (b) | | 296,387 | 263,507 | 276,564 | 247,925 |
| Total Australian Government financial assistance | | 608,942 | 571,758 | 589,119 | 556,176 |
| 2.2 State and local government financial assistance | | | | | |
| Non-capital | | | | | |
| New South Wales State Government | | 5,950 | 6,241 | 5,950 | 6,241 |
| Other state governments | | 241 | 221 | 241 | 221 |
| Local government | | 450 | 506 | 450 | 506 |
| Total non-capital | | 6,641 | 6,968 | 6,641 | 6,968 |
| Capital | | | | | |
| New South Wales State Government | | 5,742 | 258 | 5,742 | 258 |
| Total capital | | 5,742 | 258 | 5,742 | 258 |
| Total state and local government financial assistance | | 12,383 | 7,226 | 12,383 | 7,226 |
| 2.3 Fees and charges | | | | | |
| Course fees and charges | | | | | |
| Fee-paying onshore overseas students | | 384,175 | 337,513 | 356,465 | 310,472 |
| Fee-paying offshore overseas students | | 6,026 | 4,741 | 6,026 | 4,741 |
| Continuing education | | 9,869 | 7,805 | 9,835 | 7,805 |
| Fee-paying domestic postgraduate students | | 22,523 | 10,885 | 22,523 | 10,885 |
| Fee-paying domestic undergraduate students | | 1,116 | 741 | 1,116 | 741 |
| Other domestic course fees and charges | | 8,283 | 7,470 | 8,283 | 7,153 |
| Total course fees and charges | | 431,992 | 369,155 | 404,248 | 341,797 |
| Other non-course fees and charges | | | | | |
| Library charges | | 47 | 993 | 1,084 | 993 |
| Student accommodation charges | | 59 | 201 | - | - |
| Student services and amenities fee from students | 33.9 | 6,830 | 6,173 | 6,830 | 6,173 |
| Medical fees | | 938 | 925 | 954 | 925 |
| English testing centre | | 4 | - | 4 | - |
| Other fees and charges | | 298 | 206 | 4 | 4 |
| Total other non-course fees and charges | | 8,176 | 8,498 | 8,876 | 8,095 |
| Total fees and charges | | 440,168 | 377,653 | 413,124 | 349,892 |
| 2.4 Investment income (net gains/losses) | | | | | |
| Interest | | | | | |
| Debt instruments at fair value through profit or loss | | 16,927 | 7,004 | 16,514 | 6,821 |
| Dividends | | | | | |
| Equity instruments designated at fair value through profit or loss | | - | 494 | - | 494 |
| Reversal of Franking Credits recognised upon ATO decision on treatment of 2021 in-specie distribution from Education Australia Limited | | (22,758) | - | (22,758) | - |
| Total interest and dividends | | (5,831) | 7,498 | (6,244) | 7,315 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Net fair value gains/losses | | | | | |
| Gain/(loss) on financial assets designated at fair value through profit or loss | | | | | |
| IDP shares | | - | (6,844) | - | (6,844) |
| Managed funds | | 2,137 | (1,762) | 2,137 | (1,762) |
| Total net fair value gains/(losses) | | 2,137 | (8,606) | 2,137 | (8,606) |
| Total investment income (net gains/losses) | | (3,694) | (1,108) | (4,107) | (1,291) |
| 2.5 Royalties, trademarks and licences | | | | | |
| Royalties, trademarks and licences | | 127 | 135 | 79 | 81 |
| 2.6 Consultancy and contracts | | | | | |
| Consultancy | | 4,531 | 3,089 | 4,725 | 3,089 |
| Contract research | | 46,245 | 41,733 | 45,226 | 41,733 |
| Total consultancy and contracts | | 50,776 | 44,822 | 49,951 | 44,822 |
| 2.7 Other revenue and income | | | | | |
| Other revenue | | | | | |
| Contribution from Insearch Limited | | - | - | 395 | 713 |
| Donations and bequests | | 16,908 | 17,595 | 16,908 | 17,595 |
| Foreign exchange gain/(loss) (net) (note (a)) | | (187) | (14) | (155) | (14) |
| Non-government grants | | 7,958 | 7,520 | 7,958 | 7,520 |
| Scholarships and prizes | | 2,387 | 2,402 | 2,387 | 2,402 |
| Services | | 3,348 | 1,012 | 3,539 | 1,012 |
| Sponsorships | | 2,226 | 1,735 | 2,226 | 1,735 |
| Other | | 5,913 | 5,298 | 5,426 | 4,945 |
| Total other revenue | | 38,553 | 35,548 | 38,684 | 35,908 |
| Other income | | | | | |
| Hire and rental | | 18,190 | 12,680 | 18,643 | 13,086 |
| Profit/(loss) on sale of IDP shares | | 2,493 | (4,255) | 2,493 | (4,255) |
| Contributions to fixed assets | | 6 | - | 6 | - |
| Contributions for salary from other entities | | 2,305 | 1,885 | 2,305 | 1,885 |
| Sale of goods | | 456 | 599 | 456 | 599 |
| Total other income | | 23,450 | 10,909 | 23,903 | 11,315 |
| Total other revenue and income | | 62,003 | 46,457 | 62,587 | 47,223 |
| (a) Net foreign exchange gain/(loss) | | | | | |
| Net foreign exchange gain/(loss) included in other income for the year | | (187) | (14) | (155) | (14) |
| Net foreign exchange gain/(loss) recognised in operating result before income tax for the year (as either other revenue or expense) | | (187) | (14) | (155) | (14) |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 2.8 Reconciliation revenue and income | | | | | |
| Total Australian Government financial assistance including Australian Government loan programs (HELP) | 2.1 | 608,942 | 571,758 | 589,119 | 556,176 |
| Total state and local government financial assistance | 2.2 | 12,383 | 7,226 | 12,383 | 7,226 |
| Total HECS-HELP – Student payments | | 23,353 | 19,852 | 23,353 | 19,852 |
| Total fees and charges | 2.3 | 440,168 | 377,653 | 413,124 | 349,892 |
| Total investment income (net gains/losses) | 2.4 | (3,694) | (1,108) | (4,107) | (1,291) |
| Total royalties, trademarks and licences | 2.5 | 127 | 135 | 79 | 81 |
| Total consultancy and contracts | 2.6 | 50,776 | 44,822 | 49,951 | 44,822 |
| Total other revenue and income | 2.7 | 62,003 | 46,457 | 62,587 | 47,223 |
| Share of profit/(loss) on investments accounted for using the equity method | 14 | (597) | 42 | - | - |
| Total | | 1,193,461 | 1,066,837 | 1,146,489 | 1,023,981 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 3. Expenses from continuing operations | | | | | |
| 3.1 Employee related expenses | | | | | |
| Academic | | | | | |
| Salaries | | 261,094 | 241,716 | 250,571 | 231,446 |
| Contributions to superannuation and pension schemes | | | | | |
| Contributions to funded schemes | | 43,120 | 40,246 | 42,037 | 38,753 |
| Payroll tax | | 17,755 | 14,912 | 17,139 | 14,375 |
| Workers' compensation | | 413 | 927 | 399 | 880 |
| Long service leave expense | | 8,124 | 3,322 | 8,181 | 3,785 |
| Annual leave | | 19,322 | 17,163 | 19,138 | 16,977 |
| Total academic | | 349,828 | 318,286 | 337,465 | 306,216 |
| Non-academic | | | | | |
| Salaries | | 289,591 | 251,214 | 266,225 | 232,701 |
| Contributions to superannuation and pension schemes | | | | | |
| Contributions to funded schemes | | 43,513 | 38,809 | 41,419 | 37,051 |
| Payroll tax | | 18,405 | 14,788 | 17,214 | 13,730 |
| Workers' compensation | | 458 | 957 | 426 | 871 |
| Long service leave expense | | 6,400 | 560 | 6,763 | 939 |
| Annual leave | | 19,818 | 18,787 | 20,126 | 17,722 |
| Total non-academic | | 378,185 | 325,115 | 352,173 | 303,014 |
| Total employee related expenses | | 728,013 | 643,401 | 689,638 | 609,230 |
| Deferred superannuation expense | | 126 | - | 126 | - |
| Total employee related expenses, including deferred government employee benefits for superannuation | | 728,139 | 643,401 | 689,764 | 609,230 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 3.2 Depreciation and amortisation | | | | | |
| Depreciation property, plant and equipment | | | | | |
| Buildings | | 36,807 | 34,082 | 36,807 | 34,082 |
| Infrastructure | | 31,884 | 29,469 | 31,884 | 29,469 |
| Right-of-use assets | | 19,368 | 22,758 | 14,868 | 12,817 |
| Equipment | | 31,666 | 31,998 | 30,926 | 28,695 |
| Library collection | | 665 | 874 | 665 | 874 |
| Motor vehicles | | 136 | 81 | 58 | 49 |
| Total depreciation property, plant and equipment | | 120,526 | 119,262 | 115,208 | 105,986 |
| Amortisation property, plant and equipment | | | | | |
| Leasehold improvements | | 7,087 | 5,838 | 6,689 | 5,534 |
| Total amortisation property, plant and equipment | | 7,087 | 5,838 | 6,689 | 5,534 |
| Total depreciation and amortisation property, plant and equipment | | 127,613 | 125,100 | 121,897 | 111,520 |
| Amortisation intangibles | | | | | |
| Software | | 15,814 | 13,725 | 14,723 | 12,376 |
| Licences perpetual | | 1,969 | 1,646 | 1,969 | 1,646 |
| Patents and trademarks | | 221 | 27 | - | - |
| Total amortisation intangibles | | 18,004 | 15,398 | 16,692 | 14,022 |
| Total depreciation and amortisation | | 145,617 | 140,498 | 138,589 | 125,542 |
| 3.3 Repairs and maintenance | | | | | |
| Buildings | | 14,297 | 12,895 | 14,284 | 12,895 |
| Plant and equipment | | 3,735 | 3,677 | 3,585 | 3,488 |
| Total repairs and maintenance | | 18,032 | 16,572 | 17,869 | 16,383 |
| 3.4 Impairment of assets | | | | | |
| Bad debts | | 538 | 362 | 527 | 361 |
| Increase/(decrease) in provision for doubtful debts | | (75) | (361) | (73) | (465) |
| Financial assets | | 381 | - | 381 | - |
| Total impairment (reversal)/loss of assets | | 844 | 1 | 835 | (104) |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 3.5 Other expenses | | | | | |
| Fees and subscriptions | | 78,813 | 53,057 | 78,835 | 52,500 |
| Tuition fees | | 77,369 | 49,160 | 74,680 | 47,554 |
| Scholarships, grants and prizes | | 41,827 | 41,761 | 41,324 | 41,357 |
| Consultancy | | 34,059 | 24,957 | 33,448 | 24,464 |
| Software maintenance | | 32,939 | 28,142 | 29,505 | 25,251 |
| Travel and related staff development and training | | 21,120 | 14,740 | 20,487 | 14,090 |
| Contributions research | | 18,943 | 15,811 | 18,943 | 15,811 |
| Cleaning | | 13,437 | 12,599 | 13,212 | 12,248 |
| Contributions other | | 10,188 | 11,946 | 11,880 | 13,629 |
| Heating and lighting | | 11,402 | 9,024 | 11,182 | 8,785 |
| Advertising, marketing and promotional expenses | | 13,129 | 13,269 | 8,722 | 9,498 |
| Laboratory supplies | | 8,371 | 7,184 | 8,371 | 7,184 |
| Non-capitalised equipment | | 10,229 | 9,722 | 9,919 | 9,722 |
| Security contract staff | | 6,582 | 6,235 | 6,324 | 5,913 |
| Insurance | | 5,291 | 4,871 | 5,098 | 4,520 |
| Entertainment | | 5,090 | 3,062 | 5,004 | 2,997 |
| Telecommunications | | 3,372 | 3,205 | 3,142 | 2,935 |
| Building rent and rates | | 2,098 | 3,586 | 2,847 | 2,512 |
| Other expenses | | 6,470 | 7,071 | 6,359 | 6,947 |
| Total other expenses | | 400,729 | 319,402 | 389,282 | 307,917 |
| 4. Borrowing costs | | | | | |
| Interest expense on financial liabilities at amortised cost | | 12,988 | 12,205 | 12,988 | 12,205 |
| Interest expense on lease liabilities | | 4,631 | 4,774 | 4,185 | 3,823 |
| | | 17,619 | 16,979 | 17,173 | 16,028 |
| Less: amount capitalised | | - | - | - | - |
| Total borrowing costs expensed | | 17,619 | 16,979 | 17,173 | 16,028 |
| 5. Sales of assets | | | | | |
| Proceeds from sale | | | | | |
| Property, plant and equipment | | 363 | 84,307 | 73 | 84,141 |
| Less carrying amount of assets sold | | | | | |
| Property, plant and equipment | | 2,688 | 85,719 | 75 | 85,668 |
| Total carrying amount of assets | | 2,688 | 85,719 | 75 | 85,668 |
| Net gain or (loss) on sale of assets | | (2,325) | (1,412) | (2) | (1,527) |
| 6. Income tax | | | | | |
| Income tax | | 120 | 76 | - | - |

7. Key management personnel disclosures

(a) Names of Council members

The following persons were Council members of the University during the year:

University

| | |
|-----------------------------|------------------------------|
| Ms Catherine Livingstone AO | Ms Kim McKay AO |
| Ms Michelene Collopy | Mr Richard Howes |
| Professor Andrew Parfitt | Dr Sue Barrell AO |
| Professor Anthony Dooley | Mr Antony Riordan |
| Dr John Laker AO | Professor Prabhu Sivabalan |
| Dr Jack Steele | Professor Isabella Alexander |
| Ms Dianne Hill | Mr Kurt Cheng |
| Dr Lisa O'Brien | Mr Peter Munford |
| Mr Patrick Tooth | |

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

Insearch Limited

| | |
|--------------------------|--------------------------------------|
| Professor Andrew Parfitt | Emeritus Professor Ross Milbourne AO |
| Ms Anne Dwyer | Mr Alex Murphy |
| Ms Nell Anderson | Mr G Freeland |
| Mr Iain Watt | Professor Carl Rhodes |
| Mr Glen Babington | |

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| | |
|---------------------------------|---|
| Mr Glen Babington | Professor Mark Evans (commenced April 2023) |
| Mr Glenn Wightwick | |
| Ms Taia Rowe (ended March 2023) | |

UTS Global Pty Limited

| | |
|-------------------|--------------------------|
| Mr Iain Watt | Professor Debra Anderson |
| Mr Glen Babington | Mr Glenn Wightwick |

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the University during the financial year:

University

| | |
|--------------------------|---------------------------|
| Professor Andrew Parfitt | Professor Glenn Wightwick |
| Professor Vicki Chen | Professor Kylie Readman |
| Mr Glen Babington | Professor Kate McGrath |
| Mr Iain Watt | |

Insearch Limited

| | |
|----------------------------------|--|
| Mr Timothy Laurence | Ms Carol A Churches |
| Mr Alex Murphy (ended July 2023) | Mr Nathan Patrick |
| Mr Peter Harris | Ms Sally Chatterjee (ended September 2023) |
| Ms Sally Payne | |

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| |
|-------------------|
| Mr Glen Babington |
|-------------------|

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Other services | | | | | |
| Fees paid to non-audit firms for audit and review of financial statements | | 232 | 59 | - | 36 |
| Total paid for non-audit services | | 232 | 59 | - | 36 |
| Total remuneration for audit services | | 833 | 643 | 397 | 438 |
| 9. Cash and cash equivalents | | | | | |
| Cash at bank and on hand | | 7,875 | 6,096 | 918 | 533 |
| Short-term deposits at call | | 130,588 | 73,147 | 120,514 | 68,491 |
| Fixed-term deposits | | 105,021 | 150,381 | 105,000 | 150,000 |
| Total cash and cash equivalents | | 243,484 | 229,624 | 226,432 | 219,024 |
| (a) Reconciliation to cash at the end of the year | | | | | |
| The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows: | | | | | |
| balances as above | | 243,484 | 229,624 | 226,432 | 219,024 |
| Balance as per statement of cash flows | | 243,484 | 229,624 | 226,432 | 219,024 |
| (b) Cash at bank and on hand | | | | | |
| Cash at bank are interest bearing with interest rates ranging between 0.3% and 4.25% (2022: 0.01% and 3.00%). Cash on hand are non-interest bearing. | | | | | |
| (c) Short-term deposits at call and term deposits | | | | | |
| The deposits at call are bearing floating interest rates between 2.95% and 4.55% (2022: 2.85% and 3.35%). Term deposits are interest bearing with rates ranging between 3.10% and 5.28%. Term deposits are able to be recalled by providing 31 days' notice. | | | | | |
| 10. Receivables and contract assets | | | | | |
| Current | | | | | |
| Trade debtors – other | | 36,287 | 25,176 | 33,453 | 22,931 |
| less: provision for impaired receivables | | (577) | (551) | (577) | (552) |
| | | 35,710 | 24,625 | 32,876 | 22,379 |
| Trade debtors – student | | 8,292 | 5,453 | 7,946 | 5,175 |
| less: provision for impaired receivables | | (1,144) | (1,244) | (1,050) | (1,148) |
| | | 7,148 | 4,209 | 6,896 | 4,027 |
| Total trade debtors | | 42,858 | 28,834 | 39,772 | 26,406 |
| Amounts receivable from wholly owned subsidiaries | | | | | |
| Insearch Limited | | - | - | 5,555 | 2,962 |
| Amounts receivable from related entities | | | | | |
| Sydney Educational Broadcasting Limited | | 65 | 173 | 65 | 173 |
| Total current receivables | | 42,923 | 29,007 | 45,392 | 29,541 |
| Contract assets | | | | | |
| Contract expenditures for partially completed contracts with customers | | 2,293 | 3,361 | 2,198 | 3,361 |
| Total current contract assets | | 2,293 | 3,361 | 2,198 | 3,361 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current | | | | | |
| Amounts receivable from wholly owned subsidiaries | | | | | |
| Insearch Limited | | - | - | 8,000 | - |
| Deferred government contribution for superannuation | | 438,245 | 449,550 | 438,245 | 449,550 |
| Total non-current receivables | | 438,245 | 449,550 | 446,245 | 449,550 |
| Total receivables and contract assets | | 483,461 | 481,918 | 493,835 | 482,452 |
| Set out below is the movement in the allowance for expected credit losses of receivables: | | | | | |
| At 1 January | | 1,795 | 2,185 | 1,700 | 2,165 |
| Increase/(decrease) in provision for expected credit losses | | 463 | 1 | 454 | (104) |
| Write off | | (538) | (391) | (527) | (361) |
| At 31 December | | 1,720 | 1,795 | 1,627 | 1,700 |
| The information about the credit exposure is disclosed in note 34. | | | | | |
| 11. Other financial assets | | | | | |
| Current | | | | | |
| Other financial assets at fair value through profit and loss | | | | | |
| Managed funds - Australian Ethical Limited | 34(d) | 20,502 | 18,364 | 20,502 | 18,364 |
| Listed shares (IDP) - Other financial assets | 34(d) | - | 24,901 | - | 24,901 |
| Fixed term deposits - current | | 10,000 | - | 10,000 | - |
| Total current other financial assets at fair value through profit or loss | | 30,502 | 43,265 | 30,502 | 43,265 |
| Total current other financial assets | | 30,502 | 43,265 | 30,502 | 43,265 |
| Non-current | | | | | |
| Other financial assets at fair value through profit and loss | | | | | |
| Fixed term deposits - non current | 34(d) | 100,000 | 110,000 | 100,000 | 110,000 |
| Investments in equity instruments designated at fair value through other comprehensive income | | | | | |
| Unlisted shares | | 18,360 | 17,389 | 18,360 | 17,389 |
| Other financial assets at amortised cost | | | | | |
| Shares in subsidiaries | | - | - | 1,600 | 1,785 |
| Shares in other entities | | 1,084 | 674 | 1,084 | 674 |
| Interest in joint venture partnerships and investment in associates | | - | - | 2,815 | 3,010 |
| Other unlisted securities — security deposits | | 245 | 196 | - | - |
| Total non-current other financial assets | | 119,689 | 128,259 | 123,859 | 132,858 |

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

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

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 12. Other non-financial assets | | | | | |
| Current | | | | | |
| Accrued income - Franking credits | | - | 22,759 | - | 22,759 |
| Accrued income - Other | | 10,900 | 6,304 | 10,856 | 6,304 |
| Prepayments | | 33,412 | 34,152 | 29,573 | 30,597 |
| Total current other non-financial assets | | 44,312 | 63,215 | 40,429 | 59,660 |
| Non-current | | | | | |
| Prepayments | | 2,244 | 1,573 | 2,244 | 1,573 |
| Prepaid rent | | - | 64 | - | - |
| Total non-current other non-financial assets | | 2,244 | 1,637 | 2,244 | 1,573 |
| Total other non-financial assets | | 46,556 | 64,852 | 42,673 | 61,233 |
| <p>In 2021, the University recognised a receivable of \$22.76M relating to the expected receipt of franking credits arising from the in-specie distribution of IDP shares by Education Australia Limited in that year.</p> <p>In 2023, the ATO has issued a formal notice denying this franking credit claim. The University has engaged legal advice on the matter and has lodged a formal objection.</p> <p>For financial reporting purposes, due to the uncertainty of this claim, the University has decided at balance date to discontinue recognition of the receivable.</p> | | | | | |
| 13. Non-current assets classified as held for sale | | | | | |
| Land | | - | - | - | - |
| Buildings | | - | - | - | - |
| Total non-current assets classified as held for sale | | - | - | - | - |
| 14. Investments accounted for using the equity method | | | | | |
| Investments in associates | | 2,874 | 2,820 | - | - |
| Investments in joint ventures | | 1,883 | 2,494 | - | - |
| Total investments accounted for using the equity method | | 4,757 | 5,314 | - | - |
| (a) Reconciliation | | | | | |
| Balance at 1 January | | 5,314 | 4,764 | - | - |
| Share of profit/(loss) for the year | | (597) | 42 | - | - |
| Foreign currency translation | | 40 | 508 | - | - |
| Balance at 31 December | | 4,757 | 5,314 | - | - |

- Cicada Innovations Pty Ltd (formally Australian Technology Park Innovation Proprietary Limited (ATPI)) has a reporting date of 30 June 2023. The University has relied on the statutory accounts to the 30 June 2023 for Cicada Innovations Pty Ltd.
- Rugby Australia House Pty Ltd, a joint venture between the University of Technology Sydney and the Australian Rugby Union Ltd, was established in December 2015 to construct a building on land owned by Venues NSW (previously the SCG Trust). The building was completed in 2017 and is owned by the SCG Trust and in recognition of receipt of the building, the SCG Trust has provided leased premises within the building to the University at reduced rates for a minimum of 25 years. The entity has served its purpose and will be wound up. The investment is recorded at \$0m.
- Sabre Autonomous Solutions Pty Ltd has a reporting date of 30 June 2023. The University has relied on the statutory accounts to the 30 June 2023 for Sabre Autonomous Solutions Pty Ltd.

