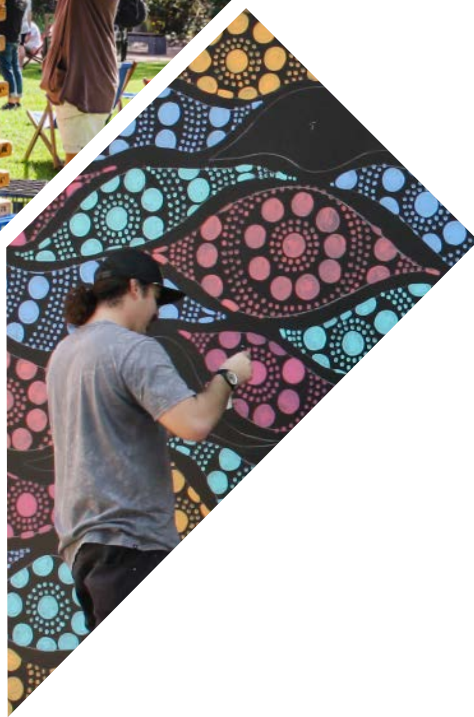


ANNUAL REPORT 2018



**UOW
PULSE**

CONTENTS

Directors' Report	2
Independent Auditor's Report	10
Auditor's Independence Declaration	13
Directors' Declaration	14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19

DIRECTORS' REPORT

Throughout 2018, UOW Pulse Ltd continued its transformation as the one delivery vehicle geared towards improving the quality of campus life services at the University of Wollongong. With a clear mission and purpose of providing Student Engagement, the core functions of Sport & Recreation, Retail, Food & Beverage, Children's Services, Events & Catering and Student Clubs and social activities are well placed to continue to grow and enrich the on campus experience.

BOARD OF DIRECTORS



Sue Chapman

Chair of the UOW Pulse Ltd Board
Since October 2016

Sue has had a long career as a senior executive in the ACT and NSW governments, the most recent being the Deputy Director- General of the Community Services Directorate in the ACT. She has held senior positions in the Australian Department of Human Services and the Attorney-General's Department while based in Canberra, and has also worked in the private sector for 7 years as the CEO and Managing Director of NCS International based in Sydney. Sue was the Deputy Principal and Registrar of the University of Sydney for a number of years so has a good understanding of the university sector.

Sue is a graduate of UOW with a MBA as well as a BA as well as a graduate of the Australian Institute of Company Directors and an Executive Fellow of ANZOG. Sue has had a long association with UOW, having been a member of Council for 11 years and Deputy Chancellor for two years. Sue has had considerable board experience and is currently an independent member of the Audit and Risk Committee for the Education Directorate in the ACT.



Melva Crouch, CSM

UOW Chief Administrative Officer
Executive Chair to October 2016
Executive Director Since August 2013

Ms Melva Crouch has extensive experience as a logistics and corporate support executive in complex organisations. She commenced her career with the Australian Army as a logistics officer, serving for 23 years in a variety of Army and joint Defence roles culminating with the position of Head of Logistics and Administration at Joint Operations Command at the rank of Colonel.

Ms Crouch left the Army in 2005 to join the United Nations, subsequently providing logistic support to peacekeeping missions in Democratic Republic of Congo, Liberia and Western Sahara. After five years in the field, she moved to New York to take on more strategic administrative roles with the United Nations. Prior to joining the University of Wollongong she held the position of Director of Facilities and Commercial Services Division in the Department of Management, managing the office and conference facilities of the United Nations Headquarters and providing common support functions to the Secretariat.

Ms Crouch exercises executive oversight of support services to the University, including staff and student administration, student residences, construction and maintenance of campus facilities, advancement and governance. She is Secretary to the University of Wollongong Council and is also a Director of the Board for UOW Pulse, the University's retail entity.



Mary Youssif

B.Com, M.Stud.Accy, FCPA, AGIA, RTA, MAMI, MAICD

Non Executive Director

Director August 2004 – April 2018

Mary has held various senior and executive positions within the Coal Mining and Chemical Manufacturing Industries for 15 years. She also worked for the University of Wollongong between 1993 and 2001 in Chief Accountant and Project Management positions. During that time she was the Vice-Chancellor's representative on the former UniCentre's Children's Services Management Committee. Currently she operates her own accounting practice locally.

Mary was a director on the Board of Community Alliance Credit Union (The Illawarra Credit Union) for 27 years and served as Chair of the Board from 2008 to 2014. During this time, she formed and Chaired the Audit Committee, was on their Strategic Planning Committee for 4 years (Chair for one year), the Governance Committee for 6 years (Chair for 2 years) and was Chair of the Risk Committee until she resigned in 2017. As a former student and employee of the University of Wollongong, Mary brings extensive financial and business knowledge together with an understanding of the UOW Pulse and the Environment in which it operates. She was Chair of UOW Pulse ARMCC until she resigned in April 2018.



Kath McCollim

Non Executive Director

Director Since January 2017

Kath McCollim joined UOW Global Enterprises in February 2018 as the Executive Director Business Transformation. Her primary focus is leading and overseeing the implementation of major integration and changes within the organisation, while also having a broader focus on capability uplift and innovation. She is responsible for managing the business transition and integration projects including project management and change management activities across the organisation.

Kath is an experienced organisational change agent with 30 years experience in strategic roles in both the private and public sector. This encompasses leadership positions in steel manufacturing, consulting, health insurance and higher education. Prior to joining UOW Global Enterprises Kath was the Director, Business Improvement and Assurance for the University of Wollongong.

Kath holds a Bachelor of Arts in Psychology and Employment Relations and a Master of Commerce in Management for which she won an Innovation and Entrepreneurship Award. She has industry qualifications in Mediation, Agile Project Management and Lean Six Sigma. Kath is a member of the Australian Institute of Company Directors.

Key Board, Committee and Membership roles include:

- Director of UOW Pulse
- Director of IRIS Research
- President of SCARF



Sarah Lisle

Executive Director

Director Since October 2015 – August 2018

Sarah has extensive experience in the not-for-profit sector and government sector in both the UK and Australia. Sarah commenced at the University of Wollongong (UOW) in 2012. In her current role as Manager – Special Project (Wellbeing) within the Pro-Vice Chancellor (Students) portfolio, she is responsible for key strategic programmes ensuring they are student centric. Utilising her extensive skills drawing on a strong track record in collaboration program management and relationship management to ensure the University's strategic goals are achieved. As a Non-Executive Director Sarah sits on the Audit and Risk Compliance Committee for UOW Pulse.

Sarah is a member of the Australia Institute of Company Directors and has completed the Foundations of Directorship course. Sarah is also a member of the Junior Chamber International (JCI) and holds the position of 2018 National President and AJC Foundation Board. Sarah graduated her Executive Masters Business Administration (EMBA) through UOW's Sydney Business School in December 2016.

With a business head and intrapreneurial mindset Sarah strives to implement continuous improvement and innovation to ensure clear communication, striking harmony in the workplace and developing business opportunities.



Daniel Crameri

Non Executive Director

Director since October 2015 – August 2018

Completing his Bachelor in 2013, Daniel returned to UOW to study a Master of Business. During the transition to the new entity of UOW Pulse, Daniel oversaw the creation of the Pulse Student Advisory Committee. Daniels vision of a student culture where participation and involvement, throughout and beyond a student's time at UOW is now in good hands.



Murray Reid

Non Executive Director

Director April 2016 – March 2018

Murray is a long-term resident of Wollongong. Attending the University of Wollongong after high school he completed a Bachelor of Commerce degree in 1986 and went on to qualify as a Chartered Accountant in