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

(b) Individually immaterial joint ventures or associates

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

| | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Aggregate carrying amount of interests in joint ventures and associates accounted for using the equity method that are not individually material in the consolidated financial statements: | | | | |
| Profit/(loss) from continuing operations | (597) | 42 | - | - |
| Profit/(loss) from continuing operations after income tax | (597) | 42 | - | - |
| Total comprehensive income | (597) | 42 | - | - |
| Total share of profit or loss on investments accounted for using the equity method | (597) | 42 | - | - |

(c) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

(d) Restrictions

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

| | Construction in progress | Land | Buildings | Infrastructure | Plant and equipment ¹ | Leasehold improvements | Library | Other property plant and equipment ² | Sub-total property, plant and equipment owned | Right-of-use assets | Total |
|---|-----------------------------|----------------|------------------|----------------|-------------------------------------|---------------------------|--------------|--|--|------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | | \$'000 |
| 15. Property, plant and equipment | | | | | | | | | | | |
| Consolidated | | | | | | | | | | | |
| At 1 January 2022 | | | | | | | | | | | |
| cost | 15,395 | - | - | - | 395,440 | 87,784 | - | - | 498,619 | 200,046 | 698,665 |
| valuation | - | 539,820 | 1,693,026 | 692,751 | - | - | 111,020 | 3,834 | 3,040,451 | - | 3,040,451 |
| Accumulated depreciation and impairment | - | - | (572,986) | (306,439) | (248,317) | (18,075) | (101,909) | - | (1,247,726) | (64,600) | (1,312,326) |
| Net book amount | 15,395 | 539,820 | 1,120,040 | 386,312 | 147,123 | 69,709 | 9,111 | 3,834 | 2,291,344 | 135,446 | 2,426,790 |
| Year ended 31 December 2022 | | | | | | | | | | | |
| Opening net book amount | 15,395 | 539,820 | 1,120,040 | 386,312 | 147,123 | 69,709 | 9,111 | 3,834 | 2,291,344 | 135,446 | 2,426,790 |
| Exchange differences | - | - | - | - | (210) | - | - | - | (210) | (375) | (585) |
| Revaluation surplus/(deficit) | - | (11,626) | 82,400 | 30,913 | - | 4,777 | - | (277) | 106,187 | - | 106,187 |
| Additions (including transfers) | 10,130 | - | 15,122 | 9,000 | 24,232 | 2,619 | 85 | 145 | 61,333 | 9,661 | 70,994 |
| Assets included in a disposal group classified as held for sale and other disposals | 21 | - | - | - | (2,145) | - | - | - | (2,124) | (11,136) | (13,260) |
| Depreciation charge | - | - | (34,082) | (29,469) | (32,079) | (5,838) | (874) | - | (102,342) | (22,758) | (125,100) |
| Closing net book amount | 25,546 | 528,194 | 1,183,480 | 396,756 | 136,921 | 71,267 | 8,322 | 3,702 | 2,354,188 | 110,838 | 2,465,026 |
| As at 31 December 2022 | | | | | | | | | | | |
| cost | 25,546 | - | - | - | 400,213 | 97,701 | - | - | 523,460 | 169,682 | 693,142 |
| valuation | - | 528,194 | 1,821,322 | 745,558 | - | - | 111,105 | 3,702 | 3,209,881 | - | 3,209,881 |
| Accumulated depreciation and impairment | - | - | (637,842) | (348,802) | (263,292) | (26,434) | (102,783) | - | (1,379,153) | (58,844) | (1,437,997) |
| Net book amount | 25,546 | 528,194 | 1,183,480 | 396,756 | 136,921 | 71,267 | 8,322 | 3,702 | 2,354,188 | 110,838 | 2,465,026 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Construction in progress | Land | Buildings | Infrastructure | Plant and equipment | Leasehold improvements | Library | Other property, plant and equipment | Sub-total property, plant and equipment owned | Right-of-use assets | Total |
|---|-----------------------------|----------------|------------------|----------------|------------------------|---------------------------|--------------|--|--|------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | | \$'000 |
| Consolidated | | | | | | | | | | | |
| At 1 January 2023 | | | | | | | | | | | |
| cost | 25,546 | - | - | - | 400,213 | 97,701 | - | - | 523,460 | 169,682 | 693,142 |
| valuation | - | 528,194 | 1,821,322 | 745,558 | - | - | 111,105 | 3,702 | 3,209,881 | - | 3,209,881 |
| Accumulated depreciation and impairment | - | - | (637,842) | (348,802) | (263,292) | (26,434) | (102,783) | - | (1,379,153) | (58,844) | (1,437,997) |
| Net book amount | 25,546 | 528,194 | 1,183,480 | 396,756 | 136,921 | 71,267 | 8,322 | 3,702 | 2,354,188 | 110,838 | 2,465,026 |
| Year ended 31 December 2023 | | | | | | | | | | | |
| Opening net book amount | 25,546 | 528,194 | 1,183,480 | 396,756 | 146,695 | 61,493 | 8,322 | 3,702 | 2,354,188 | 110,838 | 2,465,026 |
| Reclassification | - | - | - | - | 9,774 | (9,774) | - | - | - | - | - |
| Exchange differences | - | - | - | - | 16 | 47 | - | - | 63 | 41 | 104 |
| Revaluation surplus/(deficit) | - | 9,966 | 41,161 | 25,023 | - | 3,818 | - | - | 79,968 | - | 79,968 |
| Additions (including transfers) | (21,775) | - | 23,667 | 13,030 | 24,533 | 9,971 | 101 | 17 | 49,544 | 14,711 | 64,255 |
| Assets included in a disposal group classified as held for sale and other disposals | - | - | - | - | (2,688) | - | - | - | (2,688) | (2,871) | (5,559) |
| Depreciation charge | - | - | (36,807) | (31,884) | (31,802) | (7,087) | (665) | - | (108,245) | (19,368) | (127,613) |
| Closing net book amount | 3,771 | 538,160 | 1,211,501 | 402,925 | 136,754 | 68,242 | 7,758 | 3,719 | 2,372,830 | 103,351 | 2,476,181 |
| As at 31 December 2023 | | | | | | | | | | | |
| cost | 3,771 | - | - | - | 424,887 | 103,229 | - | - | 531,887 | 174,123 | 706,010 |
| valuation | - | 538,160 | 1,905,550 | 803,678 | - | - | 111,206 | 3,719 | 3,362,313 | - | 3,362,313 |
| Accumulated depreciation and impairment | - | - | (694,049) | (400,753) | (288,133) | (34,987) | (103,448) | - | (1,521,370) | (70,772) | (1,592,142) |
| Net book amount | 3,771 | 538,160 | 1,211,501 | 402,925 | 136,754 | 68,242 | 7,758 | 3,719 | 2,372,830 | 103,351 | 2,476,181 |

| | Construction in progress | Land | Buildings | Infrastructure | Plant and equipment ¹ | Leasehold improvements | Library | Other property, plant and equipment ² | Sub-total property, plant and equipment owned | Right-of-use assets | Total |
|---|-----------------------------|----------------|------------------|----------------|-------------------------------------|---------------------------|--------------|---|--|------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | | \$'000 |
| Parent entity | | | | | | | | | | | |
| At 1 January 2022 | | | | | | | | | | | |
| cost | 15,265 | - | - | - | 361,246 | 76,599 | - | - | 453,110 | 134,654 | 587,764 |
| valuation | - | 539,820 | 1,693,026 | 692,571 | - | - | 111,020 | 3,834 | 3,040,271 | - | 3,040,271 |
| Accumulated depreciation and impairment | - | - | (572,986) | (306,439) | (216,479) | (17,872) | (101,909) | - | (1,215,685) | (31,932) | (1,247,617) |
| Net book amount | 15,265 | 539,820 | 1,120,040 | 386,132 | 144,767 | 58,727 | 9,111 | 3,834 | 2,277,696 | 102,722 | 2,380,418 |
| Year ended 31 December 2022 | | | | | | | | | | | |
| Opening net book amount | 15,265 | 539,820 | 1,120,040 | 386,132 | 144,767 | 58,727 | 9,111 | 3,834 | 2,277,696 | 102,722 | 2,380,418 |
| Revaluation surplus/(deficit) | - | (11,626) | 82,400 | 30,913 | - | 4,777 | - | (277) | 106,187 | - | 106,187 |
| Additions (including transfers) | 10,157 | - | 15,122 | 9,180 | 23,376 | 2,586 | 85 | 145 | 60,651 | 9,346 | 69,997 |
| Assets included in a disposal group classified as held for sale and other disposals | - | - | - | - | (1,547) | - | - | - | (1,547) | (1) | (1,548) |
| Depreciation charge | - | - | (34,082) | (29,469) | (28,744) | (5,534) | (874) | - | (98,703) | (12,817) | (111,520) |
| Closing net book amount | 25,422 | 528,194 | 1,183,480 | 396,756 | 137,852 | 60,556 | 8,322 | 3,702 | 2,344,284 | 99,250 | 2,443,534 |
| As at 31 December 2022 | | | | | | | | | | | |
| cost | 25,422 | - | - | - | 381,362 | 86,484 | - | - | 493,268 | 139,566 | 632,834 |
| valuation | - | 528,194 | 1,821,322 | 745,558 | - | - | 111,105 | 3,702 | 3,209,881 | - | 3,209,881 |
| Accumulated depreciation and impairment | - | - | (637,842) | (348,802) | (243,510) | (25,928) | (102,783) | - | (1,358,865) | (40,316) | (1,399,181) |
| Net book amount | 25,422 | 528,194 | 1,183,480 | 396,756 | 137,852 | 60,556 | 8,322 | 3,702 | 2,344,284 | 99,250 | 2,443,534 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Construction in progress | Land | Buildings | Infrastructure | Plant and equipment ¹ | Leasehold improvements | Library | Other property, plant and equipment ² | Sub-total property, plant and equipment owned | Right-of-use assets | Total |
|---|-----------------------------|----------------|------------------|----------------|-------------------------------------|---------------------------|--------------|---|--|------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | | \$'000 |
| Parent entity | | | | | | | | | | | |
| As at 1 January 2023 | | | | | | | | | | | |
| cost | 25,422 | - | - | - | 381,362 | 86,484 | - | - | 493,268 | 139,566 | 632,834 |
| valuation | - | 528,194 | 1,821,322 | 745,558 | - | - | 111,105 | 3,702 | 3,209,881 | - | 3,209,881 |
| Accumulated depreciation and impairment | - | - | (637,842) | (348,802) | (243,510) | (25,928) | (102,783) | - | (1,358,865) | (40,316) | (1,399,181) |
| Net book amount | 25,422 | 528,194 | 1,183,480 | 396,756 | 137,852 | 60,556 | 8,322 | 3,702 | 2,344,284 | 99,250 | 2,443,534 |
| Year ended 31 December 2023 | | | | | | | | | | | |
| Opening net book amount | 25,422 | 528,194 | 1,183,480 | 396,756 | 137,852 | 60,556 | 8,322 | 3,702 | 2,344,284 | 99,250 | 2,443,534 |
| Revaluation surplus/(deficit) | - | 9,966 | 41,161 | 25,023 | - | 3,817 | - | - | 79,967 | - | 79,967 |
| Additions (including transfers) | (21,651) | - | 23,667 | 13,030 | 26,400 | 9,971 | 101 | 17 | 51,535 | 13,955 | 65,490 |
| Assets included in a disposal group classified as held for sale and other disposals | - | - | - | - | (75) | - | - | - | (75) | - | (75) |
| Depreciation charge | - | - | (36,807) | (31,884) | (30,984) | (6,689) | (665) | - | (107,029) | (14,868) | (121,897) |
| Closing net book amount | 3,771 | 538,160 | 1,211,501 | 402,925 | 133,193 | 67,655 | 7,758 | 3,719 | 2,368,682 | 98,337 | 2,467,019 |
| At 31 December 2023 | | | | | | | | | | | |
| cost | 3,771 | - | - | - | 406,122 | 101,738 | - | - | 511,631 | 149,159 | 660,790 |
| valuation | - | 538,160 | 1,905,550 | 803,678 | - | - | 111,206 | 3,719 | 3,362,313 | - | 3,362,313 |
| Accumulated depreciation and impairment | - | - | (694,049) | (400,753) | (272,929) | (34,083) | (103,448) | - | (1,505,262) | (50,822) | (1,556,084) |
| Net book amount | 3,771 | 538,160 | 1,211,501 | 402,925 | 133,193 | 67,655 | 7,758 | 3,719 | 2,368,682 | 98,337 | 2,467,019 |

1. Plant and equipment includes all operational assets.

2. Other property, plant and equipment includes non-operational assets such as artworks.

15. Property, plant and equipment (continued)

(a) Valuations of land and buildings and works of art

- The valuation basis of land, buildings and Infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2023 revaluations were based on independent assessments by Marsh Valuation Services as at 31 December 2023. The revaluation surplus was credited to the asset revaluation reserve in equity (Note 23).
- The valuation basis of works of art is fair value based on an independent assessment by Marsh Valuation Services as at 31 December 2022.

(b) Non-current assets pledged as security

Refer to Note 18 for information on non-current assets pledged as security by the parent entity and its controlled entities.

(c) Right-of-use assets

| | Economic entity (Consolidated) | | Parent entity (University) | |
|----------------------------------|-----------------------------------|----------------|-------------------------------------|---------------------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Buildings | | | | |
| At 1 January | 99,810 | 127,552 | 88,224 | 94,830 |
| Additions of right-of-use assets | 10,239 | 1,894 | 9,442 | 1,953 |
| Disposals (Net) | (2,871) | (11,136) | - | - |
| Depreciation charge | (14,059) | (18,500) | (9,559) | (8,559) |
| At 31 December | 93,119 | 99,810 | 88,107 | 88,224 |
| Computer equipment | | | | |
| At 1 January | 11,028 | 7,894 | 11,026 | 7,892 |
| Additions of right-of-use assets | 4,513 | 7,393 | 4,513 | 7,393 |
| Disposals (Net) | - | (1) | - | (1) |
| Depreciation charge | (5,309) | (4,258) | (5,309) | (4,258) |
| At 31 December | 10,232 | 11,028 | 10,230 | 11,026 |
| Total right-of-use asset | 103,351 | 110,838 | 98,337 | 99,250 |
| | | | Patents and trademarks \$'000 | Total \$'000 |
| | | | Software \$'000 | Licences perpetual \$'000 |

16. Intangible assets

Consolidated

As at 1 January 2022

| | | | | |
|---|----------|---------------|---------------|---------------|
| Cost | 5,544 | 165,142 | 18,905 | 189,591 |
| Accumulated amortisation and impairment | (5,544) | (119,801) | (4,558) | (129,903) |
| Net book amount | - | 45,341 | 14,347 | 59,688 |

Year ended 31 December 2022

| | | | | |
|--------------------------------|------------|---------------|---------------|---------------|
| Opening net book amount | - | 45,341 | 14,347 | 59,688 |
| Additions | 413 | 18,396 | 3,029 | 21,838 |
| Disposals | - | (42) | - | (42) |
| Amortisation charge | (27) | (13,725) | (1,646) | (15,398) |
| Closing net book amount | 386 | 49,970 | 15,730 | 66,086 |

As at 31 December 2022

| | | | | |
|---|------------|---------------|---------------|---------------|
| Cost | 3,765 | 183,497 | 21,934 | 209,196 |
| Accumulated amortisation and impairment | (3,379) | (133,527) | (6,204) | (143,110) |
| Net book amount | 386 | 49,970 | 15,730 | 66,086 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Patents and trademarks \$'000 | Software \$'000 | Licences perpetual \$'000 | Total \$'000 |
|---|-------------------------------------|-----------------------------------|---------------------------------|-------------------------------|
| Year ended 31 December 2023 | | | | |
| Opening net book amount | 386 | 49,970 | 15,730 | 66,086 |
| Additions | 1,361 | 27,763 | 3,427 | 32,551 |
| Amortisation charge | (221) | (15,814) | (1,969) | (18,004) |
| Closing net book amount | 1,526 | 61,919 | 17,188 | 80,633 |
| As at 31 December 2023 | | | | |
| Cost | 1,774 | 204,119 | 25,361 | 231,254 |
| Accumulated amortisation and impairment | (248) | (142,200) | (8,173) | (150,621) |
| Net book amount | 1,526 | 61,919 | 17,188 | 80,633 |
| Parent entity | | | | |
| As at 1 January 2022 | | | | |
| Cost | - | 152,646 | 18,905 | 171,551 |
| Accumulated amortisation and impairment | - | (112,288) | (4,558) | (116,846) |
| Net book amount | - | 40,358 | 14,347 | 54,705 |
| Year ended 31 December 2022 | | | | |
| Opening net book amount | - | 40,358 | 14,347 | 54,705 |
| Additions | - | 18,444 | 3,029 | 21,473 |
| Amortisation charge | - | (12,376) | (1,646) | (14,022) |
| Closing net book amount | - | 46,426 | 15,730 | 62,156 |
| As at 31 December 2022 | | | | |
| Cost | - | 171,090 | 21,934 | 193,024 |
| Accumulated amortisation and impairment | - | (124,664) | (6,204) | (130,868) |
| Net book amount | - | 46,426 | 15,730 | 62,156 |
| Year ended 31 December 2023 | | | | |
| Opening net book amount | - | 46,426 | 15,730 | 62,156 |
| Additions | - | 28,944 | 3,427 | 32,371 |
| Amortisation charge | - | (14,723) | (1,969) | (16,692) |
| Closing net book amount | - | 60,647 | 17,188 | 77,835 |
| As at 31 December 2022 | | | | |
| Cost | - | 200,034 | 25,361 | 225,395 |
| Accumulated amortisation and impairment | - | (139,387) | (8,173) | (147,560) |
| Net book amount | - | 60,647 | 17,188 | 77,835 |
| | | Economic entity (Consolidated) | | Parent entity (University) |
| | Notes | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 |
| 17. Trade and other payables | | | | |
| Current | | | | |
| OS-HELP liability to Australian Government | | 5,235 | 1,345 | 5,235 |
| Trade creditors and accruals | | 54,439 | 53,559 | 52,041 |
| Other payroll accruals | | 31,320 | 22,003 | 31,320 |
| Total current trade and other payables | | 90,994 | 76,907 | 88,596 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current | | | | | |
| OS-HELP Liability to Australian Government | | 4,734 | 5,681 | 4,734 | 5,681 |
| Trade creditors and accruals | | 1,352 | 1,948 | 1,352 | 1,948 |
| Total non-current trade and other payables | | 6,086 | 7,629 | 6,086 | 7,629 |
| Total non-current trade and other payables | | 97,080 | 84,536 | 94,682 | 82,853 |
| (a) Foreign currency risk | | | | | |
| The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies: | | | | | |
| AUD | | 95,743 | 83,450 | 93,574 | 81,991 |
| CAD | | 5 | 3 | 5 | 3 |
| LKR | | 46 | 55 | - | - |
| EUR | | 161 | 51 | 161 | 51 |
| GBP | | 299 | 73 | 299 | 73 |
| RMB | | 114 | 128 | - | - |
| INR | | 73 | 133 | 4 | 92 |
| IDR | | - | 12 | - | 12 |
| USD | | 637 | 631 | 637 | 631 |
| SGD | | 2 | - | 2 | - |
| | | 97,080 | 84,536 | 94,682 | 82,853 |
| For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34. | | | | | |
| 18. Borrowings | | | | | |
| Current | | | | | |
| Lease liabilities | | 17,982 | 19,042 | 13,056 | 11,768 |
| Total current borrowings | | 17,982 | 19,042 | 13,056 | 11,768 |
| Non-current | | | | | |
| Lease liabilities | | 97,695 | 104,992 | 96,176 | 96,586 |
| Bond issued | | 299,259 | 299,068 | 299,259 | 299,068 |
| Total non-current borrowings | | 396,954 | 404,060 | 395,435 | 395,654 |
| Total borrowings | | 414,936 | 423,102 | 408,491 | 407,422 |
| (a) Assets pledged as security | | | | | |
| Non-current | | | | | |
| Finance lease | | | | | |
| Plant and equipment | 15 | 19,913 | 19,762 | 19,913 | 19,762 |
| Total non-current assets pledged as security | | 19,913 | 19,762 | 19,913 | 19,762 |
| (b) Finance arrangements | | | | | |
| Unrestricted access was available at balance date to the following lines of credit: | | | | | |
| Loan facilities | | | | | |
| Total facilities | | 200,000 | 175,000 | 200,000 | 175,000 |
| Used at balance date | | - | - | - | - |
| Unused at balance date | | 200,000 | 175,000 | 200,000 | 175,000 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| On 10 December 2023, an existing loan facility with Commonwealth Bank of Australia for \$75,000,000 expired and was not renewed by the University. | | | | | |
| On 18 December 2023, the University executed a new loan facility with Australia and New Zealand Banking Corporation for \$100,000,000. | | | | | |
| (c) Lease liabilities | | | | | |
| Amounts recognised in the income statement | | | | | |
| Interest on lease liabilities | | 4,631 | 4,774 | 4,185 | 3,823 |
| Expenses relating to short-term leases | | 143 | 467 | 143 | 245 |
| Expenses relating to leases of low-value assets, excluding short term leases of low-value assets | | 622 | 1,402 | 622 | 1,402 |
| Total lease expenses recognised in income statement | | 5,396 | 6,643 | 4,950 | 5,470 |
| Maturity analysis – undiscounted contractual cash flows | | | | | |
| Less than one year | | 21,804 | 22,899 | 17,089 | 15,503 |
| One to five years | | 56,504 | 59,326 | 54,914 | 50,238 |
| More than five years | | 57,926 | 64,367 | 57,926 | 64,367 |
| Total undiscounted contractual cash flows | | 136,234 | 146,592 | 129,929 | 130,108 |
| Total lease liabilities recognised in the statement of financial position | | | | | |
| Current | | 17,982 | 19,042 | 13,056 | 11,768 |
| Non-current | | 97,695 | 104,992 | 96,176 | 96,586 |
| Total | | 115,677 | 124,034 | 109,232 | 108,354 |

(d) Interest rate risk exposures

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

(e) Fair value disclosures

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

(f) Borrowing classes and conditions

The University's borrowings comprise a Bond (\$300,000,000), two revolving debt facilities with Westpac Banking Corporation (WBC) (\$100,000,000) and Australia and New Zealand Banking Corporation (ANZ) (\$100,000,000), and lease liabilities. Details of the borrowings are listed in Note 34.

The revolving debt facilities have certain conditions which apply until the loan funds are paid in full. The obligations include:

- not to materially change the nature of the University's business without the banks' consent
- not to lessen the banks' rights, powers or remedies under the loan agreement, or
- not to issue a security interest over the University's assets without the prior consent of the banks.

(g) Risk exposure

As at 31 December 2023, all of the University's borrowings, which had been drawn down, were at a fixed rate of interest. The carrying amount of the economic entity's borrowings are denominated in Australian dollars. Details of risk exposure of borrowings for the entity are set out in Note 34.

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|------------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 19. Provisions | | | | | |
| Current provisions expected to be settled wholly within 12 months | | | | | |
| Employee benefits | | | | | |
| Annual Leave | 1 (w)/1(x) | 37,099 | 33,020 | 35,914 | 31,335 |
| Long Service Leave | 1 (w)/1(x) | 9,210 | 9,951 | 7,253 | 8,388 |
| Total current provisions expected to be settled within 12 months | | 46,309 | 42,971 | 43,167 | 39,723 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current provisions expected to be settled wholly after more than 12 months | | | | | |
| Employee benefits | | | | | |
| Annual Leave | 1 (w)/ 1(x) | 17,211 | 16,826 | 15,635 | 15,626 |
| Long Service Leave | 1 (w)/ 1(x) | 69,729 | 64,102 | 69,729 | 63,340 |
| Total current employee benefit provisions expected to be settled wholly after more than 12 months | | 86,940 | 80,928 | 85,364 | 78,966 |
| Make good provision | | 495 | 20 | 20 | 20 |
| Total current provisions | | 133,744 | 123,919 | 128,551 | 118,709 |
| Non-current | | | | | |
| Employee benefits | | | | | |
| Long Service Leave | 1 (w)/1(x) | 30,300 | 27,657 | 29,344 | 26,651 |
| Defined Benefit Obligation | | 439,387 | 450,780 | 439,387 | 450,780 |
| Defined Benefit Obligation – payroll tax | | 8,788 | 8,893 | 8,788 | 8,893 |
| Total non-current employee benefit provisions | | 478,475 | 487,330 | 477,519 | 486,324 |
| Make good provision | | 8,380 | 10,880 | 7,423 | 6,205 |
| Total non-current provisions | | 486,855 | 498,210 | 484,942 | 492,529 |
| Total provisions | | 620,599 | 622,129 | 613,493 | 611,238 |

(a) Movement in provisions

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

| | Make good provision \$'000 | Total \$'000 |
|--|----------------------------------|-----------------|
| Consolidated 2023 | | |
| Carrying amount as at 1 January 2023 | 10,900 | 10,900 |
| Provision utilised | (3,243) | (3,243) |
| Additional provisions recognised | 1,218 | 1,218 |
| Carrying amount as at 31 December 2023 | 8,875 | 8,875 |
| Parent 2023 | | |
| Carrying amount as at 1 January 2023 | 6,225 | 6,225 |
| Additional provisions recognised | 1,218 | 1,218 |
| Carrying amount as at 31 December 2023 | 7,443 | 7,443 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 20. Other financial liabilities | | | | | |
| Current | | | | | |
| Other financial liabilities at amortised cost | 34 | 6,312 | 7,903 | 6,312 | 7,903 |
| Total current other financial liabilities | | 6,312 | 7,903 | 6,312 | 7,903 |

There are no other financial liabilities as at 31 December 2023 (31 December 2022: \$0)

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 21. Other liabilities | | | | | |
| Current | | | | | |
| Australian government unspent financial assistance | | 261 | 270 | 261 | 270 |
| Prepaid student fees | | 71,081 | 56,344 | 71,081 | 56,344 |
| Other | | 17,220 | 15,648 | 11,465 | 12,947 |
| Total current other liabilities | | 88,562 | 72,262 | 82,807 | 69,561 |
| Total other liabilities | | 88,562 | 72,262 | 82,807 | 69,561 |
| 22. Contract liabilities | | | | | |
| Current | | | | | |
| Amount received in advance from customers for partially completed contracts | | 99,526 | 77,317 | 85,163 | 68,338 |
| Total current contract liabilities | | 99,526 | 77,317 | 85,163 | 68,338 |
| Total contract liabilities | | 99,526 | 77,317 | 85,163 | 68,338 |
| 23. Reserves and retained earnings | | | | | |
| (a) Reserves comprise | | | | | |
| Property, plant and equipment revaluation reserve | | | | | |
| freehold land | | 540,900 | 530,935 | 540,900 | 530,935 |
| buildings | | 313,396 | 272,236 | 313,396 | 272,236 |
| building infrastructure | | 311,851 | 286,826 | 311,851 | 286,826 |
| leasehold improvements | | 15,389 | 11,572 | 15,389 | 11,572 |
| artworks | | 1,254 | 1,254 | 1,254 | 1,254 |
| library | | 116 | 116 | 116 | 116 |
| other assets | | 1 | 1 | 1 | 1 |
| Financial assets at fair value through other comprehensive income (OCI) | | 26,376 | 25,405 | 26,376 | 25,405 |
| Foreign currency translation reserve | | (1,111) | (1,202) | - | - |
| Total reserves | | 1,208,173 | 1,127,143 | 1,209,283 | 1,128,345 |
| (b) Movements in reserves | | | | | |
| Property, plant and equipment revaluation reserve | | | | | |
| Balance 1 January | | 1,102,940 | 996,753 | 1,102,940 | 996,753 |
| Increase/(decrease) revaluation | 15 | 79,967 | 106,187 | 79,967 | 106,187 |
| Balance 31 December | | 1,182,907 | 1,102,940 | 1,182,907 | 1,102,940 |
| Investments revaluation reserve | | | | | |
| Balance 1 January | | 25,405 | 23,331 | 25,405 | 23,331 |
| Increase/(decrease) revaluation | | 971 | 2,074 | 971 | 2,074 |
| Balance 31 December | | 26,376 | 25,405 | 26,376 | 25,405 |
| Foreign currency translation reserve | | | | | |
| Balance 1 January | | (1,202) | (918) | - | - |
| Currency translation differences arising during the year | | 92 | (284) | - | - |
| Balance 31 December | | (1,111) | (1,202) | - | - |
| Total reserves | | 1,208,173 | 1,127,143 | 1,209,283 | 1,128,345 |

(c) Nature and purpose of reserves

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

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

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

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| (d) Retained earnings | | | | | |
| Movements in retained earnings were as follows: | | | | | |
| Retained earnings at 1 January | | 1,069,952 | 1,141,713 | 1,068,862 | 1,121,661 |
| Net result for the period | | (119,964) | (71,504) | (107,025) | (52,542) |
| Net actuarial gains/(losses) recognised in respect of defined benefit plans | | 88 | (257) | 88 | (257) |
| Retained earnings at 31 December | | 950,075 | 1,069,952 | 961,924 | 1,068,862 |

| | Notes | Economic entity (Consolidated) | | Parent entity (University) | |
|---|-------|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 24. Commitments | | | | | |
| (a) Capital expenditure commitments | | | | | |
| Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows: | | | | | |
| Building works | | | | | |
| within one year | | 4,512 | 18,351 | 4,512 | 18,351 |
| Plant and equipment | | | | | |
| within one year | | 1,814 | 2,454 | 1,814 | 2,454 |
| Intangible assets | | | | | |
| within one year | | 3,016 | 880 | 3,016 | 880 |
| Total capital commitments | | 9,342 | 21,685 | 9,342 | 21,685 |

25. Defined benefit plans

During the 2023 accounting period, the University contributed to the following superannuation schemes:

- UniSuper
- the State Superannuation Scheme (SSS)
- the State Authorities Superannuation Scheme (SASS), and
- the State Authorities Non-Contributory Superannuation Scheme (SANCS).

State Authorities Superannuation Trustee Corporation (STC).

The state schemes are administered by the State Authorities Superannuation Trustee Corporation (STC). The University maintains a reserve account within the STC to assist in financing the employer contributions to the state schemes.

The 2023 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119.

(a) Fund specific disclosure

Nature of the benefits provided by the defined benefits fund - SSS, SASS and SANCS

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- the State Superannuation Scheme (SSS)
- the State Authorities Superannuation Scheme (SASS), and
- the State Authorities Non-Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

Description of the regulatory framework

The schemes in the pooled fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987 and their associated regulations.

The schemes in the pooled fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

Under a heads of government agreement, the New South Wales Government undertakes to ensure that the pooled fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the pooled fund and the trustee board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the trustee board and internal processes that monitor the trustee board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the pooled fund is performed every three years. The last actuarial investigation was performed as at 30 June 2021. The next actuarial investigation will be performed at 30 June 2024.

Description of other entities' responsibilities for the governance of the fund

The fund's trustee is responsible for the governance of the fund, the trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The trustee has the following roles:

- administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules
- management and investment of the fund assets, and
- compliance with other applicable regulations.

Description of risks

There are a number of risks to which the fund exposes the employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.
- Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk - The risk that pensions will increase at a rate greater than assumed increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Expected contributions

The University expects to make the following contributions to the defined benefit plan during the next financial year:

| | SASS | SANCS | SSS | Total |
|---------------------------------|--|--|--|--|
| | Financial year to 31 December 2023 A\$ | Financial year to 31 December 2023 A\$ | Financial year to 31 December 2023 A\$ | Financial year to 31 December 2023 A\$ |
| Expected employer contributions | - | 426,709 | - | 426,709 |

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 8.5 years (2022: 8.9 years).

Categories of plan assets

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

| | Total as at 30 November 2023* | Quoted prices in active markets for identical assets ¹ | Significant observable inputs ² | Unobservable inputs ³ |
|------------------------------|----------------------------------|---|---|-------------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Asset category | | | | |
| Short-term securities | 4,432,307 | 2,415,739 | 1,946,484 | 70,084 |
| Australian fixed interest | 102,577 | - | 102,577 | - |
| International fixed interest | 1,099,227 | - | 1,084,385 | 14,842 |
| Australian equities | 5,204,940 | 4,388,741 | 813,953 | 2,246 |
| International equities | 13,489,958 | 13,277,683 | 64,306 | 147,969 |
| Property | 2,849,524 | - | - | 2,849,524 |
| Alternatives | 9,124,595 | 5,963 | 1,630,805 | 7,487,827 |
| Total | 36,303,128 | 20,088,126 | 5,642,510 | 10,572,492 |

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

| | 30 November 2023* | 30 November 2022* |
|------------------------------|----------------------|----------------------|
| | % | % |
| Asset category | | |
| Short-term securities | 12.21 | 13.69 |
| Australian fixed interest | 0.28 | 0.26 |
| International fixed interest | 3.03 | 3.88 |
| Australian equities | 14.34 | 19.22 |
| International equities | 37.16 | 38.02 |
| Property | 7.85 | 2.26 |
| Alternatives | 25.13 | 22.67 |
| Total | 100.00 | 100.00 |

* Actual asset allocation as at 31 December 2023 is not available as advised by the actuary therefore 30 November 2022 has been used.

- Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares, listed unit trusts.
- Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.
- Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property, unlisted shares, unlisted infrastructure, distressed debt, hedge funds.

Significant actuarial assumptions at the reporting date

| | As at 31 December 2023 |
|--|--|
| Discount rate | 4.00% pa |
| Salary increase rate (excluding promotional increases) | 5.74% for 2023/2024, 3.64% for 2024/2025, 3.20% pa thereafter |
| Rate of CPI increase | 6.60% for 2022/2023, 4.50% for 2023/2024, 3.25% for 2024/2025, 2.75% for 25/26, 2.50% pa thereafter |
| Pensioner mortality | The pensioner mortality assumptions are as per the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age. |

Actuarial assumptions and sensitivity

The entity's total defined benefit obligation as at 31 December 2023 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision, which is calculated based on the asset level at 31 December 2023.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions and scenarios G and H relate to sensitivity to demographic assumptions.

| | | Scenario A | Scenario B | Scenario C | Scenario D | Scenario E | Scenario F |
|----------------------------|-------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Base case | -0.5% discount rate | +0.5% discount rate | +0.5% rate of CPI increase | -0.5% rate of CPI increase | +0.5% salary increase rate | -0.5% salary increase rate |
| Discount rate | as above | as above -0.5% pa | as above +0.5% pa | as above | as above | as above | as above |
| Rate of CPI increase | as above | as above | as above | as above +0.5% pa | as above -0.5% pa | as above | as above |
| Salary inflation rate | as above | as above | as above | as above | as above | as above +0.5% pa | as above -0.5% pa |
| Defined benefit obligation | 486,416,027 | 507,667,284 | 466,665,787 | 509,234,992 | 465,060,287 | 486,705,140 | 486,134,433 |
| | | Scenario G | Scenario H | | | | |
| | Base case | lower mortality ¹ | higher mortality ² | | | | |
| Defined benefit obligation | 486,416,027 | 490,927,330 | 481,294,435 | | | | |

1. Assumes the short-term pensioner mortality improvement factors for years 2023–2026 also apply for years after 2026.

2. Assumes the long-term pensioner mortality improvement factors for years post 2026 also apply for years 2023–2026.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other assumptions.

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

(b) Balance sheet amounts

Present value obligations

| | SASS | | SANCS | | SSS | | Total | |
|--|-------------|-------------|------------|------------|--------------|--------------|--------------|--------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Opening defined benefit obligation | 15,421,728 | 18,052,576 | 1,943,464 | 2,512,394 | 478,161,614 | 583,649,689 | 495,526,806 | 604,214,659 |
| Current service cost | 159,471 | 288,879 | 81,444 | 91,511 | - | - | 240,915 | 380,390 |
| Interest expense/(income) | 580,233 | 282,587 | 65,925 | 36,406 | 18,923,150 | 9,520,096 | 19,569,308 | 9,839,089 |
| | 16,161,432 | 18,624,042 | 2,090,833 | 2,640,311 | 497,084,764 | 593,169,785 | 515,337,029 | 614,434,138 |
| Remeasurements | | | | | | | | |
| Actuarial losses/(gains) arising from changes in demographic assumptions | - | - | - | - | - | - | - | - |
| Actuarial losses/(gains) arising from changes in financial assumptions | 287,898 | (771,833) | 88,036 | (210,479) | 10,828,121 | (95,699,877) | 11,204,055 | (96,682,189) |
| Actuarial losses/(gains) arising from liability experience | 75,826 | 83,578 | (729,512) | (729,508) | (7,876,295) | 14,727,716 | (8,529,981) | 14,081,786 |
| | 363,724 | (688,255) | (641,476) | (939,987) | 2,951,826 | (80,972,161) | 2,674,074 | (82,600,403) |
| Contributions | | | | | | | | |
| Plan participants | 192,403 | 191,047 | - | - | 98,412 | 102,737 | 290,815 | 293,784 |
| | 192,403 | 191,047 | - | - | 98,412 | 102,737 | 290,815 | 293,784 |
| Taxes, premiums and expenses paid | (40,704) | (2,699) | 117,825 | 626,321 | (882,306) | (4,729,837) | (805,185) | (4,106,215) |
| Payments from plan | | | | | | | | |
| Benefits paid | (1,457,223) | (2,702,407) | (376,475) | (383,181) | (29,247,008) | (29,408,910) | (31,080,706) | (32,494,498) |
| | (1,457,223) | (2,702,407) | (376,475) | (383,181) | (29,247,008) | (29,408,910) | (31,080,706) | (32,494,498) |
| Closing defined benefit obligation | 15,219,632 | 15,421,728 | 1,190,707 | 1,943,464 | 470,005,688 | 478,161,614 | 486,416,027 | 495,526,806 |
| Present value of plan assets | | | | | | | | |
| Opening fair value of plan assets | 5,802,843 | 8,292,843 | 6,660,312 | 5,661,854 | 32,283,562 | 36,718,834 | 44,746,717 | 50,673,531 |
| Interest income | 188,865 | 119,915 | 334,995 | 95,048 | 1,263,431 | 577,772 | 1,787,291 | 792,735 |
| | 5,991,708 | 8,412,758 | 6,995,307 | 5,756,902 | 33,546,993 | 37,296,606 | 46,534,008 | 51,466,266 |
| Remeasurements | | | | | | | | |
| Actual return on fund assets less interest income | 293,363 | (249,648) | (62,840) | (22,071) | (164,435) | (276,412) | 66,088 | (548,131) |
| | 293,363 | (249,648) | (62,840) | (22,071) | (164,435) | (276,412) | 66,088 | (548,131) |
| Exchange differences on foreign plans | | | | | | | | |
| Contributions | | | | | | | | |
| Employer | 100,000 | 153,792 | 3,723,787 | 682,341 | 28,200,111 | 29,299,378 | 32,023,898 | 30,135,511 |
| Plan participants | 192,403 | 191,047 | - | - | 98,412 | 102,737 | 290,815 | 293,784 |
| | 292,403 | 344,839 | 3,723,787 | 682,341 | 28,298,523 | 29,402,115 | 32,314,713 | 30,429,295 |
| Taxes, premiums and expenses paid | (40,704) | (2,699) | 117,824 | 626,321 | (882,305) | (4,729,837) | (805,185) | (4,106,215) |
| Payments from plan | | | | | | | | |
| Benefits paid | (1,457,223) | (2,702,407) | (376,475) | (383,181) | (29,247,008) | (29,408,910) | (31,080,706) | (32,494,498) |
| | (1,457,223) | (2,702,407) | (376,475) | (383,181) | (29,247,008) | (29,408,910) | (31,080,706) | (32,494,498) |
| Closing fair value of plans assets | 5,079,547 | 5,802,843 | 10,397,603 | 6,660,312 | 31,551,768 | 32,283,562 | 47,028,918 | 44,746,717 |

| | SASS | | SANCS | | SSS | | Total | |
|---|-------------|-------------|--------------|-------------|--------------|---------------|--------------|---------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Reconciliation of the net defined benefit liability/(asset) at start of year | | | | | | | | |
| Net defined benefit liability/(asset) at start of year | 9,618,884 | 9,759,732 | (4,716,852) | (3,149,462) | 445,878,057 | 546,930,856 | 450,780,089 | 553,541,126 |
| Current service cost | 159,471 | 288,879 | 81,444 | 91,511 | - | - | 240,915 | 380,390 |
| Net interest on the net defined benefit liability/(asset) | 391,367 | 162,672 | (269,071) | (58,643) | 17,659,721 | 8,942,325 | 17,782,017 | 9,046,354 |
| Actual return on fund assets less interest income | (293,364) | 249,648 | 62,840 | 22,071 | 164,435 | 276,412 | (66,089) | 548,131 |
| Actuarial (gains)/losses from changes in demographic assumptions | - | - | - | - | - | - | - | - |
| Actuarial (gains)/losses from changes in financial assumptions | 287,898 | (771,833) | 88,037 | (210,479) | 10,828,120 | (95,699,877) | 11,204,055 | (96,682,189) |
| Actuarial (gains)/losses from liability experience | 75,826 | 83,578 | (729,511) | (729,509) | (7,876,295) | 14,727,718 | (8,529,980) | 14,081,787 |
| Employer contributions | (100,000) | (153,792) | (3,723,787) | (682,341) | (28,200,111) | (29,299,377) | (32,023,898) | (30,135,510) |
| Net defined benefit liability/(asset) at end of year note 19 | 10,140,082 | 9,618,884 | (9,206,900) | (4,716,852) | 438,453,927 | 445,878,057 | 439,387,109 | 450,780,089 |
| Reimbursement rights | | | | | | | | |
| Opening value of reimbursement right | 9,054,171 | 9,414,952 | (4,907,837) | (3,293,841) | 445,403,944 | 546,447,616 | 449,550,278 | 552,568,727 |
| Expected return on reimbursement rights | 590,227 | (360,781) | (4,470,142) | (1,613,996) | (7,425,511) | (101,043,672) | (11,305,426) | (103,018,449) |
| Closing value of reimbursement right | 9,644,398 | 9,054,171 | (9,377,979) | (4,907,837) | 437,978,433 | 445,403,944 | 438,244,852 | 449,550,278 |
| Net liability | | | | | | | | |
| Defined benefit obligation | 15,219,632 | 15,421,728 | 1,190,707 | 1,943,464 | 470,005,688 | 478,161,614 | 486,416,027 | 495,526,806 |
| Fair value of plan assets | (5,079,547) | (5,802,843) | (10,397,603) | (6,660,312) | (31,551,768) | (32,283,562) | (47,028,918) | (44,746,717) |
| Net liability note 19 | 10,140,085 | 9,618,885 | (9,206,896) | (4,716,848) | 438,453,920 | 445,878,052 | 439,387,109 | 450,780,089 |
| Reimbursement right note 10 | 9,644,398 | 9,054,171 | (9,377,979) | (4,907,837) | 437,978,433 | 445,403,944 | 438,244,852 | 449,550,278 |
| Net liability/(asset) in balance sheet | 495,687 | 564,714 | 171,083 | 190,989 | 475,487 | 474,108 | 1,142,257 | 1,229,811 |
| Amounts recognised in the statement of financial position | | | | | | | | |
| Liabilities | | | | | | | | |
| Provision for deferred government benefits for superannuation | 10,140,085 | 9,618,885 | (9,206,896) | (4,716,848) | 438,453,920 | 445,878,052 | 439,387,109 | 450,780,089 |
| Total liabilities recognised in statement of financial position | 10,140,085 | 9,618,885 | (9,206,896) | (4,716,848) | 438,453,920 | 445,878,052 | 439,387,109 | 450,780,089 |
| Assets | | | | | | | | |
| Receivable for deferred government contribution for superannuation | 9,644,398 | 9,054,171 | (9,377,979) | (4,907,837) | 437,978,433 | 445,403,944 | 438,244,852 | 449,550,278 |
| Total assets recognised in statement of financial position | 9,644,398 | 9,054,171 | (9,377,979) | (4,907,837) | 437,978,433 | 445,403,944 | 438,244,852 | 449,550,278 |
| Net liability recognised in the statement of financial position | 495,687 | 564,714 | 171,083 | 190,989 | 475,487 | 474,108 | 1,142,257 | 1,229,811 |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| | SASS | | SANCS | | SSS | | Total | |
|---|------------|------------|------------|------------|------------|--------------|------------|--------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Amounts recognised in other statements | | | | | | | | |
| Amounts recognised in the income statement | | | | | | | | |
| Current service cost | 159,471 | 288,879 | 81,444 | 91,511 | - | - | 240,915 | 380,390 |
| Net interest | 391,368 | 162,672 | (269,071) | (58,643) | 17,659,720 | 8,942,324 | 17,782,017 | 9,046,353 |
| Expense/(income) | 550,839 | 451,551 | (187,627) | 32,868 | 17,659,720 | 8,942,324 | 18,022,932 | 9,426,743 |
| Other comprehensive income | | | | | | | | |
| Actuarial losses/(gains) on liabilities | 363,724 | (688,255) | (641,474) | (939,987) | 2,951,825 | (80,972,160) | 2,674,075 | (82,600,402) |
| Actual return on fund assets less interest income | (293,364) | 249,648 | 62,840 | 22,071 | 164,435 | 276,412 | (66,089) | 548,131 |
| Recognised in other comprehensive income | 70,360 | (438,607) | (578,634) | (917,916) | 3,116,260 | (80,695,748) | 2,607,986 | (82,052,271) |

UniSuper Management Limited

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

- The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under superannuation law but is considered to be a defined contribution plan under AASB 119.
- During the 2006 year clause 34 of the UniSuper Trust Deed was amended which substantially transfers the actuarial risks from the employer to the employee. The amendment to the trust deed has resulted in the UniSuper defined benefit fund to be reclassified as a defined contribution fund for the purposes of AASB 119.
- As at 30 June 2023, the assets of the DBD in aggregate were estimated to be \$5,206 million above vested benefits, after allowing for various reserves. The vested benefit index based on funding assumptions was 119.9%. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- As at 30 June 2023, the assets of the DBD in aggregate were estimated to be \$7,756 million above accrued benefits, after allowing for various reserves. The accrued benefit index based on best estimate assumptions was 132.9%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.
- The vested benefit and accrued benefit liabilities were determined by the fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2023. The financial assumptions used were:

| | Vested benefits %pa | Accrued benefits %pa |
|---|------------------------|-------------------------|
| Gross of tax investment return – DBD pensions | 6.70% | 7.60% |
| Gross of tax investment return – commercial rate indexed pensions | 3.80% | 3.80% |
| Net of tax investment return – non-pensioner members | 5.80% | 6.60% |
| Consumer Price Index | | |
| year 1 | 5.00% | 5.00% |
| year 2 | 3.50% | 3.50% |
| beyond 2 years | 2.50% | 2.50% |
| Inflationary salary increases | | |
| for the next 2 years | 4.25% | 4.25% |
| beyond 2 years | 3.50% | 3.50% |

Assets have been included at their net market value, that is allowing for realisation costs.

26. Contingent assets and contingent liabilities

(a) Contingent assets

The University carries out various research projects and has developed intellectual properties and registered patents. At the commercialisation of these the University may realise a future monetary benefit.

(b) Contingent liabilities

- The federal and New South Wales governments have signed a memorandum of understanding (MOU) for the financial assistance of unfunded superannuation liabilities of New South Wales Universities. Although the agreement provides funding to NSW Universities for their liability in relation to the unfunded defined benefit plans, any deemed liability resulting from payment of excess salaries (as defined in the MOU) is not covered under the agreement and therefore the liability remains with the University. To date an amount of \$765,000 has been paid to the trustee for University employees who are members of the relevant superannuation plans. In addition, there is an emerging excess salary liability of \$1,142,257 which has been recognised in the statement of other comprehensive income.
- There are ongoing legal matters where it is still not practical to estimate the potential effect of these matters, but legal advice indicates, based on current information, that any liabilities that may arise in the event that the claims are successful, are unlikely to be significant in the context of the University's business.
- The University has provided a financial guarantee for the Insearch Ltd lease on 645 Harris St, Ultimo. The University does not expect a financial obligation to arise from this guarantee.

The University is not aware of any other contingent liabilities.

27. Economic dependency

The University has no economic dependency on any other economic entity not clearly discernable in the income statement or statement of financial position.

28. Subsidiaries

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

| Name of entity | Principal activities | Principal place of business | Ownership interest/control | | Equity | |
|--|---------------------------------|-----------------------------|----------------------------|--------|-------------|-------------|
| | | | 2023 % | 2022 % | 2023 \$'000 | 2022 \$'000 |
| Parent entity | | | | | | |
| University of Technology Sydney | Education services | Australia | | | 2,170,746 | 2,196,577 |
| Controlled entities | | | | | | |
| Insearch Limited (company limited by guarantee) ¹ | Education services | Australia | 100 | 100 | (19,339) | (6,479) |
| Insearch (Shanghai) Limited | Education services | China | 100 | 100 | 1,051 | 1,361 |
| Insearch Education International Pty Limited | Education services | Australia | 100 | 100 | 191 | 191 |
| Insearch India LLP | Education services | India | 100 | 100 | 197 | 189 |
| Insearch Global Pty Ltd | Education services | Australia | 100 | 100 | 2 | 2 |
| Insearch Lanka PVT | Education services | Sri Lanka | 100 | 100 | 812 | 776 |
| accessUTS Pty Limited ² | Consulting | Australia | 100 | 100 | - | 240 |
| UTS Global Pty Ltd | Marketing services | Australia | 100 | 100 | 3,242 | 2,597 |
| UTS Beijing Ltd | Marketing services | China | 100 | 100 | 48 | 441 |
| UTS Shenzhen Ltd | Research and education services | China | 100 | 100 | 1,298 | 1,200 |

1. Insearch Limited is a controlled entity limited by guarantee. The Insearch Limited constitution prohibits the income or property of the company to be paid directly or indirectly, by way of dividend, bonus or otherwise, to the members of the company.

2. In 2022, Council approved that the accessUTS Pty Limited would be wound up. Trading activities have ceased and the entity is expected to be wound up in 2024.

The above companies are consolidated in the University statutory accounts under AASB10 Consolidated Financial Statements.

29. Related parties

(a) Parent entity

The ultimate parent entity within the group is the University of Technology Sydney.

(b) Subsidiaries

Interests in subsidiaries are set out in note 28.

(c) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in note 7.

(d) Transactions with related parties in the wholly owned group

The parent entity entered into the following transactions during the period with related parties in the group.

- Donations amounting to \$394,783 (2022: \$713,132) were paid or payable to the ultimate controlling entity.
- Donations amounting to \$1,297,000 (2022: \$1,297,000) were paid by the ultimate controlling entity to subsidiaries.
- Repayments of borrowings amounting to \$0 (2022: \$35,000) by the wholly owned University of Technology Sydney group.
- Sale of services and fees \$2,027,009 (2022: \$1,686,102) to the wholly owned University of Technology Sydney group.
- Purchase of services and fees \$6,937,027 (2022:\$6,037,571) by the wholly owned University of Technology Sydney group.
- Purchase of shares in a subsidiary \$0 (2022: \$0) by the wholly owned University of Technology Sydney group.
- Loans amounting to \$8,000,000 (2022: \$0) were provided by the ultimate controlling entity to wholly owned subsidiary Insearch Limited.
- UTS has two lease agreements with its wholly owned subsidiary Insearch Limited. Under the lease agreements, there is a nominal charge for approximately 4500 sqm of space for the term of each agreement.

(e) Outstanding balances

| | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current receivables | | | | |
| Subsidiaries | - | - | 5,576 | 2,962 |
| Non-current receivables (loans) | | | | |
| Subsidiaries | - | - | 8,000 | - |
| Current payables | | | | |
| Subsidiaries | - | - | 232 | 214 |

Included in the total doubtful debts provision in the parent entity is a provision of \$0 (2022: \$0) for doubtful debts for outstanding balances due from related parties.

| | Revenue | | Results | | Assets | |
|--|------------------|------------------|------------------|-----------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 30. Disaggregation information (consolidated) | | | | | | |
| Geographical (consolidated entity) | | | | | | |
| Australia | 1,183,101 | 1,058,454 | (124,506) | (75,518) | 3,477,297 | 3,475,828 |
| China | 8,551 | 7,506 | 3,957 | 4,192 | 6,350 | 6,825 |
| United States of America | 853 | - | 571 | - | - | - |
| India and sub-continent | 1,553 | 877 | 14 | (178) | 1,616 | 1,691 |
| Total | 1,194,058 | 1,066,837 | (119,964) | (71,504) | 3,485,263 | 3,484,344 |

31. Events occurring after the balance sheet 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 Group or Parent, the results of those operations, or the state of affairs of the Group or Parent in future financial years.

| | Economic entity (Consolidated) | | Parent entity (University) | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 32. Reconciliation of net result after income tax to net cash flows from operating activities | | | | |
| Net result for the period | (119,964) | (71,504) | (107,025) | (52,542) |
| Depreciation, amortisation and impairment PPE | 145,617 | 140,498 | 138,589 | 125,542 |
| Increase/(decrease) in provisions: | | | | |
| annual leave | 4,465 | 4,203 | 4,589 | 4,566 |
| doubtful debts | (75) | (390) | (73) | (465) |
| long service leave | 7,527 | (3,658) | 7,946 | (3,358) |
| deferred superannuation | (11,393) | (102,761) | (11,393) | (102,761) |
| payroll tax on deferred super provision | (105) | (1,967) | (105) | (1,967) |
| impairment of financial assets | - | - | 380 | - |
| Decrease/(increase) in receivables | (11,821) | (6,565) | (23,779) | (8,834) |
| Decrease/(increase) in non-current receivables | 11,305 | 103,018 | 11,305 | 103,018 |
| Decrease/(increase) in prepayments and accrued income | 19,339 | (8,019) | 20,393 | (7,859) |
| (Decrease)/increase in trade and other payables | 18,204 | (9,468) | 17,489 | (9,521) |
| (Decrease)/increase in income in advance | 34,897 | 34,668 | 28,480 | 36,916 |
| Amortisation of prepaid borrowing costs | 191 | 184 | 191 | 184 |
| (Profit)/loss on sale of assets | (168) | 5,667 | (2,491) | 5,782 |
| Share of profit of joint venture not received as dividends or distribution | 597 | 290 | - | - |
| Fair value gains on other financial assets at fair value through profit or loss | (2,137) | 8,628 | (2,137) | 8,628 |
| Actuarial gain/(loss) on deferred superannuation | 88 | (257) | 88 | (257) |
| Net cash provided by operating activities | 96,567 | 92,567 | 82,447 | 97,072 |

33. Acquittal of Australian Government financial assistance

33.1 Education – CGS and other education grants

| Parent entity (University) only | | | | | | | | | |
|--|---------|--|----------------|------------------------------------|----------------|-------------------------------|----------------|--------------------------------|----------------|
| | Notes | Commonwealth Grant Scheme ¹ | | Indigenous Student Success Program | | Access and Participation Fund | | Disability Performance Funding | |
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 216,098 | 219,269 | 1,615 | 1,771 | 2,499 | 2,900 | 259 | 261 |
| Net accrual adjustments | | 9 | (9) | - | - | - | - | - | - |
| Revenue for the period | 2.1 (a) | 216,107 | 219,260 | 1,615 | 1,771 | 2,499 | 2,900 | 259 | 261 |
| Surplus/(deficit) from the previous year | | - | - | - | - | - | - | - | - |
| Total funding available during the year | | 216,107 | 219,260 | 1,615 | 1,771 | 2,499 | 2,900 | 259 | 261 |
| Less expenses including accrued expenses | | (216,107) | (219,260) | (1,615) | (1,771) | (2,499) | (2,900) | (259) | (261) |
| Surplus/(deficit) for reporting period | | - | - | - | - | - | - | - | - |

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

| Parent entity (University) only | | | | | | | | |
|---------------------------------|---|-------------|--------------------------------|-------------|----------------------------------|-------------|---|-------------|
| Notes | Regional Partnerships Project Pool Program | | Advanced Apprenticeships Pilot | | Strategic University Reform Fund | | National Priorities and Industry Linkage Fund | |
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| | Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | | | | | | |
| | 3,550 | - | 50 | 117 | - | 289 | 7,310 | 8,829 |
| | Net accrual adjustments | | | | | | | |
| | (1,734) | - | - | 80 | - | - | - | - |
| | Revenue for the period | | | | | | | |
| 2.1 (a) | 1,816 | - | 50 | 197 | - | 289 | 7,310 | 8,829 |
| | Surplus/(deficit) from the previous year | | | | | | | |
| | - | - | 197 | - | 289 | - | 15,829 | 7,000 |
| | Total funding available during the year | | | | | | | |
| | 1,816 | - | 247 | 197 | 289 | 289 | 23,139 | 15,829 |
| | Less expenses including accrued expenses | | | | | | | |
| | (1,816) | - | (247) | - | (289) | - | (23,139) | - |
| | Surplus/(deficit) for reporting period | | | | | | | |
| | - | - | - | 197 | - | 289 | - | 15,829 |

| Parent entity (University) only | | | |
|---------------------------------|---|-------------|-----------|
| Total | | | |
| Notes | 2023 \$'000 | 2022 \$'000 | |
| | Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | |
| | | 231,381 | 233,436 |
| | Net accrual adjustments | | |
| | | (1,725) | 71 |
| | Revenue for the period | | |
| 2.1 (a) | | 229,656 | 233,507 |
| | Surplus/(deficit) from the previous year | | |
| | | 16,315 | 7,000 |
| | Total funding available during the year | | |
| | | 245,971 | 240,507 |
| | Less expenses including accrued expenses | | |
| | | (245,971) | (224,192) |
| | Surplus/(deficit) for reporting period | | |
| | | - | 16,315 |

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

33.2 Higher education loan programs (excluding OS-HELP)

| Parent entity (University) only | | | | | | | | |
|---------------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Notes | HECS-HELP (Australian Government payments only) | | FEE-HELP | | SA-HELP | | Total | |
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| | Cash payable/(receivable) at beginning of year | | | | | | | |
| | 5,184 | 3,686 | 4,989 | 4,728 | 38 | 41 | 10,211 | 8,455 |
| | Financial assistance received in cash during the reporting period | | | | | | | |
| | 198,419 | 185,321 | 63,498 | 60,654 | 3,853 | 3,706 | 265,770 | 249,681 |
| | Cash available for period | | | | | | | |
| | 203,603 | 189,007 | 68,487 | 65,382 | 3,891 | 3,747 | 275,981 | 258,136 |
| | Net accrual adjustments | | | | | | | |
| | 3,294 | (5,184) | (2,747) | (4,989) | 36 | (38) | 583 | (10,211) |
| | Revenue and income for the period | | | | | | | |
| 2.1 (b) | 206,897 | 183,823 | 65,740 | 60,393 | 3,927 | 3,709 | 276,564 | 247,925 |
| | Cash payable/(receivable) at end of year | | | | | | | |
| | (3,294) | 5,184 | 2,747 | 4,989 | (36) | 38 | (583) | 10,211 |

33.3 Australian Research Council grants

| Parent entity (University) only | | | | | | | |
|--|--------|----------------|----------------|----------------|----------------|----------------------|----------------|
| | | Discovery | | Linkages | | Networks and centres | |
| | Notes | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs) | | | | | | | |
| | | 14,258 | 13,911 | 5,319 | 4,425 | - | - |
| Net accrual adjustments | | | | | | | |
| | | (1,176) | (1,678) | (1,503) | (2,023) | 773 | 1,022 |
| Revenue and income for the period | | | | | | | |
| | 2.1(d) | 13,082 | 12,233 | 3,816 | 2,402 | 773 | 1,022 |
| Surplus/(deficit) from the previous year | | | | | | | |
| | | 17,625 | 14,730 | 5,645 | 5,362 | 849 | 779 |
| Total funding available during the year | | | | | | | |
| | | 30,707 | 26,963 | 9,461 | 7,764 | 1,622 | 1,801 |
| Less expenses including accrued expenses | | | | | | | |
| | | (12,394) | (9,338) | (4,659) | (2,119) | 353 | (952) |
| Surplus/(deficit) for reporting period | | | | | | | |
| | | 18,313 | 17,625 | 4,802 | 5,645 | 1,975 | 849 |

| Parent entity (University) only | | | | | |
|--|--------|------------------------------|----------------|----------------|----------------|
| | | Special research initiatives | | Total | |
| | Notes | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs) | | | | | |
| | | - | - | 19,577 | 18,336 |
| Net accrual adjustments | | | | | |
| | | 21 | - | (1,885) | (2,679) |
| Revenue for the period | | | | | |
| | 2.1(d) | 21 | - | 17,692 | 15,657 |
| Surplus/(deficit) from the previous year | | | | | |
| | | - | 21 | 24,119 | 20,892 |
| Total revenue including accrued revenue | | | | | |
| | | 21 | 21 | 41,811 | 36,549 |
| Less expenses including accrued expenses | | | | | |
| | | (21) | (21) | (16,721) | (12,430) |
| Surplus/(deficit) for reporting period | | | | | |
| | | - | - | 25,090 | 24,119 |

33.4 Other capital funding

| Parent entity (University) only | | | | | |
|---|--------|--|----------------|----------------|----------------|
| | | Linkage Infrastructure, Equipment and Facilities | | Total | |
| | Notes | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | | | | |
| | | - | 1,058 | - | 1,058 |
| Net accrual adjustments | | | | | |
| | | 389 | (782) | 389 | (782) |
| Revenue for the period | | | | | |
| | 2.1(e) | 389 | 276 | 389 | 276 |
| Surplus/(deficit) from the previous year | | | | | |
| | | - | 90 | - | 90 |
| Total funding available during the year | | | | | |
| | | 389 | 366 | 389 | 366 |
| Less expenses including accrued expenses | | | | | |
| | | (186) | (366) | (186) | (366) |
| Surplus/(deficit) for reporting period | | | | | |
| | | 203 | - | 203 | - |

33.5 Education research

| Parent entity (University) only | | | | | | | |
|---|--------|---------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | | Research Training Program | | Research Support Program | | Total | |
| | Notes | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program) | | 28,541 | 25,974 | 15,908 | 16,601 | 44,449 | 42,575 |
| Net accrual adjustments | | - | - | - | - | - | - |
| Revenue for the period | 2.1(c) | 28,541 | 25,974 | 15,908 | 16,601 | 44,449 | 42,575 |
| Surplus/(deficit) from the previous year | | - | - | - | 2,893 | - | 2,893 |
| Total funding available during the year | | 28,541 | 25,974 | 15,908 | 19,494 | 44,449 | 45,468 |
| Less expenses including accrued expenses | | (28,541) | (25,974) | (15,908) | (19,494) | (44,449) | (45,468) |
| Surplus/(deficit) for reporting period | | - | - | - | - | - | - |

33.6 Total Higher Education Provider research training program expenditure

| | Total domestic students \$'000 | Total overseas students \$'000 |
|--|-----------------------------------|-----------------------------------|
| Research training program fees offsets | 10,799 | 636 |
| Research training program stipends | 15,153 | 1,953 |
| Research training program allowances | - | - |
| Total for all types of support | 25,952 | 2,589 |

33.7 OS-HELP

| Parent entity (University) only | | |
|---|----------------|----------------|
| | OS-HELP | |
| | 2023 \$'000 | 2022 \$'000 |
| Cash received during the reporting period | 6,883 | (9,858) |
| Cash spent during the reporting period | (2,993) | (1,549) |
| Net cash received/(paid) | 3,890 | (11,407) |
| Cash surplus/(deficit) from previous period | 398 | 11,805 |
| Cash surplus/(deficit) for reporting period | 4,288 | 398 |

33.8 Higher Education Superannuation Program

| Parent entity (University) only | | |
|--|------------------------|----------------|
| | Superannuation program | |
| | 2023 \$'000 | 2022 \$'000 |
| Cash received during the reporting period | 31,370 | 29,381 |
| Cash available | 31,370 | 29,381 |
| Cash available for current period | 31,370 | 29,381 |
| Contributions to specified defined benefit funds | (31,370) | (29,381) |
| Cash surplus/(deficit) for reporting period | - | - |

33.9 Student Services and Amenties Fee

| | Parent entity (University) only | |
|---|---------------------------------|----------------|
| | SA-HELP | |
| | 2023 \$'000 | 2022 \$'000 |
| Unspent/(overspent) revenue from previous period | | |
| SA-HELP revenue earned | 3,927 | 3,709 |
| Student services fees direct from students | 6,830 | 6,173 |
| Total revenue expendable in period | 10,757 | 9,882 |
| Student services expenses during period | (10,757) | (9,882) |
| Unspent/(overspent) student services revenue | - | - |

34. Financial risk management

The University's activities exposes it to a variety of financial risks mainly market risk (including currency and interest rate risk), credit risk and liquidity risk.

The University's principal financial instruments comprise cash and term deposits, receivables, available for sale investments, payables, bonds, loans and finance leases. The main purpose of these financial instruments is to raise finance for the University's operations.

The University manages its exposure to key financial risks including interest rate and currency risk in accordance with the University's investment procedures and directions from the University's Finance Committee. The objective is to protect the future financial security of the University.

The main risks arising from the University's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The University utilises different methods to measure and manage the different types of risks to which it is exposed. These include monitoring interest rates and foreign currency and assessing the impact on movements through monthly forecasting.

(a) Market risk

Foreign exchange risk

The University's exposure to market risk for changes in foreign exchange rates relates primarily to the University's payments to overseas suppliers in payables and to a lesser extent foreign currency trade debtor invoices in receivables. The University's foreign currency payments and receipts are not significant and University practice is to generally use the spot rate when paying or receiving foreign currency amounts. For significant foreign denominated purchases of goods or services the University enters into forward exchange contracts on an ad-hoc basis to limit the foreign exchange risk.

The University has minimal balance sheet exposure to foreign currency movements with the majority of operations of the group occurring within Australia. Subsidiaries, Insearch Limited and UTS Global Pty Ltd, have investments in Southeast Asia, India and China that can impact the subsidiary however on an economic entity basis the impact is minimal.

Interest rate risk

The University's exposure to market risk for changes in interest rate relates primarily to the University's long-term debt obligations and investments in term deposits. Long-term debt obligations are managed mainly by a revolving \$200 million debt facility with Westpac Banking Corporation (\$100 million) and Australia and New Zealand Banking Corporation (\$100 million). As at 31 December 2023, all of the University's borrowings, which had been drawn down, were at a fixed rate of interest.

The University primarily invests in term deposits to maximise returns. The investment portfolio is reviewed by the University's Finance Committee within the framework of the University's investment procedures.

Instruments used by the University:

The University has the following instruments:

- bond of \$300 million
- revolving debt facility of \$200 million (2022: \$175 million).

Cash flow hedges

The University has no cash flow hedges as at 31 December 2023.

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

Summarised sensitivity analysis

The following table summarises the sensitivity of the University's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The group anticipates that interest rates may move by up to 0.50% in the 2023 year.

| | Carrying amount | Interest rate risk | | | | Foreign exchange risk | | | |
|---|-----------------|--------------------|---------------|----------------|----------------|-----------------------|---------------|---------------|---------------|
| | | 0.50% | | -0.50% | | 10% | | -10% | |
| | | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| 31 December 2023 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 243,484 | 1,217 | 1,217 | (1,217) | (1,217) | - | - | - | - |
| Receivables | 479,147 | - | - | - | - | (230) | (230) | 230 | 230 |
| Managed funds | 20,502 | 103 | 103 | (103) | (103) | - | - | - | - |
| Long-term deposits | 110,000 | - | - | - | - | - | - | - | - |
| Shares in other organisations | 19,444 | - | - | - | - | - | - | - | - |
| Investments accounted for using the equity method | 4,757 | - | - | - | - | - | - | - | - |
| Total financial assets | 877,334 | - | - | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | | |
| Payables | 97,080 | - | - | - | - | 134 | 134 | (134) | (134) |
| Bonds | 299,259 | - | - | - | - | - | - | - | - |
| Lease liabilities | 115,677 | - | - | - | - | - | - | - | - |
| Total financial liabilities | 512,016 | - | - | - | - | - | - | - | - |
| Total increase/(decrease) | | 1,320 | 1,320 | (1,320) | (1,320) | (96) | (96) | 96 | 96 |
| 31 December 2022 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 229,624 | 1,148 | 1,148 | (1,148) | (1,148) | - | - | - | - |
| Receivables | 478,557 | - | - | - | - | (136) | (136) | 136 | 136 |
| Managed funds | 18,364 | 92 | 92 | (92) | (92) | - | - | - | - |
| Long term deposits | 110,000 | - | - | - | - | - | - | - | - |
| Shares in other organisations | 43,160 | - | - | - | - | - | - | - | - |
| Investments accounted for using the equity method | 5,314 | - | - | - | - | - | - | - | - |
| Total financial assets | 885,019 | - | - | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | | |
| Payables | 84,536 | - | - | - | - | 86 | 86 | (86) | (86) |
| Bonds and loans | 299,068 | - | - | - | - | - | - | - | - |
| Lease liabilities | 124,034 | - | - | - | - | - | - | - | - |
| Total financial liabilities | 507,638 | - | - | - | - | - | - | - | - |
| Total increase/(decrease) | | 1,240 | 1,240 | (1,240) | (1,240) | (50) | (50) | 50 | 50 |

(b) Credit risk

Credit risk arises from the financial assets of the University, which comprises cash and cash equivalents (including term deposits), trade and other receivables and other financial assets. The University's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The University trades only with recognised, creditworthy third parties and as such collateral is not requested.

Receivables balances are monitored on an ongoing basis with the result that the University's exposure to bad debts is not significant. For trade and student receivables the University applies a simplified approach in calculating expected credit losses. Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The University has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(c) Liquidity risk

The University's objective is to maintain a balance between continuity of funding and flexibility through use of bank loans, bonds and finance leases. The economic entity has two revolving debt facilities: Westpac Banking Corporation for \$100 million and Australia and New Zealand Banking Corporation for \$100 million for a total overall facility of \$200 million. As at 31 December 2023, no funds had been drawn down from these two facilities.

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

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

| | Average interest rate % (pa) | Variable interest rate \$'000 | Less than 1 year \$'000 | 1 to 5 years \$'000 | 5+ years \$'000 | Non-interest \$'000 | Total |
|---|------------------------------------|-------------------------------------|-------------------------------|------------------------|--------------------|------------------------|----------------|
| 31 December 2023 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 4.20 | - | 243,484 | - | - | - | 243,484 |
| Receivables | - | - | - | - | - | 479,148 | 479,148 |
| Managed funds | 11.00 | - | - | 20,502 | - | - | 20,502 |
| Long-term deposits | - | - | 10,000 | 100,000 | - | - | 110,000 |
| Shares in other organisations | - | - | - | - | - | 19,444 | 19,444 |
| Investments accounted for using the equity method | - | - | - | - | - | 4,757 | 4,757 |
| Total financial assets | | - | 253,484 | 120,502 | - | 503,349 | 877,335 |
| Financial liabilities | | | | | | | |
| Payables | - | - | - | - | - | 97,080 | 97,080 |
| Bonds and loans | 4.01 | - | - | 299,259 | - | - | 299,259 |
| Lease liabilities | 3.83 | - | 17,982 | 48,430 | 49,265 | - | 115,677 |
| Total financial liabilities | | - | 17,982 | 347,689 | 49,265 | 97,080 | 512,016 |
| 31 December 2022 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 1.97 | - | 229,624 | - | - | - | 229,624 |
| Receivables | - | - | - | - | - | 478,557 | 478,557 |
| Managed funds | (9.03) | - | - | 18,364 | - | - | 18,364 |
| Long-term deposits | - | - | - | 110,000 | - | - | 110,000 |
| Shares in other organisations | - | - | - | - | - | 43,160 | 43,160 |
| Investments accounted for using the equity method | - | - | - | - | - | 5,314 | 5,314 |
| Total financial assets | | - | 229,624 | 128,364 | - | 527,031 | 885,019 |
| Financial liabilities | | | | | | | |
| Payables | - | - | - | - | - | 84,536 | 84,536 |
| Bonds and loans | 4.01 | - | - | 299,068 | - | - | 299,068 |
| Lease liabilities | 3.83 | - | 18,899 | 57,260 | 47,875 | - | 124,034 |
| Total financial liabilities | | - | 18,899 | 356,328 | 47,875 | 84,536 | 507,638 |

(d) Fair value measurements

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

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

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

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

| | 2023 | | 2022 | |
|------------------------------------|---------------------------|----------------------|---------------------------|----------------------|
| | Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | 243,484 | 243,484 | 229,624 | 229,624 |
| Receivables | 479,148 | 479,148 | 478,557 | 478,557 |
| Managed funds | 20,502 | 20,502 | 18,364 | 18,364 |
| Long-term deposits | 110,000 | 110,000 | 110,000 | 110,000 |
| Shares in other organisations | 19,444 | 19,444 | 43,160 | 43,160 |
| Total financial assets | 872,578 | 872,578 | 879,705 | 879,705 |
| Financial liabilities | | | | |
| Payables | 97,080 | 97,080 | 84,536 | 84,536 |
| Bonds and loans | 299,259 | 299,259 | 299,068 | 299,068 |
| Lease liabilities | 115,677 | 115,677 | 124,034 | 124,034 |
| Total financial liabilities | 512,016 | 512,016 | 507,638 | 507,638 |

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

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

(e) Fair value hierarchy

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

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

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

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

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

| | Notes | 31 Dec 2023 \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 |
|---|-------|-----------------------|-------------------|-------------------|-------------------|
| Recurring fair value measurements | | | | | |
| Financial assets | | | | | |
| Receivables | 10 | 438,245 | - | 438,245 | - |
| Other financial assets at fair value through profit or loss | 11 | 20,502 | 20,502 | - | - |
| Investments in equity instruments designated at fair value through other comprehensive income | 11 | 18,360 | - | 18,360 | - |
| Other financial assets at amortised cost | 11 | 1,329 | 1,329 | - | - |
| Total financial assets | | 478,436 | 21,831 | 456,605 | - |
| Non-financial assets | | | | | |
| Land, buildings, infrastructure and works of art | 15 | 2,223,960 | - | 3,719 | 2,220,241 |
| Total non-financial assets | | 2,223,960 | - | 3,719 | 2,220,241 |

| | Notes | 31 Dec 2022 \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 |
|---|-------|-----------------------|-------------------|-------------------|-------------------|
| Recurring fair value measurements | | | | | |
| Financial assets | | | | | |
| Receivables | 10 | 449,550 | - | 449,550 | - |
| Other financial assets at fair value through profit or loss | 11 | 43,265 | 43,265 | - | - |
| Investments in equity instruments designated at fair value through other comprehensive income | 11 | 17,389 | - | 17,389 | - |
| Other financial assets at amortised cost | 11 | 870 | 870 | - | - |
| Total financial assets | | 511,074 | 44,135 | 466,939 | - |
| Non-financial assets | | | | | |
| Land, buildings, infrastructure and works of art | 15 | 2,172,688 | - | 3,702 | 2,168,986 |
| Total non-financial assets | | 2,172,688 | - | 3,702 | 2,168,986 |

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

(ii) **Disclosed fair values**

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

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

The fair value of non-current borrowings disclosed in note 18 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the University for similar financial instruments. For the period ended 31 December 2023, the borrowing rate is 4.01 per cent which is predominantly based on the yield rate on the \$300 million bond (3.825%). The fair value of current borrowings approximates the carrying amount as the impact of discounting is not significant.

(f) **Valuation techniques used to derive level 2 and level 3 fair values**

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The below fair value estimates are included in level 2:

- Receivables: relates to the defined superannuation benefit funds listed in note 25 and valued independently on a yearly basis.
- Investments in equity instruments designated at fair value through other comprehensive income: relates to investments in unlisted shares valued independently on an annual basis.
- Works of art: valued independently at least once every three years.

The below fair value estimates are included in level 3:

- Land, buildings and infrastructure are valued independently on a yearly basis. At the end of each reporting period the University updates the assessment of the fair value of each property taking into account the most recent independent valuation.

Financial statements: UTS
Notes to the financial statements
for the year ended 31 December 2023

(g) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2023 and 31 December 2022.

| | Land, buildings and infrastructure \$'000 |
|--|--|
| 31 December 2023 | |
| Opening balance | 2,168,986 |
| Acquisitions | 46,668 |
| Recognised in profit or loss | (75,380) |
| Recognised in other comprehensive income | 79,967 |
| Closing balance | 2,220,241 |
| 31 December 2022 | |
| Opening balance | 2,104,719 |
| Acquisitions | 26,888 |
| Recognised in profit or loss | (69,085) |
| Recognised in other comprehensive income | 106,464 |
| Closing balance | 2,168,986 |

End of audited financial statements

UTS Global Pty Ltd

| | |
|-----------------------------------|----|
| Directors' report | 62 |
| Responsible persons declaration | 64 |
| Statement of comprehensive income | 65 |
| Statement of financial position | 65 |
| Statement of changes in equity | 66 |
| Statement of cash flows | 66 |
| Notes to the financial statements | 67 |

Directors' report

UTS Global Pty Ltd

ABN 32 154 014 481

DIRECTORS' REPORT

For the year ended 31 December 2023

In accordance with *Governance Standard 5* of the *Australian Charities and Not-for-Profits Commission Act 2012*, it is reported that:

1. The Directors in office during the financial year and at the date of this report are:
 - Mr Iain Watt (Chair)
 - Mr Glen Babington
 - Professor Debra Anderson
 - Professor Glen Wightwick
 - Professor Peta Wyeth (Commenced 7 Feb 2024)
2. The Directors held four (4) ordinary meetings and zero (0) annual general meeting during the year ended 31st December 2023. Attendance at those meetings was as follows:

| | Number of Meetings | Meetings Attended |
|--------------------------|--------------------|-------------------|
| Mr Iain Watt | 4 | 4 |
| Mr Glen Babington | 4 | 4 |
| Professor Debra Anderson | 4 | 3 |
| Professor Glen Wightwick | 4 | 4 |
| Professor Peta Wyeth | 0 | 0 |

3. The objectives of the Company are to establish subsidiary offices in China (and potentially other countries) which will provide the following services to UTS: profile-building and marketing, government and media relationship management, identification and development of collaborative research and teaching opportunities, market intelligence, organisation of senior executive visits, and assisting UTS faculties, research centres and offices in their in-country activities.

Directors' report (continued)

UTS Global Pty Ltd

ABN 32 154 014 481

DIRECTORS' REPORT

For the year ended 31 December 2023

4. Operations for the financial period ended 31 December 2023 resulted in a profit of \$645,833.00.
5. The Company issued one share with University of Technology Sydney as the sole shareholder with \$1.6 million shareholding. The University's total shareholding in The Company is \$1,600,001.
6. The Company has invested \$1.6 million in UTS Research and Innovation Institute (Shenzhen) Co. Ltd. UTS Research and Innovation Institute (Shenzhen) Co. Ltd is a company limited by shares, incorporated and domiciled in China and is a wholly owned subsidiary of UTS Global Pty Ltd.

The company's principal business activities are to jointly work with University Technology Sydney to provide research activities in collaboration with local industry in China.

7. In 2023 the company oversaw the efficient and effective work of its subsidiary, UTS Beijing Ltd., which operates to further UTS interests in China.
8. No Director of the Company has, during and since the end of the financial period, received or become entitled to receive any benefits.
9. Directors and officers of the Company are covered by a policy for Directors and Officers Liability Insurance, held by the University of Technology Sydney. Cover is for a maximum \$1 million USD in any one claim and in the aggregate.
10. In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.
11. The Company's operations comply with the environmental regulations under both Commonwealth and State legislation.

Signed:



Director
Mr Iain Watt

Date: 29/04/2024



Director
Mr Glen Babington

Date: 29/04/2024

Responsible persons declaration

UTS Global Pty Ltd

ABN 32 154 014 481

RESPONSIBLE PERSONS DECLARATION For the year ended 31 December 2023

In accordance with section 60.15 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*, we, the Directors whose signatures and names appear below, do hereby state on behalf of the Board that in the opinion of the Directors:

- a) the financial statements and notes present a true and fair view of the financial position and performance of the Company as at 31 December 2023 and the results of its operations and transactions of the Company for the year then ended;
- b) the financial statements and notes have been prepared in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Government Sector Finance Act 2018 NSW*;
- c) the financial statements and notes have been prepared in accordance with Australian Accounting Standards, authoritative pronouncements of the Australian Accounting Standards Board and other mandatory financial reporting requirements;
- d) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with continuing support from University of Technology Sydney; and
- e) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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



Director
Mr Iain Watt

Date: 29/04/2024



Director
Mr Glen Babington

Date: 29/04/2024

Statement of comprehensive income

for the year ended 31 December 2023

| | Notes | 2023 \$ | 2022 \$ |
|---|-------|----------------|--------------|
| Continuing operations | | | |
| Revenue from continuing operations | 2 | 1,315,393 | 1,299,214 |
| Other expenses | 3 | 669,560 | 1,299,610 |
| Profit /(loss) before income tax | | 645,833 | (396) |
| Net result for the period for continuing operations | | 645,833 | (396) |
| Net result for the period is attributable to the owners | | 645,833 | (396) |
| Total comprehensive income is attributable to the owners | | 645,833 | (396) |

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

Statement of financial position

as at 31 December 2023

| | Notes | 2023 \$ | 2022 \$ |
|----------------------------------|-------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 1,538,543 | 896,185 |
| Receivables | 5 | 3,475 | 0 |
| Total current assets | | 1,542,018 | 896,185 |
| Non-current assets | | | |
| Other financial assets | 6 | 1,700,000 | 1,700,000 |
| Total non-current assets | | 1,700,000 | 1,700,000 |
| Total assets | | 3,242,018 | 2,596,185 |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | 7 | 0 | 0 |
| Total current liabilities | | 0 | 0 |
| Total liabilities | | 0 | 0 |
| Net assets | | 3,242,018 | 2,596,185 |
| Equity | | | |
| Retained earnings | 8 | 1,642,017 | 996,184 |
| Share capital | 9 | 1,600,001 | 1,600,001 |
| Total equity | | 3,242,018 | 2,596,185 |

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

Statement of changes in equity

as at 31 December 2023

| | Retained earnings \$ | Share capital \$ | Total \$ |
|--|-------------------------|---------------------|------------------|
| Balance at 1 January 2022 | 996,580 | 1,600,001 | 2,596,581 |
| Profit for the period | (396) | - | (396) |
| Balance at 31 December 2022 | 996,184 | 1,600,001 | 2,596,185 |
| Balance at 1 January 2023 | 996,184 | 1,600,001 | 2,596,185 |
| Profit for the period | 645,833 | - | 645,833 |
| Transactions with owners recorded directly in equity | - | - | - |
| Balance at 31 December 2023 | 1,642,017 | 1,600,001 | 3,242,018 |

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

Statement of cash flows

as at 31 December 2023

| | Notes | 2023 \$ | 2022 \$ |
|--|-------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Contribution from UTS | | 1,297,000 | 1,297,000 |
| Interest received | | 18,393 | 2,214 |
| Bank fees and charges | | (60) | (60) |
| Payment to supplier and other related parties | | (676,450) | (1,317,105) |
| GST refund | | 3,475 | 3,081 |
| Net cash provided by/(used in) operating activities | 12 | 642,358 | (14,870) |
| Net increase/(decrease) in cash and cash equivalents | | 642,358 | (14,870) |
| Cash and cash equivalents at the beginning of the financial year | | 896,185 | 911,055 |
| Cash and cash equivalents at end of the financial year | | 1,538,543 | 896,185 |

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

1. Summary of material accounting policies

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

The company's principal business activities are to provide marketing and profile building services to UTS.

The company's principal place of business is 15 Broadway, Ultimo NSW 2007.

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, the Government Sector Finance Act 2018, the Australian Charities and Not-for-Profits Commission Act 2013 and the Corporations Act 2001. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

These financial statements have been prepared on a historical cost basis and are presented in Australian dollars, rounded to the nearest dollar.

(b) Statement of compliance

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

(c) Financial instruments

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

(i) Cash

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

(ii) Receivables

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

(iii) Payables

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

(d) Investments and other financial assets

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

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

Investments in managed funds are classified as financial assets at fair value through profit or loss. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

(ii) Financial assets at fair value through other comprehensive income

Investments in equity investments in non-listed companies are classified as financial assets at fair value through other comprehensive income. The policy of management is to elect to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. These assets will initially be recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the other comprehensive income statement.

(e) Income recognition

Income is comprised primarily of Contributions from parent entity UTS in order for UTS Global Pty Ltd to pursue its objectives. These Contributions received do not give rise to any specific performance obligations and as such are recognised upfront as income in accordance with AASB 1058 Income of Not-For-Profit Entities.

Income from sales or the provision of services including consultancy and contract revenue is recognised under AASB 15 Revenue from Contracts with Customers and is recognised as revenue in the period in which the specific performance obligations have been met.

Income arising from the sale of assets is recognised on disposal. Interest revenue is recognised as it accrues.

(f) Taxation

(i) Accounting for goods and services tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or part of an item of expense, or for receivables and payables which are recognised inclusive of GST.

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified within operating activities.

(ii) Income tax

UTS Global Pty Ltd is exempt from income tax under section 50-1 of the Income Tax Assessment Act 1997.

Financial statements: UTS Global Pty Ltd
Notes to the financial statements
for the year ended 31 December 2023

(g) Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

(h) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period. The recently issued or amended standards are not expected to have a material impact on the company's statutory accounts. The company has not exercised the right to early adopt any new or revised accounting standard.

(i) Changes in accounting policy

There have been no changes to accounting policy in the 2023 year apart from the adoption of certain mandatory standards.

(j) Basis of consolidation

UTS Global has two subsidiaries, UTS Beijing Limited and UTS Research and Innovation Institute (Shenzhen) Co Limited which are consolidated at the ultimate parent level.

| | Notes | 2023 \$ | 2022 \$ |
|--|-------|------------------|------------------|
| 2. Income from continuing operations | | | |
| Contribution from UTS | | 1,297,000 | 1,297,000 |
| Interest earned | | 18,393 | 2,214 |
| Total revenue from continuing operations | | 1,315,393 | 1,299,214 |
| 3. Expenses from continuing operations | | | |
| Consulting | | 669,500 | 1,300,000 |
| Audit fee | | 0 | (450) |
| Bank fees and charges | | 60 | 60 |
| Total expenses from continuing operations | | 669,560 | 1,299,610 |
| 4. Cash and cash equivalents | | | |
| Cash at bank and on hand | | 1,538,543 | 896,185 |
| Total cash and cash equivalents | | 1,538,543 | 896,185 |
| 5. Receivables | | | |
| GST receivables | | 3,475 | 0 |
| Total receivables | | 3,475 | 0 |
| 6. Non-current assets | | | |
| Shares in UTS Beijing Limited | | 100,000 | 100,000 |
| Shares in UTS Shenzhen Limited | | 1,600,000 | 1,600,000 |
| Total other non-financial assets | | 1,700,000 | 1,700,000 |
| 7. Payables | | | |
| Accrual – audit | | 0 | 0 |
| Total payables | | 0 | 0 |

| Notes | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| 8. Retained earnings | | |
| Balance at the beginning of the period | 996,184 | 996,580 |
| Surplus/(deficit) for the period | 645,833 | (396) |
| Balance as at 31 December | 1,642,017 | 996,184 |
| 9. Share capital | | |
| Ordinary shares | 1,600,001 | 1,600,001 |
| Total share capital | 1,600,001 | 1,600,001 |

10. Remuneration of directors

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

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

Mr Iain Watt (Chair)
 Professor Debra Anderson
 Professor Glenn Wightwick
 Mr Glen Babington

(b) Directors' remuneration

No remuneration was paid to the directors for the 2023 financial year.

11. Financial risk management

(a) Market risk

Foreign exchange risk – UTS Global does not have any exposure to market risk for changes in foreign exchange.

Interest rate risk – UTS Global's exposure to market risk for changes in interest rates is limited to cash at bank for operating activities.

(b) Credit risk

Credit risk arises from the financial assets of UTS Global Pty Ltd, which comprises of cash and cash equivalents. UTS Global Ltd's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. UTS Global Ltd trades only with recognised, creditworthy third parties and as such collateral is not requested.

| | 2023 \$ | 2022 \$ |
|--|------------------|----------------|
| Credit risk by classification of counterparty: | | |
| Cash and cash equivalent assets | | |
| bank | 1,538,542 | 896,184 |
| on hand | 1 | 1 |
| receivables | 3,475 | 0 |
| | 1,542,018 | 896,185 |

(c) Liquidity risk

UTS Global Pty Ltd's objective is to maintain sufficient cash to meet creditor payments when due. UTS Global receives cash contributions from the holding company to meet ongoing liabilities.

(d) Defaults and breaches

There have been no defaults or breaches in relation to the payables of the company.

12. Notes to statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash assets include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash assets at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows::

| | 2023 \$ | 2022 \$ |
|--|----------------|-----------------|
| Cash at bank and on hand | 1,538,543 | 896,185 |
| (b) Reconciliation of profit to net cash provided by operating activities | | |
| Profit/(loss) for the year | 645,833 | (396) |
| Decrease/(increase) in receivables | (3,475) | 3,126 |
| (Decrease)/increase in payables | - | (17,600) |
| Prepayments | - | - |
| Net cash provided by operating activities | 642,358 | (14,870) |

13. After balance date events

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

14. Contingent liabilities and contingent assets

There are no contingent liabilities and no contingent assets as at 31 December 2023.

| | Notes | 2023 \$ | 2022 \$ |
|---|-------|------------|------------|
| 15. Remuneration of auditors | | | |
| Fees paid to the Audit Office of New South Wales for audit and review of financial statements | | - | - |

UTS Global Pty Ltd meets the Government Sector Finance Act 2018 NSW 'kind' exemption, requiring no financial statements be prepared for audit purposes.

16. Going concern

The normal activities of UTS Global Pty Ltd are, to a significant extent, dependent on the receipt of grants from the University of Technology Sydney. The University of Technology Sydney have confirmed their present funding arrangements to the company. The Directors consider that the financial plans of the company are feasible and achievable.

The financial statements are therefore prepared on a going concern basis.

End of audited financial statements

Insearch Limited

| | |
|---|----|
| Directors' report | 72 |
| Directors' declaration | 76 |
| Independent auditor's report | 77 |
| Auditor's independence declaration | 80 |
| Income statement and other comprehensive income | 81 |
| Statement of financial position | 82 |
| Statement of changes in equity | 83 |
| Statement of cash flows | 84 |
| Notes to the financial statements | 85 |

Directors' report

31 December 2023

This report of the Directors of Insearch Limited is made in accordance with a resolution of the Directors in accordance with section 298(2)(a) of the Corporations Act 2001.

Directors

The names of Directors in office during the year and at the date of this report (refer to note 21), unless otherwise stated are:

| | Date of appointment | Date of resignation |
|--|---------------------|---------------------|
| Emeritus Vice-Chancellor RD Milbourne AO | 1 March 2016 | 31 December 2023 |
| Ms JN Anderson | 28 November 2017 | |
| Dr AM Dwyer | 25 November 2019 | 4 December 2023 |
| Mr GA Freeland | 28 March 2017 | |
| Mr A Murphy | 3 September 2007 | 14 July 2023 |
| Mr I Watt | 17 July 2018 | |
| Mr M Leigh | 1 October 2019 | 11 March 2023 |
| Professor C Rhodes | 19 August 2021 | |
| Mr G Babington CSC | 11 March 2023 | |

Company Secretary

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

Mr NL Patrick (appointed 21 October 2010)

Principal activities

The activities of Insearch Limited during the financial year ended 31 December 2023 were the provision of English language, foundation and academic courses that are designed as pathways to university studies.

There was no significant change in the nature of the activity of the company during the year.

Review and result of operations

Insearch Limited reported a deficit of \$13.1 million (2022: deficit of \$19.3 million).

Letter of support

The University of Technology Sydney has agreed for a period of 12 months from the date of approval and signing of the Insearch Limited 31 December 2023 Financial Statements to meet any and all business operation liabilities including financial support that may be necessary to enable Insearch Limited and each of its controlled entities to meet its financial commitments as and when they fall due and payable in the event that the Insearch Entity is unable to do so. In addition, the University of Technology Sydney loaned to Insearch Limited \$8 million during the year.

Significant changes in the state of affairs

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

Event since the end of the financial year

The board appointed Ms Morwenna Shahani as Chief Executive Officer effective 11 March 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Business strategies and future developments

The main objectives of the company are to provide pathway courses for undergraduate and postgraduate entry to the University of Technology Sydney and to pay donations to the University when appropriate. Scholarship programs and partnerships with other organisations to provide educational facilities/courses are also objectives of the company. The strategies of the company are focused on achieving these objectives.

Business strategies, prospects and future developments, which may affect the operations of the company in subsequent years, have been reported as appropriate elsewhere in this report. In the opinion of the Directors, disclosure of any further information on future developments would be unreasonably prejudicial to the interests of the company.

Director's benefits

No Director of the company has, during and since the end of the financial year, received or become entitled to receive a benefit, other than the benefit included in the aggregate amount of Director's compensation shown in note 21 of the financial report.

Insurance of directors and officers

During the financial year a premium to insure Directors and Officers of the company was paid by the University of Technology Sydney to the amount of \$9,182 (2022: \$14,591) per sections 300 (1)(g), 300(8) and 300(9) of the Corporations Act 2001.

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

Directors' report (continued)

Information on directors

Emeritus Vice-Chancellor Ross Milbourne AO, BCom, MCom (UNSW), PhD (Calif), FASSA, FAICD

Non-Executive Director

Chair of the Board until 31 December 2023

Emeritus Vice-Chancellor Milbourne became Chair of the Insearch Limited Board on 1 March 2016.

He was appointed Vice-Chancellor of the University of Technology Sydney (UTS) in 2002. During 12 years in the role, he led a major development of the University's physical campus and infrastructure, and the advancement of its national and international profile and reputation.

This followed a number of leadership roles in Australian universities since 1997: Deputy Vice-Chancellor (Research), University of Adelaide (1997-2000); Pro Vice-Chancellor (Research), University of New South Wales (2000-2001); Deputy Vice-Chancellor (Academic), University of Technology Sydney (2001-2002).

Other previous notable appointments include Reserve Bank of Australia Senior Fellow in Economic Policy, Visiting Professor to the London School of Economics, Board member of Universities Australia, member and Chair of the Australian Research Council (ARC) Social Sciences Panel and Research Grants Committee, and Fellow of the Academy of Social Sciences in Australia (FASSA).

Emeritus Vice-Chancellor Milbourne is internationally recognised as an economist and researcher. He has been appointed by the Australian Government to major policy-oriented committees and reviews. He received the Centenary Medal in 2001 for service to Australian society through economics and university administration. In 2015, he was made an Officer of the Order of Australia (AO) for his distinguished service to higher education.

Emeritus Vice-Chancellor Milbourne holds a Master of Commerce from the University of New South Wales. He completed his PhD at the University of California, Berkeley, under the supervision of Nobel laureate George Akerlof. He is a Fellow of the Australian Institute of Company Directors.

Ms Nell Anderson, BSc (Hons), GradDipAdmin, GAICD

Non-Executive Director

Chair of the Board from 1 January 2024

Chair of the Remuneration and Nominations Committee

Ms Anderson has over 30 years of executive experience in strategy, marketing, sales and business development in the pharmaceutical and tourism sectors. She spent a significant part of that time working in the Asia Pacific region.

Ms Anderson recently retired as Chair of Ascham School and Chair of Campbell Page Pty Ltd and Group. She rejoins the Ascham Foundation as a Non Executive Director and continues as Company Secretary of a small grass roots charity - The Cova Project.

Ms Anderson holds an Honours (Class I) Degree in Science from the University of Sydney, a Graduate Diploma in Administration from UTS and is a Graduate Member of the Australian Institute of Company Directors.

Dr Anne Dwyer, BBus (CSU), MAICD

Non-Executive Director

Member of the Audit and Risk Committee

Member of the Remuneration and Nominations Committee

Dr Dwyer was re-appointed to the Insearch Limited Board as the UTS Council-appointed Director, effective 25 November 2019. She was previously a Director for a four year period between March 2015 and September 2019.

Dr Dwyer is the Chair of the ActivateUTS Board.

Dr Dwyer was formerly Deputy Vice-Chancellor and Vice-President (Corporate Services) at UTS from 2004 until 2019, where she oversaw Human Resources, Information Technology, Student Administration, Marketing and Communication, Governance Support and Legal Services.

She held several financial and administrative management roles at Ansett Air Freight before moving into information technology. Prior to joining UTS, Dr Dwyer was the Director of IT for Arthur Andersen's Australian and New Zealand operations.

Dr Dwyer completed a Bachelor of Business at Charles Sturt University and is a Member of the Australian Institute of Company Directors.

Mr Guy Freeland, BCom, CA, GAICD

Non-Executive Director

Chair of the Audit and Risk Committee

Mr Freeland held senior executive positions in the construction, information technology and industrial products sectors for more than two decades, gaining extensive experience in finance and business systems, financial control and risk management, and strategic planning.

Currently Mr Freeland is a Non-Executive Director of Job Futures Limited.

Mr Freeland holds a Bachelor of Commerce from the University of New South Wales, has been a Chartered Accountant for more than 40 years and is a Graduate Member of the Australian Institute of Company Directors.

Mr Alex Murphy, BA (Hons), MAICD

Managing Director, resigned 14 July 2023

Mr Murphy joined UTS College (Insearch Limited) in 1992 and was appointed to the Managing Director role in 2007.

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

Mr Iain Watt, BSc (ANU)

Non-Executive Director

Mr Watt joined UTS in June 2018 as Deputy Vice-Chancellor and Vice-President (International) and is responsible for envisioning and driving the implementation of UTS's next stage of internationalisation.

Directors' report (continued)

Mr Watt is a Director of Insearch (Shanghai) Limited.

Prior to joining UTS, he was Pro Vice-Chancellor, International at the University of Western Australia (UWA), a role he held for five years. Preceding his tenure at UWA, he was Director of International Operations and Student Recruitment at the Australian National University (ANU). Mr Watt has extensive international experience and a record of significant and successful leadership in international education. In five years at the ANU he led international and domestic student recruitment and admissions and was responsible for international strategic alliances and partnerships.

Mr Watt also spent eight years with the Australian Embassy in Beijing. While at the Embassy he held positions of Counsellor (Education) for four years and later, Minister-Counsellor (Education). In both positions he was the Australian Government's senior education representative in China. Mr Watt also lived and worked for six years in Taipei and is fluent in Mandarin.

Mr Watt holds a Bachelor of Science degree (in mathematics and statistics) from the ANU and also undertook his postgraduate studies in Chinese language, economy and culture at the ANU.

Mr Mark Leigh

Non-Executive Director

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

Mr Leigh has worked for leading companies & institutions including 5 years at Qantas Airways, 9 years at Microsoft (including two based in Singapore), 6 years at Hudson Global, 2 years at Mylan (Alphapharm) and until March 2023 was the CFO at the University of Technology Sydney (UTS).

Mr Leigh has extensive experience in building and leading high performing Finance and IT functions that are focused on delivering Business Insight, Business Excellence and Leadership.

He has extensive experience in the Australia & New Zealand Regions as well as Asia, India and Greater China through roles based in Singapore.

Mr Leigh was until recently the Chief Financial Officer for UTS. With a large organisation reporting directly to him, Mark was responsible for supporting the UTS strategy of excellence in teaching and learning, research and engagement. He was directly responsible for all finance functions including long-term strategic planning, university performance, debt and capital management, shared services operations, procurement, compliance and other finance functions.

Professor Carl Rhodes

Non-Executive Director

Professor Rhodes is Dean of UTS Business School, University of Technology Sydney. In this role, Professor Rhodes is responsible for the academic and strategic leadership of the School in pursuit of its vision to be a socially committed business school focused on developing and sharing knowledge for an innovative, sustainable and prosperous economy in a fairer world.

As well as working at UTS, Professor Rhodes has held professorships at Swansea University, The University of Leicester, and Macquarie University. Prior to his academic career, Carl worked in professional and senior management positions in change management and organizational development for AGL, Lend Lease, Citibank and The Boston Consulting Group. Professor Rhodes' combination of senior experience in academia and the private sector provides him with a unique perspective on the role of Universities in contributing to and questioning how business and economic activity can and should contribute to society.

As a scholar, Professor Rhodes researches the relationship between business and society in the nexus between liberal democracy and contemporary capitalism. His most recent books are *Woke Capitalism: How Corporate Morality is Sabotaging Democracy* (Bristol University Press, 2022), *Organizing Corporate Ethics* (Routledge, 2022 with Alison Pullen), *Disturbing Business Ethics* (Routledge, 2019) and *CEO Society: The Corporate Takeover of Everyday Life* (Zed, 2018 with Peter Bloom). His writing has appeared in *The Guardian*, *Times Higher Education*, *ABC News*, *The Sydney Morning Herald*, and *The Australian Financial Review*.

Mr Glen Babington CSC, MBA, BA (Hons), GAICD

Non-Executive Director

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

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

Information on Company Secretary

Mr Nathan Patrick, BBus, MTerED (Mgt), GradDipACG, FCA, FGIA, FCG, FAICD

Chief Financial Officer and Company Secretary

Nathan is the Chief Financial Officer and Company Secretary of UTS College and is responsible globally for the college's financial activities, campus planning, ITDS and corporate governance (including legal, risk management, internal audit, regulatory compliance, offshore legal entities and company secretary).

During his career he has held senior financial, management and governance positions in higher education, professional services, manufacturing and construction sectors in Australia and Asia. His career includes 15 years in diverse roles in the 'Big 4' consulting firms (Deloitte, KPMG, PwC and EY) and five years as the Chief Operating Officer of a law firm. For 10 years he has also been Treasurer and board member of the NSW Federation of Community Language Schools.

Nathan is a Fellow of the following organisations: Chartered Accountants Australia and New Zealand; The Governance Institute of Australia; The Australian Institute of Company Directors; and the Chartered Governance Institute UK. He is currently completing a Doctorate in Education at the University of Melbourne.

Directors' report (continued)

Meetings of directors

The number of meetings of the company's Board of Directors and of each board committee held during the year ended 31 December 2023, and the numbers of meetings attended by each Director were:

| Director | Insearch Board meetings (7) | | Audit and Risk Committee meetings (4) ¹ | | Remuneration and Nominations Committee meetings (4) | | Academic Board meetings (4) | |
|--------------------|-----------------------------|-----------------|--|-----------------|---|-----------------|-----------------------------|-----------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Ross Milbourne AO | 7 | 7 | 4 | 4 | - | - | 4 ² | 4 |
| Nell Anderson | 7 | 7 | - | - | 4 | 4 | - | - |
| Anne Dwyer | 6 | 6 | 3 | 3 | 4 | 4 | - | - |
| Guy Freeland | 7 | 7 | 4 | 4 | - | - | - | - |
| Alex Murphy | 2 | 2 | - | - | - | - | - | - |
| Iain Watt | 7 | 5 | - | - | - | - | - | - |
| Carl Rhodes | 7 | 7 | - | - | 4 | 4 | - | - |
| Glen Babington CSC | 7 | 7 | 4 | 4 | - | - | - | - |

Note:

1. Directors have an open invitation to attend any Audit and Risk Committee meeting and Academic Board meeting.
2. Ex-officio member of all board committees.

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 80 of this report.

For and on behalf of the directors signed at Sydney this 21 March 2024.

Ms N Anderson
Director



Mr G A Freeland
Director



Sydney
21 March 2024

Directors' declaration

In accordance with a resolution of the Directors of Insearch Limited, the Directors of the company declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and:
- (i) comply with Accounting Standards and the Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018, as stated in accounting policy Note 2 to the financial statements; and
 - (ii) give a true and fair view of the financial position as at 31 December 2023 and of its performance for the year ended on that date of the consolidated group.
- (b) In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors pursuant to section 295(5) of the Corporations Act 2001.

Signed on behalf of the Board of Directors

Ms N Anderson
Director



Mr G A Freeland
Director



Sydney
21 March 2024

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

Insearch Limited

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

Opinion

I have audited the accompanying financial statements of Insearch Limited (the Company), which comprise the Income statement and other comprehensive income for the year ended 31 December 2023, the Statement of financial position as at 31 December 2023, the Statement of changes in equity and the Statement of cash flows for the year then ended, notes comprising a summary of material accounting policies and other explanatory information of the Company and the consolidated entity, and the directors' declaration. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2023 and of their performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Independent auditor's report (continued)

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

Other Information

The Company's annual report for the year ended 31 December 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Directors of the Company are responsible for the other information. At the date of this independent Auditor's Report, the other information I have received comprise the Directors' Report.

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

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

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

I have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions, and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

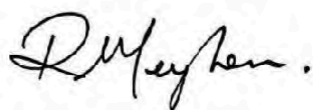
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

Independent auditor's report (continued)

The scope of my audit does not include, nor provide assurance:

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



Renee Meimaroglou
Lead Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 March 2024
SYDNEY

Auditor's independence declaration



To the Directors
Insearch Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Insearch Limited for the year ended 31 December 2023, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read "R Meimaroglou".

Renee Meimaroglou
Lead Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 March 2024
SYDNEY

Income statement and other comprehensive income

for the year ended 31 December 2023

| | Notes | Consolidated entity | | Parent entity | |
|--|-------|---------------------|-----------------|-----------------|-----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Revenue from contracts with customers | 4 | 54,148 | 49,951 | 52,724 | 49,092 |
| Other income | 5 | 855 | 432 | 988 | (97) |
| Total revenue and income from continuing operations | | 55,003 | 50,383 | 53,712 | 48,995 |
| Other gains/(losses) | 6 | 205 | 115 | 205 | 115 |
| Employee benefits expenses | 7(a) | (36,521) | (32,767) | (35,269) | (31,714) |
| Depreciation and amortisation expense | 7(b) | (8,359) | (14,547) | (7,675) | (13,878) |
| Impairment losses on financial assets | | (9) | (105) | (9) | (105) |
| Impairment losses of investments | | - | - | (281) | (441) |
| Other expenses | 7(c) | (22,427) | (21,082) | (22,824) | (21,844) |
| Finance costs | | (433) | (1,031) | (375) | (958) |
| Share of loss of associate and joint venture accounted for using the equity method | 12 | (651) | (290) | - | - |
| Total expenses from continuing operations | | (68,195) | (69,707) | (66,228) | (68,825) |
| Deficit for the year attributable to members | | (13,192) | (19,324) | (12,516) | (19,830) |
| Other comprehensive income/(loss) | | | | | |
| Item that may be reclassified to profit or loss | | | | | |
| Exchange differences on translation of foreign operations | 20(a) | 67 | (284) | - | - |
| Other comprehensive income/(loss) for the year | | 67 | (284) | - | - |
| Total comprehensive loss for the year attributable to members | | (13,125) | (19,608) | (12,516) | (19,830) |

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

Statement of financial position

as at 31 December 2023

| | Notes | Consolidated entity | | Parent entity | |
|--------------------------------------|-------|---------------------|----------------|-----------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 15,247 | 8,704 | 13,325 | 6,524 |
| Trade receivables | 9 | 324 | 404 | 332 | 362 |
| Financial assets at amortised cost | 10 | 2,912 | 2,841 | 2,739 | 2,708 |
| Other assets | 11 | 3,821 | 3,491 | 3,615 | 3,399 |
| Total current assets | | 22,304 | 15,440 | 20,011 | 12,993 |
| Non-current assets | | | | | |
| Property, plant and equipment | 13 | 8,241 | 20,206 | 7,086 | 19,315 |
| Intangible assets | 14 | 2,798 | 3,930 | 2,798 | 3,930 |
| Other assets | 11 | 245 | 196 | 2,269 | 2,493 |
| Total non-current assets | | 11,284 | 24,332 | 12,153 | 25,738 |
| Total assets | | 33,588 | 39,772 | 32,164 | 38,731 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 15 | 1,702 | 2,897 | 1,480 | 2,812 |
| Borrowings | 16 | 4,643 | 7,131 | 4,164 | 6,705 |
| Contract liabilities | 4(b) | 14,270 | 8,610 | 14,003 | 8,411 |
| Provisions | 19 | 475 | - | 475 | - |
| Employee benefit obligations | 17 | 4,718 | 5,210 | 4,718 | 5,210 |
| Other current liabilities | 18 | 7,869 | 6,008 | 6,923 | 5,663 |
| Total current liabilities | | 33,677 | 29,856 | 31,763 | 28,801 |
| Non-current liabilities | | | | | |
| Trade and other payables | | 5,564 | - | 5,564 | - |
| Borrowings | 16 | 9,519 | 8,194 | 9,231 | 8,039 |
| Provisions | 19 | 957 | 4,675 | 957 | 4,675 |
| Employee benefit obligations | 17 | 956 | 1,007 | 956 | 1,007 |
| Total non-current liabilities | | 16,996 | 13,876 | 16,708 | 13,721 |
| Total liabilities | | 50,673 | 43,732 | 48,471 | 42,522 |
| Net liabilities | | (17,085) | (3,960) | (16,307) | (3,791) |
| Equity | | | | | |
| Reserves | 20(a) | (1,093) | (1,160) | - | - |
| Accumulated deficit | 20(b) | (15,992) | (2,800) | (16,307) | (3,791) |
| Capital deficiency | | (17,085) | (3,960) | (16,307) | (3,791) |

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

Statement of changes in equity

for the year ended 31 December 2023

| | Notes | Reserves | (Accumulated deficit)/ Retained surplus | Total equity |
|---|-------|----------------|---|-----------------|
| | | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | |
| Balance at 1 January 2022 | | (876) | 16,524 | 15,648 |
| Deficit for the year | 20(b) | - | (19,324) | (19,324) |
| Exchange differences on translation of foreign operations | 20(a) | (284) | - | (284) |
| Total comprehensive loss for the year | | (284) | (19,324) | (19,608) |
| Balance at 31 December 2022 | | (1,160) | (2,800) | (3,960) |
| Balance at 1 January 2023 | | | | |
| Deficit for the year | 20(b) | - | (13,192) | (13,192) |
| Exchange differences on translation of foreign operations | 20(a) | 67 | - | 67 |
| Total comprehensive income/(loss) for the year | | 67 | (13,192) | (13,125) |
| Balance at 31 December 2023 | | (1,093) | (15,992) | (17,085) |
| Parent entity | | | | |
| Balance at 1 January 2022 | | - | 16,039 | 16,039 |
| Deficit for the year | 20(b) | - | (19,830) | (19,830) |
| Total comprehensive loss for the year | | - | (19,830) | (19,830) |
| Balance at 31 December 2022 | | - | (3,791) | (3,791) |
| Balance at 1 January 2023 | | - | (3,791) | (3,791) |
| Deficit for the year | | - | (12,516) | (12,516) |
| Total comprehensive loss for the year | | - | (12,516) | (12,516) |
| Balance at 31 December 2023 | | - | (16,307) | (16,307) |

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

Statement of cash flows

for the year ended 31 December 2023

| | Notes | Consolidated entity | | Parent entity | |
|---|-------|---------------------|-----------------|----------------|-----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Cash flows from operating activities | | | | | |
| Receipts from customers (inclusive of GST) | | 60,544 | 50,261 | 59,620 | 49,405 |
| Payment to suppliers and employees (inclusive of GST) | | (55,609) | (56,282) | (55,402) | (54,833) |
| | | 4,935 | (6,021) | 4,218 | (5,428) |
| Interest received | | 344 | 179 | 259 | 156 |
| Other income | | - | - | 268 | - |
| Input tax credit refund from Australian Taxation Office | | 1,132 | 1,907 | 1,132 | 1,907 |
| Net cash inflow/(outflow) from operating activities | 28 | 6,411 | (3,935) | 5,877 | (3,365) |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | | (545) | (643) | (311) | (530) |
| Payments for intangibles | | (180) | (359) | (180) | (359) |
| Capital contribution to subsidiary | | - | - | - | (747) |
| Proceeds from sale of property, plant and equipment | | 290 | 166 | 290 | 166 |
| Net cash (outflow) from investing activities | | (435) | (836) | (201) | (1,470) |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings | | 8,000 | - | 8,000 | - |
| Interest elements of lease payments | | (433) | (947) | (375) | (874) |
| Principal elements of lease payments | | (7,056) | (11,312) | (6,500) | (11,789) |
| Net cash inflow/(outflow) from financing activities | | 511 | (12,259) | 1,125 | (12,663) |
| Net increase/(decrease) in cash and cash equivalents | | 6,487 | (17,030) | 6,801 | (17,498) |
| Cash and cash equivalents at the beginning of the financial year | | 8,704 | 25,927 | 6,524 | 24,022 |
| Effects of exchange rate changes on cash and cash equivalents | | 56 | (193) | - | - |
| Cash and cash equivalents at the end of the financial year | 8 | 15,247 | 8,704 | 13,325 | 6,524 |

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

1. The company

Insearch Limited is a public company, limited by guarantee of its Members, having no share capital. The company is incorporated and domiciled in Australia. Its registered place of business is Level 13, UTS Building 10 (CB10) 235 Jones Street, Broadway, NSW 2007. The company provides education services in English language, business and other disciplines to Australian and overseas students in Australia.

Insearch Limited is a controlled entity of the University of Technology Sydney. This status is a reflection of the terms of the Insearch Constitution and the structure of the Insearch Board.

As of 1 January 2024 the name of the company has changed from Insearch Limited to UTS College Limited.

The company has the wholly owned entities, Insearch Education International Pty Limited, Insearch (Shanghai) Limited, Insearch India LLP, Insearch Global Pty Ltd and Insearch Lanka (Private) Limited. Insearch Education International Pty Limited is a private company, incorporated in Australia and formed in 1995. Insearch (Shanghai) Limited provides consulting, marketing support and other services to Insearch Limited. Insearch (Shanghai) Limited was formed in 2001 in the People's Republic of China. Insearch India LLP is a partnership between Insearch Limited (90% owned) and Insearch Education International Pty Limited (10% owned). The entity provides consulting, marketing support and other services to Insearch Limited across the Sub-Continent region. Insearch India LLP was formed in 2018 in India. Insearch Lanka (Private) Limited was formed in 2019 in Sri Lanka to provide pathway courses to university studies. In 2019, Insearch Global Pty Ltd was created to be a holding company to Insearch Lanka (Private) Limited.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Insearch Limited ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Insearch Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

2. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the parent entity and the Group.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018 and the Corporations Act 2001. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. Insearch Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 21 March 2024.

(i) Statement of compliance

The parent entity's financial statements and accompanying notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Generally accepted accounting principles, authoritative pronouncements of the AASB, including Interpretations, the Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018 and the Corporations Act 2001 have been used to prepare the subsidiaries' financial statements.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, unless otherwise stated within these accounting policies.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for first time in its annual reporting period commencing 1 January 2023:

- AASB 2023-2 Amendments to Australian Accounting Standards - Definition of Accounting Estimates International Tax Reform - Pillar Two Model Rules [AASB 112]
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. The Group's assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the company's financial statements in the period of initial application.

(v) Going concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activity and realisation of assets despite the deficit for the year and the net current asset and retained earnings deficiency at year end. As at the reporting date, the Group had a working capital deficiency of \$11,372,292 (2022 deficiency: \$14,416,655) and accumulated deficit of \$15,992,060 (2022 deficiency: \$2,798,895). The Group also generated a deficit of \$13,192,163 (2022: \$19,322,973) for the year ended 31 December 2023.

Insearch Limited has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. These measures include cost saving initiatives, streamlining our cost base and reducing staff numbers.

Specifically a Letter of Support from the University of Technology Sydney was obtained to provide full financial support if necessary to Insearch Limited. Additionally, on the 27 July 2023 the University of Technology Sydney approved a \$10 million interest free loan, of which \$8 million was utilised by Insearch at 31 December 2023.

(vi) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies.

Insearch Limited has made estimates on the valuation of its associate and joint venture investments. Estimates are based on the historical experience and other factors that are considered to be relevant, including latest available management information of financial performance and position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

(ii) Associates

Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions receivable from associates are recognised in the parent entity Income statement and other comprehensive income, while in the consolidated financial statements they are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(iii) Joint ventures

The interest in a joint venture is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Details relating to the joint venture are set out in note 12. Initial investment in the joint venture in the form of a loan is recognised as a financial asset.

Profits or losses on transactions establishing the joint venture and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Income statement and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the Income statement and other comprehensive income on a net basis within other income or other expenses.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each income statement and Income statement and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

(iv) **Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

(d) **Revenue recognition**

Management determine whether a transaction is a genuine donation (accounted for under AASB 1058 Income of Not-for-Profit Entities) or a contract with a customer (accounted for under AASB 15 Revenue from contracts with customers).

A contract is within the scope of AASB 15 if:

- the entity has an enforceable contract with a customer, and
- the contract includes sufficiently specific promises for the NFP entity to transfer goods or services to the customer or third party beneficiaries.

Under AASB 15, the group recognised revenue based on the following five step approach:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Significant judgements are used in assessing whether a promise is sufficiently specific, taking into account any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services.

Under AASB 1058, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners.

Revenue is recognised for the major business activities using the methods outlined below.

(i) **Fees**

Education fees are paid in advance by students and recognised as a contract liability. Revenue is deferred and recognised over time in the financial year in which the course is delivered in accordance with related performance obligations. Education fees are disclosed net of refunds.

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

(ii) **Other fees and charges**

Fees are recognised net of any discounts and also at a point in time as revenue when services are provided.

(iii) **Other income**

Other income includes net gain or loss on disposal of non-current assets, interest income and distributions from associates.

(e) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(f) **Expense recognition**

(i) **Direct expenses**

Costs associated with delivering educational programs are recognised at the time of course delivery. Direct expenses incurred for courses not delivered are treated as prepayments.

(ii) **Other expenses**

All other expenses are recorded when the goods and services are received and the liability has been recognised.

(g) **Income tax**

No income tax has been provided in the attached accounts for the Australian operation as the company is exempt from income tax under Section 50-55 of the Income Tax Assessment Act 1997.

Income tax has been provided, where appropriate, for overseas entities.

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

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

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

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

(i) Acquisition of assets

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

(j) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(k) Cash and cash equivalents

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

Cash at bank is interest bearing with interest rates between 0.30% and 3.50% (2022: 0.01% and 2.50%). Deposits at Call are bearing a floating interest rate at 4.45% (2022: 2.85% and 2.95%). Fixed term deposit is bearing interest rate of 3.10% (2022: 18.00%).

(l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are generally due for settlement within

30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectability of trade receivables is reviewed on an ongoing basis and based on the expected credit losses. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss on trade receivables is presented as net impairment losses in the Income statement and other comprehensive income. When a trade receivable for which an impairment loss had been recognised becomes uncollectible in a subsequent period, it is written off against the impairment account.

Subsequent recoveries of amounts previously written off are credited against net impairment losses line in the Income statement and other comprehensive income.

(m) Investments and other financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group only holds financial assets to be measured at amortised cost.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. The capitalisation threshold for all assets is \$1,000. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life or, in the case of right-of-use assets, the shorter lease term in the Group. The Capital Review Committee reviews the estimated useful lives, residual values and depreciation method of assets at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives for the parent entity are as follows:

| | |
|------------------------|-----------|
| Furniture and fittings | 5 years |
| Office equipment | 3-5 years |
| Motor vehicles | 3-4 years |
| Computer equipment | 3-5 years |
| Right-of-use assets | 1-8 years |

The cost of improvements to leasehold properties has been integrated into the asset class of furniture and fittings, and has been depreciated in line with the expected unexpired period of the lease, including options.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(j)).

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

(o) Intangible assets

(i) IT development and software

Software is initially recorded at historical cost and amortised. Subsequently software is reported at its recoverable amount, as the carrying amount of each asset is reviewed annually to determine whether it is in excess of its recoverable amount at the end of the reporting period.

Amortisation is calculated on a straight-line basis over periods generally ranging from two to seven years.

(ii) Curriculum and course development

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

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

(p) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

The group leases various office space. Rental contracts are typically made for fixed terms of 1 month to more than 5 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) 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 profit or loss over the year 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 year 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. 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 profit or loss as other income or finance costs.

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 reporting year.

(s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

(t) Provisions

The provisions of the group are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(u) Employee benefits

(i) Short-term obligations

Annual leave and long service leave entitlements that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Long-term obligations

The recorded liability for provision of annual leave includes annual leave entitlements accrued but not expected to be taken within one year. These entitlements are measured at the present value of expected future payments to be made, including on costs of leave accrued by employees up to the end of the reporting period. The expected future payments of this leave provision is discounted using published market yield of the two year Treasury Bond at the end of the reporting period of 3.70% (2022: 3.41%).

The provision for long service leave is recognised as a liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using published market yield of the ten year Treasury Bond at the end of the reporting period of 3.96% (2022: 4.05%).

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Superannuation

Insearch Limited complies with the Superannuation Guarantee (Administration) Act 1992.

3. Financial risk management

Insearch Limited's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. Insearch Limited does not enter into or trade in financial instruments.

Insearch Limited's risks arising from financial instruments are outlined below, together with the entity's objectives and policies for measuring and managing risk.

The Insearch Limited Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

| | Financial assets at amortised cost \$'000 |
|--|---|
| Consolidated | |
| Financial assets | |
| 2023 | |
| Cash and cash equivalents | 15,247 |
| Trade receivables — current ¹ | 324 |
| Other non-current assets | 245 |
| | 15,816 |
| 2022 | |
| Cash and cash equivalents | 8,704 |
| Trade receivables — current ¹ | 404 |
| Other non-current assets | 196 |
| | 9,304 |
| Consolidated | |
| Financial liabilities | |
| 2023 | |
| Trade and other payables | 1,702 |
| Contract liabilities | 14,270 |
| Other current liabilities ¹ | 6,972 |
| Lease liabilities | 6,162 |
| Loans from related parties | 8,000 |
| | 37,106 |
| 2022 | |
| Trade and other payables | 2,897 |
| Contract liabilities | 8,610 |
| Other current liabilities ¹ | 5,722 |
| Lease liabilities | 15,325 |
| | 32,554 |

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | Financial assets at amortised cost \$'000 |
|--|---|
| Parent entity | |
| Financial assets | |
| 2023 | |
| Cash and cash equivalents | 13,325 |
| Trade receivables – current ¹ | 332 |
| Other non-current assets | 2,269 |
| | 15,926 |
| 2022 | |
| Cash and cash equivalents | 6,524 |
| Trade receivables – current ¹ | 362 |
| Other non-current assets | 2,493 |
| | 9,379 |

| | Liabilities at amortised cost \$'000 |
|--|--|
| Parent entity | |
| Financial liabilities | |
| 2023 | |
| Trade and other payables | 1,480 |
| Contract liabilities | 14,003 |
| Other current liabilities ¹ | 6,923 |
| Lease liabilities | 5,395 |
| Loans from related parties | 8,000 |
| | 35,801 |
| 2022 | |
| Trade and other payables | 2,812 |
| Contract liabilities | 8,411 |
| Other financial liabilities ¹ | 5,663 |
| Lease liabilities | 14,744 |
| | 31,630 |

1. Excluding statutory receivables/payables

(a) Market risk

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

(i) Foreign exchange risk

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

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

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

The movement in exchange rates in 2023 has marginally contributed to the Australian dollar decrease in deficit for Insearch Limited.

Sensitivity

As shown in the table below, the Group is primarily exposed to changes in RMB/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from RMB denominated financial instruments and the impact on other components of equity arises from cash and cash equivalents.

| | Impact on surplus | | Impact on other components of equity | |
|--------------------------------------|-------------------|----------------|--------------------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Consolidated | | | | |
| RMB/AUD exchange rate – increase 10% | - | - | 98 | 124 |
| RMB/AUD exchange rate – decrease 10% | - | - | (98) | (124) |
| VND/AUD exchange rate - increase 10% | - | - | 2 | 2 |
| VND/AUD exchange rate - decrease 10% | - | - | (2) | (2) |
| INR/AUD exchange rate – increase 10% | - | - | 14 | 13 |
| INR/AUD exchange rate – decrease 10% | - | - | (14) | (13) |
| LKR/AUD exchange rate – increase 10% | - | - | 41 | 58 |
| LKR/AUD exchange rate – decrease 10% | - | - | (41) | (58) |

(ii) Interest rate risk

Cash investments are maintained for maturity dates between one and four months. Cash investments are reviewed monthly as part of the management reporting process.

Insearch Limited has no interest bearing loans and therefore no associated payable risk as a result of fluctuating interest rates. Insearch Limited does have an exposure to changes in income due to fluctuations in interest rates.

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and trade and other receivables as a result of changes in interest rates.

| | Impact on surplus | | Impact on other components of equity | |
|---------------------------------|-------------------|----------------|--------------------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Consolidated | | | | |
| Interest rates – increase by 1% | 149 | 87 | - | - |
| Interest rates – decrease by 1% | (149) | (87) | - | - |

(b) Credit risk

Credit risk arises where there is a possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity.

Insearch Limited has limited exposure to credit risk due to the collection of the majority of tuition fees prior to the provision of services. The Group's position with regard to credit risk is monitored monthly with outstanding items being actively managed.

Cash and cash equivalents comprise cash on hand and bank balances held with Commonwealth Bank of Australia and ANZ Bank. Interest on these accounts is earned on the daily bank balance.

(i) Impairment of financial assets

Trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of revenue over a period of 36 months before 31 December 2023 or 1 January 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the students to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

Consolidated entity

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for both trade receivables.

| | Current (less than 90 days past due) \$'000 | 90–180 days past due \$'000 | More than 180 days past due \$'000 | Total \$'000 |
|---|--|--------------------------------|---------------------------------------|-----------------|
| Consolidated entity | | | | |
| 31 December 2023 | | | | |
| Expected loss rate | 4.27% | 100% | 100% | |
| Gross carrying amount – trade receivables | 328 | 2 | 78 | 408 |
| Loss allowance | 14 | 2 | 78 | 94 |
| 31 December 2022 | | | | |
| Expected loss rate | 4.04% | 100% | 100% | |
| Gross carrying amount – trade receivables | 421 | 18 | 61 | 500 |
| Loss allowance | 17 | 18 | 61 | 96 |

| | Current (less than 90 days past due) \$'000 | 90–180 days past due \$'000 | More than 180 days past due \$'000 | Total \$'000 |
|---|--|--------------------------------|---------------------------------------|-----------------|
| Parent entity | | | | |
| 31 December 2023 | | | | |
| Expected loss rate | 4.17% | 100.00% | 100.00% | |
| Gross carrying amount – trade receivables | 336 | 2 | 78 | 416 |
| Loss allowance | 14 | 18 | 78 | 94 |
| 31 December 2022 | | | | |
| Expected loss rate | 4.49% | 100.00% | 100.00% | |
| Gross carrying amount – trade receivables | 379 | 18 | 61 | 458 |
| Loss allowance | 17 | 18 | 61 | 96 |

(c) Liquidity risk

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

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

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

(i) Maturities of lease liabilities

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

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

| Contractual maturities of financial liabilities | Less than 1 year \$'000 | Between 1 and 5 years \$'000 | Later than 5 years \$'000 | Total contractual cash flows \$'000 | Less: Imputed interest \$'000 | Carrying amount liabilities \$'000 |
|--|----------------------------|---------------------------------|------------------------------|--|----------------------------------|---------------------------------------|
| Consolidated entity – At 31 December 2023 | | | | | | |
| Borrowings | - | 8,000 | - | 8,000 | - | 8,000 |
| Lease liabilities | 4,716 | 1,590 | - | 6,306 | (144) | 6,162 |
| Total | 4,716 | 9,590 | - | 14,306 | (144) | 14,162 |
| Consolidated entity – At 31 December 2022 | | | | | | |
| Lease liabilities | 7,243 | 8,888 | - | 16,131 | (806) | 15,325 |

| Contractual maturities of financial liabilities | Less than 1 year | Between 1 and 5 years | Later than 5 years | Total contractual cash flows | Less: Imputed interest | Carrying amount liabilities |
|---|------------------|-----------------------|--------------------|------------------------------|------------------------|-----------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Parent entity – At 31 December 2023 | | | | | | |
| Borrowings | - | 8,000 | - | 8,000 | - | 8,000 |
| Lease liabilities | 4,232 | 1,284 | - | 5,516 | (121) | 5,395 |
| Total | 4,232 | 9,284 | - | 13,516 | (121) | 13,395 |
| Parent entity – At 31 December 2022 | | | | | | |
| Lease liabilities | 6,810 | 8,691 | - | 15,501 | (757) | 14,744 |

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of the group's financial instruments is equal to their carrying value.

| | Consolidated entity | | Parent entity | |
|---|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 4. Revenue from contracts with customers | | | | |
| Revenue from contracts with customers | | | | |
| Fees | 54,148 | 49,951 | 52,724 | 49,092 |

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

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

| | Australia \$'000 | Subcontinent \$'000 | Total \$'000 |
|---|---------------------|------------------------|-----------------|
| Consolidated 2023 | | | |
| Timing of revenue recognition: external customers | | | |
| At a point in time – Other fees | 1,941 | - | 1,941 |
| Over time – Education course fees | 50,783 | 1,424 | 52,207 |
| | 52,724 | 1,424 | 54,148 |
| Consolidated 2022 | | | |
| Timing of revenue recognition: external customers | | | |
| At a point in time – Other fees | 3,509 | - | 3,509 |
| Over time – Education course fees | 45,583 | 859 | 46,442 |
| | 49,092 | 859 | 49,951 |
| Parent entity 2023 | | | |
| Timing of revenue recognition: external customers | | | |
| At a point in time – Other fees | | | 1,941 |
| Over time – Education course fees | | | 50,783 |
| | | | 52,724 |
| Parent entity 2022 | | | |
| Timing of revenue recognition: external customers | | | |
| At a point in time – Other fees | | | 3,509 |
| Over time – Education course fees | | | 45,583 |
| | | | 49,092 |

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | Consolidated entity | | Parent entity | |
|---|---------------------------|--------------------|------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| (b) Liabilities related to contracts with customers | | | | |
| Total prepaid course fees | 14,270 | 8,610 | 14,003 | 8,411 |
| (i) Revenue recognised in relation to contract liabilities | | | | |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | | | | |
| Course fees | 5,646 | 6,620 | 5,447 | 6,517 |
| Contractual maturities of financial liabilities | Less than 6 months | 6-12 months | After 12 months | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (ii) Expected pattern recognition for contract liabilities | | | | |
| Consolidated entity – At 31 December 2023 | | | | |
| Course fees | 9,686 | 2,609 | 1,975 | 14,270 |
| Consolidated entity – At 31 December 2022 | | | | |
| Course fees | 4,236 | 2,107 | 2,267 | 8,610 |
| Parent entity – At 31 December 2023 | | | | |
| Course fees | 9,419 | 2,609 | 1,975 | 14,003 |
| Parent entity – At 31 December 2022 | | | | |
| Course fees | 4,037 | 2,107 | 2,267 | 8,411 |
| | | | | |
| | Consolidated entity | | Parent entity | |
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 5. Other income | | | | |
| Dividends from subsidiary | - | - | 268 | - |
| Interest | 388 | 179 | 259 | 156 |
| Distributions from interest in associate | - | - | - | (505) |
| Other | 467 | 253 | 461 | 252 |
| Total other income | 855 | 432 | 988 | (97) |
| 6. Other gains/(losses) | | | | |
| Net gain on disposal of non-current assets | - | 115 | - | 115 |
| Net gain on disposal of non-current assets | (2,323) | - | (2,323) | - |
| Provision write back | 2,528 | - | 2,528 | - |
| | 205 | 115 | 205 | 115 |

| | Consolidated entity | | Parent entity | |
|--|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 7. Expenses | | | | |
| Expenses from continuing operations | | | | |
| (a) Employee benefits expenses | | | | |
| Salaries and wages | 31,267 | 28,310 | 30,113 | 27,320 |
| Superannuation | 3,176 | 2,744 | 3,115 | 2,724 |
| Payroll tax | 1,807 | 1,596 | 1,807 | 1,596 |
| Other | 271 | 117 | 234 | 74 |
| Total employee benefits expenses | 36,521 | 32,767 | 35,269 | 31,714 |
| (b) Depreciation and amortisation expense | | | | |
| Depreciation | | | | |
| Office equipment | 173 | 257 | 154 | 240 |
| Motor vehicles | 78 | 32 | 78 | 32 |
| Furniture and fittings | 2,071 | 2,520 | 1,966 | 2,437 |
| Computer equipment | 364 | 521 | 320 | 478 |
| Right-of-use assets | 4,361 | 9,841 | 3,845 | 9,315 |
| Total depreciation | 7,047 | 13,171 | 6,363 | 12,502 |
| Amortisation | | | | |
| Curriculum | 221 | 27 | 221 | 27 |
| Software | 1,091 | 1,349 | 1,091 | 1,349 |
| Total amortisation | 1,312 | 1,376 | 1,312 | 1,376 |
| Total depreciation and amortisation expense | 8,359 | 14,547 | 7,675 | 13,878 |
| (c) Other expenses | | | | |
| Occupancy | 1,051 | 1,679 | 762 | 1,459 |
| Security | 258 | 322 | 235 | 305 |
| Communications | 243 | 286 | 96 | 166 |
| Homestay and welcome | 39 | 136 | 39 | 136 |
| Educational expenses | 2,048 | 1,571 | 2,034 | 1,555 |
| Scholarships | 373 | 266 | 373 | 266 |
| Promotion and channel partner commissions | 10,405 | 9,670 | 12,507 | 11,608 |
| Travel | 521 | 556 | 315 | 402 |
| Staff appointments | 184 | 295 | 182 | 294 |
| IT costs | 3,471 | 3,095 | 3,453 | 3,089 |
| Staff wellbeing | 524 | 459 | 20 | 24 |
| Sponsorships | 7 | 11 | 3 | 7 |
| Audit and accounting fees | 413 | 342 | 316 | 264 |
| Legal fees | 411 | 200 | 408 | 193 |
| Consultancy | 717 | 436 | 613 | 403 |
| Subscription and membership | 269 | 231 | 262 | 228 |
| Printing and stationery | 87 | 49 | 53 | 29 |
| Loss or gain on foreign exchange | 32 | 61 | 22 | 61 |
| Other | 1,374 | 1,417 | 1,131 | 1,355 |
| Total other expenses | 22,427 | 21,082 | 22,824 | 21,844 |

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | Consolidated entity | | Parent entity | |
|--|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 8. Cash and cash equivalents | | | | |
| Cash at bank and in hand | 5,152 | 3,667 | 3,251 | 1,868 |
| Deposits at call | 10,074 | 4,656 | 10,074 | 4,656 |
| Term deposits | 21 | 381 | - | - |
| Total cash and cash equivalents | 15,247 | 8,704 | 13,325 | 6,524 |
| 9. Trade receivables | | | | |
| Trade receivables | 418 | 500 | 426 | 458 |
| Loss allowance | (94) | (96) | (94) | (96) |
| | 324 | 404 | 332 | 362 |

(a) Loss allowance

The current trade receivables of the Group with a nominal value of \$93,733 (2022: \$95,760) were impaired and related to individually impaired receivables for student tuition fees which were deemed potentially uncollectable.

Movements in the loss allowance of trade receivables that are assessed for impairment collectively are as follows.

| | | | | |
|---|-----------|-----------|-----------|-----------|
| At 1 January | 96 | 21 | 96 | 21 |
| Increase in loss allowance recognised in profit or loss during the year | 9 | 105 | 9 | 105 |
| Receivables written off during the year as uncollectable | (11) | (30) | (11) | (30) |
| At 31 December | 94 | 96 | 94 | 96 |

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

| | Consolidated entity | | Parent entity | |
|---|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 10. Financial assets at amortised cost | | | | |
| Accrued interest | 44 | - | - | - |
| Other receivables | 2,868 | 2,841 | 2,739 | 2,708 |
| | 2,912 | 2,841 | 2,739 | 2,708 |

| | 2023 | | | 2022 | | |
|---|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current \$'000 | Non-current \$'000 | Total \$'000 | Current \$'000 | Non-current \$'000 | Total \$'000 |
| 11. Other assets | | | | | | |
| Consolidated | | | | | | |
| Prepayments | 3,821 | - | 3,821 | 3,491 | - | 3,491 |
| Security deposits | - | 245 | 245 | - | 196 | 196 |
| Interest in associate and joint venture | - | - | - | - | - | - |
| Insearch (Shanghai) Limited | - | - | - | - | - | - |
| Insearch India LLP | - | - | - | - | - | - |
| Insearch Global/Insearch Lanka | - | - | - | - | - | - |
| | 3,821 | 245 | 4,066 | 3,491 | 196 | 3,687 |

| | 2023 | | | 2022 | | |
|---|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current \$'000 | Non-current \$'000 | Total \$'000 | Current \$'000 | Non-current \$'000 | Total \$'000 |
| Parent | | | | | | |
| Prepayments | 3,615 | - | 3,615 | 3,399 | - | 3,399 |
| Security deposits | - | 46 | 46 | - | 26 | 26 |
| Interest in associate and joint venture | - | 81 | 81 | - | 81 | 81 |
| Insearch (Shanghai) Limited | - | 1,036 | 1,036 | - | 1,349 | 1,349 |
| Insearch India LLP | - | 292 | 292 | - | 259 | 259 |
| Insearch Global/Insearch Lanka | - | 814 | 814 | - | 778 | 778 |
| | 3,615 | 2,269 | 5,884 | 3,399 | 2,493 | 5,892 |

| | Consolidated entity | | Parent entity | |
|--|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 12. Investments accounted for using the equity method | | | | |
| Share of losses | | | | |
| Associate | (651) | (290) | - | - |

| | Consolidated entity | |
|--|---------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Carrying amount of investment in associated entity | (897) | (286) |
| Share of assets and liabilities | | |
| Current assets | 191 | 190 |
| Non-current assets | 988 | 1,410 |
| Total assets | 1,179 | 1,600 |
| Current liabilities | 2,041 | 1,850 |
| Non-current liabilities | 35 | 36 |
| Total liabilities | 2,076 | 1,886 |
| Net (liabilities) | (897) | (286) |
| Share of revenue and expenses | | |
| Revenues | 1,707 | 1,788 |
| Expenses | (2,358) | (2,078) |
| Net losses | (651) | (290) |

(a) Associate — Australian Centre for Education and Training (ACET)

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

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | Office equipment | Motor vehicles | Furniture and fittings | Computer equipment | Capital work in progress | Right-of-use assets ¹ | Total |
|--|---------------------|-------------------|---------------------------|-----------------------|-----------------------------|-------------------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 13. Property, plant and equipment | | | | | | | |
| Consolidated | | | | | | | |
| At 1 January 2022 | | | | | | | |
| Cost | 2,761 | 304 | 34,397 | 6,208 | 400 | 64,947 | 109,017 |
| Accumulated depreciation | (2,207) | (289) | (23,987) | (5,153) | - | (32,403) | (64,039) |
| Net book amount | 554 | 15 | 10,410 | 1,055 | 400 | 32,544 | 44,978 |
| Year ended 31 December 2022 | | | | | | | |
| Opening net book amount | 554 | 15 | 10,410 | 1,055 | 400 | 32,544 | 44,978 |
| Exchange differences | (15) | - | (165) | (30) | - | (375) | (585) |
| Additions | 20 | - | 70 | 23 | 530 | - | 643 |
| Disposals | (40) | - | (33) | (260) | (249) | (1,171) | (1,753) |
| Lease variation | - | - | - | - | - | (9,906) | (9,906) |
| Transfers | 25 | 93 | - | 439 | (557) | - | - |
| Depreciation charge | (257) | (32) | (2,520) | (521) | - | (9,841) | (13,171) |
| Closing net book amount | 287 | 76 | 7,762 | 706 | 124 | 11,251 | 20,206 |
| At 31 December 2022 | | | | | | | |
| Cost | 2,053 | 310 | 22,052 | 4,173 | 124 | 29,685 | 58,397 |
| Accumulated depreciation | (1,766) | (234) | (14,290) | (3,467) | - | (18,434) | (38,191) |
| Net book amount | 287 | 76 | 7,762 | 706 | 124 | 11,251 | 20,206 |
| At 1 January 2023 | | | | | | | |
| Cost | 2,053 | 310 | 22,052 | 4,173 | 124 | 29,685 | 58,397 |
| Accumulated depreciation | (1,766) | (234) | (14,290) | (3,467) | - | (18,434) | (38,191) |
| Net book amount | 287 | 76 | 7,762 | 706 | 124 | 11,251 | 20,206 |
| Year ended 31 December 2023 | | | | | | | |
| Opening net book amount | 287 | 76 | 7,762 | 706 | 124 | 11,251 | 20,206 |
| Exchange differences | (11) | - | 32 | (5) | - | 46 | 62 |
| Additions | 78 | - | 141 | 15 | 311 | 651 | 1,196 |
| Disposals | (4) | (164) | (3,150) | (9) | - | (2,849) | (6,176) |
| Transfers | 19 | 191 | - | 225 | (435) | - | - |
| Depreciation charge | (173) | (78) | (2,071) | (364) | - | (4,361) | (7,047) |
| Closing net book amount | 196 | 25 | 2,714 | 568 | - | 4,738 | 8,241 |
| At 31 December 2023 | | | | | | | |
| Cost | 2,070 | 56 | 12,591 | 3,957 | - | 24,551 | 43,225 |
| Accumulated depreciation | (1,874) | (31) | (9,877) | (3,389) | - | (19,813) | (34,984) |
| Net book amount | 196 | 25 | 2,714 | 568 | - | 4,738 | 8,241 |

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | Office equipment | Motor vehicles | Furniture and fittings | Computer equipment | Capital work in progress | Right-of-use assets ¹ | Total |
|------------------------------------|---------------------|-------------------|---------------------------|-----------------------|-----------------------------|-------------------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Parent entity | | | | | | | |
| At 1 January 2022 | | | | | | | |
| Cost | 2,632 | 304 | 33,729 | 5,897 | 400 | 62,276 | 105,238 |
| Accumulated depreciation | (2,126) | (289) | (23,747) | (4,954) | - | (31,179) | (62,295) |
| Net book amount | 506 | 15 | 9,982 | 943 | 400 | 31,097 | 42,943 |
| Year ended 31 December 2022 | | | | | | | |
| Opening net book amount | 506 | 15 | 9,982 | 943 | 400 | 31,097 | 42,943 |
| Additions | - | - | - | - | 530 | - | 530 |
| Disposals | (39) | - | (32) | (259) | (249) | (1,171) | (1,750) |
| Lease variations | - | - | - | - | - | (9,906) | (9,906) |
| Transfers | 25 | 93 | - | 439 | (557) | - | - |
| Depreciation charge | (240) | (32) | (2,437) | (478) | - | (9,315) | (12,502) |
| Closing net book amount | 252 | 76 | 7,513 | 645 | 124 | 10,705 | 19,315 |
| At 31 December 2022 | | | | | | | |
| Cost | 1,948 | 310 | 21,566 | 3,928 | 124 | 27,809 | 55,685 |
| Accumulated depreciation | (1,696) | (234) | (14,053) | (3,283) | - | (17,104) | (36,370) |
| Net book amount | 252 | 76 | 7,513 | 645 | 124 | 10,705 | 19,315 |
| At 1 January 2023 | | | | | | | |
| Cost | 1,948 | 310 | 21,566 | 3,928 | 124 | 27,809 | 55,685 |
| Accumulated depreciation | (1,696) | (234) | (14,053) | (3,283) | - | (17,104) | (36,370) |
| Net book amount | 252 | 76 | 7,513 | 645 | 124 | 10,705 | 19,315 |
| Year ended 31 December 2023 | | | | | | | |
| Opening net book amount | 252 | 76 | 7,513 | 645 | 124 | 10,705 | 19,315 |
| Additions | - | - | - | - | 311 | - | 311 |
| Disposals | (4) | (164) | (3,150) | (9) | - | (2,850) | (6,177) |
| Transfers | 19 | 191 | - | 225 | (435) | - | - |
| Depreciation charge | (154) | (78) | (1,966) | (320) | - | (3,845) | (6,363) |
| Closing net book amount | 113 | 25 | 2,397 | 541 | - | 4,010 | 7,086 |
| At 31 December 2023 | | | | | | | |
| Cost | 1,886 | 56 | 11,911 | 3,749 | - | 22,558 | 40,160 |
| Accumulated depreciation | (1,773) | (31) | (9,514) | (3,208) | - | (18,548) | (33,074) |
| Net book amount | 113 | 25 | 2,397 | 541 | - | 4,010 | 7,086 |

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

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | Curriculum | Computer software | Capital work in progress | Total |
|---|--------------|-------------------|--------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 14. Intangible assets | | | | |
| Consolidated and parent entity | | | | |
| At 1 January 2022 | | | | |
| Cost | 3,352 | 11,027 | 1,475 | 15,854 |
| Accumulated amortisation and impairment | (3,352) | (7,513) | - | (10,865) |
| Net book amount | - | 3,514 | 1,475 | 4,989 |
| Year ended 31 December 2022 | | | | |
| Opening net book amount | - | 3,514 | 1,475 | 4,989 |
| Additions | - | - | 359 | 359 |
| Disposals | - | - | (42) | (42) |
| Transfers | 413 | 158 | (571) | - |
| Amortisation charge | (27) | (1,349) | - | (1,376) |
| Closing net book amount | 386 | 2,323 | 1,221 | 3,930 |
| At 31 December 2022 | | | | |
| Cost | 3,765 | 11,186 | 1,221 | 16,172 |
| Accumulated amortisation and impairment | (3,379) | (8,863) | - | (12,242) |
| Net book amount | 386 | 2,323 | 1,221 | 3,930 |
| Year ended 31 December 2023 | | | | |
| Opening net book amount | - | - | - | - |
| Additions | - | - | 180 | 180 |
| Transfers | 1,361 | - | (1,361) | - |
| Amortisation charge | (221) | (1,091) | - | (1,312) |
| Closing net book amount | 1,526 | 1,232 | 40 | 2,798 |
| At 31 December 2023 | | | | |
| Cost | 1,774 | 4,045 | 40 | 5,859 |
| Accumulated amortisation and impairment | (248) | (2,813) | - | (3,061) |
| Net book amount | 1,526 | 1,232 | 40 | 2,798 |

| | 2023 | | | 2022 | | |
|-------------------------------------|----------------|--------------------|--------------|----------------|--------------------|--------------|
| | Current \$'000 | Non-current \$'000 | Total \$'000 | Current \$'000 | Non-current \$'000 | Total \$'000 |
| 15. Trade and other payables | | | | | | |
| Consolidated | | | | | | |
| Trade and other payables | 1,597 | 5,564 | 7,161 | 2,828 | - | 2,828 |
| Other creditors | 105 | - | 105 | 69 | - | 69 |
| | 1,702 | 5,564 | 7,266 | 2,897 | - | 2,897 |

| | 2023 | | | 2022 | | |
|-----------------------------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current \$'000 | Non-current \$'000 | Total \$'000 | Current \$'000 | Non-current \$'000 | Total \$'000 |
| Parent | | | | | | |
| Trade and other payables | 1,480 | 5,564 | 7,044 | 2,812 | - | 2,812 |
| Other creditors | - | - | - | - | - | - |
| | 1,480 | 5,564 | 7,044 | 2,812 | - | 2,812 |
| 16. Borrowings | | | | | | |
| Consolidated | | | | | | |
| Secured | | | | | | |
| Lease liabilities | 4,643 | 1,519 | 6,162 | 7,131 | 8,194 | 15,325 |
| Total secured borrowings | 4,643 | 1,519 | 6,162 | 7,131 | 8,194 | 15,325 |
| Unsecured | | | | | | |
| Loans from related parties | - | 8,000 | 8,000 | - | - | - |
| Total unsecured borrowings | - | 8,000 | 8,000 | - | - | - |
| Total borrowings | 4,643 | 9,519 | 14,162 | 7,131 | 8,194 | 15,325 |
| Parent | | | | | | |
| Secured | | | | | | |
| Lease liabilities | 4,164 | 1,231 | 5,395 | 6,705 | 8,039 | 14,744 |
| Total secured borrowings | 4,164 | 1,231 | 5,395 | 6,705 | 8,039 | 14,744 |
| Unsecured | | | | | | |
| Loans from related parties | - | 8,000 | 8,000 | - | - | - |
| Total unsecured borrowings | - | 8,000 | 8,000 | - | - | - |
| Total borrowings | 4,164 | 9,231 | 13,395 | 6,705 | 8,039 | 14,744 |

The Group has entered into various non-cancellable lease agreements for teaching and office premises. These leases have lease periods expiring between 2022 and 2027. Certain leases include one or more options to renew. The Group does not include renewals in the determination of the lease term unless the renewals are deemed to be reasonably certain.

The following amounts related to leases were recognised in the statement of comprehensive income:

| | Consolidated entity | | Parent entity | |
|--|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Interest expense (included in finance cost) | 433 | 947 | 375 | 874 |
| Expense relating to short-term leases (included in occupancy cost) | 194 | 222 | 42 | 99 |

The total cash outflow for leases in 2023, excluding short-term leases, was \$7,455,668 (2022: \$13,166,825) for the group and \$6,874,636 (2022: \$12,622,990) for the parent entity.

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

| | 2023 | | | 2022 | | |
|---|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current \$'000 | Non-current \$'000 | Total \$'000 | Current \$'000 | Non-current \$'000 | Total \$'000 |
| 17. Employee benefit obligations | | | | | | |
| Consolidated | | | | | | |
| Leave obligations – annual leave | 2,761 | - | 2,761 | 2,885 | - | 2,885 |
| Leave obligations – long service leave | 1,957 | 956 | 2,913 | 2,325 | 1,007 | 3,332 |
| Total employee benefit obligations | 4,718 | 956 | 5,674 | 5,210 | 1,007 | 6,217 |
| Parent | | | | | | |
| Leave obligations – annual leave | 2,761 | - | 2,761 | 2,885 | - | 2,885 |
| Leave obligations – long service leave | 1,957 | 956 | 2,913 | 2,325 | 1,007 | 3,332 |
| Total employee benefit obligations | 4,718 | 956 | 5,674 | 5,210 | 1,007 | 6,217 |

(a) Leave obligations

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$4,717,839 (2022: \$5,210,212) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

| | Consolidated entity | | Parent entity | |
|---|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current annual leave obligations expected to be settled after 12 months | 1,185 | 1,200 | 1,185 | 1,200 |
| Current long service leave obligations expected to be settled after 12 months | 615 | 762 | 615 | 762 |

18. Other liabilities

Current liabilities

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Accrued expenses | 4,059 | 4,013 | 4,013 | 3,958 |
| Liabilities in interest in associated undertaking | 897 | 286 | - | - |
| Others | 2,913 | 1,709 | 2,910 | 1,705 |
| Total other current liabilities | 7,869 | 6,008 | 6,923 | 5,663 |

| | 2023 | | | 2022 | | |
|-----------------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current \$'000 | Non-current \$'000 | Total \$'000 | Current \$'000 | Non-current \$'000 | Total \$'000 |
| 19. Provisions | | | | | | |
| Consolidated | | | | | | |
| Make good provision | 475 | 957 | 1,432 | - | 4,675 | 4,675 |
| | 475 | 957 | 1,432 | - | 4,675 | 4,675 |
| Parent | | | | | | |
| Make good provision | 475 | 957 | 1,432 | - | 4,675 | 4,675 |
| | 475 | 957 | 1,432 | - | 4,675 | 4,675 |

(a) Information about individual provisions and significant estimates

Make good provision

The provision for make good in relation to fixtures installed at leased office space is required to be provided for under AASB 137 - 'Provisions, contingent liabilities and contingent assets.' The make good obligations are expected to be settled within the next one to three financial years.

(b) Movements in provisions

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

| | Make good \$'000 |
|--|---------------------|
| Consolidated 2023 | |
| Current and non-current | |
| Carrying amount at 1 January 2023 | 4,675 |
| Charged/(credited) to the profit or loss | |
| Amounts used during the year | (2,599) |
| – unused amounts reversed | (644) |
| Carrying amount at at 31 December 2023 | 1,432 |
| Parent entity 2023 | |
| Carrying amount at 1 January 2023 | 4,675 |
| Charged/(credited) to the profit or loss | |
| Amounts used during the year | (2,599) |
| – unused amounts reversed | (644) |
| Carrying amount at 31 December 2023 | 1,432 |

| | Consolidated entity | | Parent entity | |
|--|---------------------|----------------|-----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 20. Reserves | | | | |
| (a) Reserves | | | | |
| Foreign currency translation reserve | (1,093) | (1,160) | - | - |
| Movements | | | | |
| Foreign currency translation reserve | | | | |
| Balance 1 January | (1,160) | (876) | - | - |
| Currency translation differences arising during the year | 67 | (284) | - | - |
| Balance 31 December | (1,093) | (1,160) | - | - |
| (b) Accumulated deficit | | | | |
| Movements in accumulated deficit were as follows: | | | | |
| Balance 1 January | (2,800) | 16,524 | (3,791) | 16,039 |
| Deficit for the year | (13,192) | (19,324) | (12,516) | (19,830) |
| Balance 31 December | (15,992) | (2,800) | (16,307) | (3,791) |

21. Key management personnel disclosures

(a) Directors

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

(i) Non-executive chair

Emeritus Vice-Chancellor RD Milbourne AO (resigned 31 December 2023)

(ii) Executive director

Mr A Murphy (resigned 14 July 2023)

(iii) Non-executive directors

Mr I Watt

Dr A Dwyer (resigned 4 December 2023)

Emeritus Vice-Chancellor RD Milbourne AO (resigned 31 December 2023)

Mr M Leigh (resigned 11 March 2023)

Mr G Freeland

Ms N Anderson

Professor C Rhodes

Mr G Babington CSC

(b) Other key management personnel

During the financial year:

Mr A Murphy

Ms CA Churches

Mr T Laurence

Mr N Patrick

Mr P Harris

Ms S Chatterjee

(c) Key management personnel compensation

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

| | Consolidated | | Parent entity | |
|----------------------------------|--------------|----------|---------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Remuneration of directors | | | | |
| \$0 to \$49,999 | 4 | 3 | 4 | 3 |
| \$50,000 to \$99,999 | 3 | 3 | 3 | 3 |
| \$100,000 to \$149,999 | 1 | 1 | 1 | 1 |
| \$150,000 to \$199,999 | - | - | - | - |
| \$200,000 to \$249,999 | - | - | - | - |
| \$250,000 to \$299,999 | - | - | - | - |
| \$300,000 to \$349,999 | - | - | - | - |
| \$350,000 to \$399,999 | - | - | - | - |
| \$400,000 to \$449,999 | - | - | - | - |
| \$450,000 to \$499,999 | - | 1 | - | 1 |
| \$500,000+ | 1 | - | 1 | - |
| | 9 | 8 | 9 | 8 |

| | Consolidated entity | | Parent entity | |
|------------------------------|---------------------|------------------|------------------|------------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Short-term employee benefits | 2,833,012 | 2,334,343 | 2,833,012 | 2,334,343 |
| Post-employment benefits | 235,212 | 234,999 | 235,212 | 234,999 |
| Termination benefits | 264,989 | - | 264,989 | - |
| | 3,333,213 | 2,569,342 | 3,333,213 | 2,569,342 |

22. Related party transactions

(a) Parent entities

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

(b) Subsidiaries

Interests in subsidiaries are set out in note 23.

(c) Transactions with related parties

The following transactions occurred with related parties:

- Sales of services and fees to the University of Technology Sydney \$6,685,779 (2022: \$5,790,152)
- Services rendered by the University of Technology Sydney to Insearch Limited \$2,723,937 (2022: \$3,516,232).
- Consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,940,450 (2022: \$1,630,004).
- Consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,940,450 (2022: \$1,630,004).
- Consulting service income between Insearch India LLP and Insearch Limited \$623,757 (2022: \$657,433).
- Consulting service expense between Insearch Limited and Insearch India LLP \$623,757 (2022: \$657,433).
- Consulting Service Income between Insearch Education International Pty Ltd and Insearch Limited \$nil (2022: \$1,000).
- Consulting service expense between Insearch Limited and Insearch Education International Pty Ltd \$nil (2022: \$1,000).
- Dividends received from Insearch (Shanghai) Limited to Insearch Limited \$268,293 (2022: \$nil)
- Dividends paid by Insearch (Shanghai) Limited to Insearch Limited \$268,293 (2022: \$nil).

(d) Outstanding balances arising from sales/purchases of goods and services

Aggregate amounts receivable from and payable to each class of related parties at reporting date are set out below.

| | Consolidated entity | | Parent entity | |
|--|---------------------|------------|------------------|------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Current receivables (sales of goods and services) | | | | |
| Insearch (Shanghai) Limited | - | - | 4,915 | 4,915 |
| Insearch India LLP | - | - | - | 877 |
| Current payables (sales of goods and services) | | | | |
| Insearch India LLP | - | - | 95,156 | 69,185 |
| University of Technology Sydney ¹ | - | 2,962,076 | - | 2,962,076 |
| Non-current payables | | | | |
| University of Technology Sydney | 5,564,493 | | 5,564,493 | |

1. Amounts included in note 18 other liabilities as accrued expenses

(e) Loans from related parties

| | Consolidated entity | | Parent entity | |
|--|---------------------|------------|------------------|------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Loan from University of Technology Sydney | | | | |
| Beginning of the year | - | - | - | - |
| Loans advanced | 8,000,000 | - | 8,000,000 | - |
| End of year | 8,000,000 | - | 8,000,000 | - |

Insearch Limited has been loaned \$8 million from their parent, the University of Technology Sydney (UTS). There is no interest associated with this loan and it will be repaid at a time agreeable to both parties

Financial statements: Insearch Limited
Notes to the financial statements
for the year ended 31 December 2023

23. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 2(b).

| Name of entity | Country of incorporation | Class of shares | Equity holding | |
|--|--------------------------|-----------------|----------------|--------|
| | | | 2023 % | 2022 % |
| Insearch (Shanghai) Limited | China | Ordinary | 100 | 100 |
| Insearch Global Pty Ltd | Australia | Ordinary | 100 | 100 |
| Insearch Education International Pty Limited | Australia | Ordinary | 100 | 100 |
| Insearch India LLP ¹ | India | Ordinary | 90 | 90 |
| Insearch Lanka (Private) Limited | Sri Lanka | Ordinary | 100 | 100 |

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

24. Remuneration of auditors

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

| | Consolidated entity | | Parent entity | |
|---|---------------------|----------------|----------------|----------------|
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| The Audit Office of New South Wales | | | | |
| (i) Audit and other assurance services | | | | |
| Audit and review of financial statements | 181,000 | 153,900 | 130,000 | 102,900 |
| Total auditors' remuneration | 181,000 | 153,900 | 130,000 | 102,900 |

25. Contingent liabilities

The Group has given bank guarantees in respect of rental leases amounting to \$212,520 (2022: \$689,908).

26. Members' guarantee

Insearch Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, its constitution states that each Member is required to contribute a maximum of \$20 towards meeting its outstanding obligations. At reporting date, there were nine members of the entity.


27. Events occurring after the reporting period

The board appointed Morwenna Shahani as Chief Executive Officer effective 11 March 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

| | Consolidated entity | | Parent entity | |
|--|---------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| 28. Cash flow information | | | | |
| Reconciliation of deficit for the year to net cash inflow from operating activities | | | | |
| Deficit for the year | (13,192) | (19,324) | (12,516) | (19,830) |
| Depreciation and amortisation | 8,359 | 14,547 | 7,675 | 13,878 |
| Impairment losses on investments | - | - | 281 | 441 |
| Interest expense classified as financing cash flows | 433 | 947 | 375 | 874 |
| Non-cash adjustment on make good provision | 2,599 | - | 2,599 | - |
| Net (gains)/losses on sale of non-current assets | (206) | 177 | (206) | 177 |
| Share of loss of associates | 651 | 290 | - | - |
| Bad debt provisions | 9 | 105 | 9 | 105 |
| Doubtful debts written off | (11) | (30) | (11) | (30) |
| Change in operating assets and liabilities: | | | | |
| Decrease/(increase) in trade and other receivables | 38 | (170) | 225 | 1,835 |
| (Increase)/decrease in other operating assets | (357) | 1,189 | (216) | (166) |
| (Increase)/decrease in other non-current assets | (49) | 61 | - | - |
| Increase in trade and other payables | 5,013 | 408 | 4,596 | 1,432 |
| (Decrease)/increase in provisions | (3,243) | 84 | (3,243) | 84 |
| Increase/(decrease) in contract liabilities | 5,660 | (2,158) | 5,592 | (2,254) |
| Decrease in employee benefit obligations | (543) | (753) | (543) | (753) |
| Increase in other liabilities | 1,250 | 692 | 1,260 | 842 |
| Net cash inflow/(outflow) from operating activities | 6,411 | (3,935) | 5,877 | (3,365) |

End of audited financial statements



The UTS Annual Report 2023 provides a record of the university's performance and activities for the year. It is in two volumes: volume one is a review of our activities and performance; and volume two contains our financial statements.

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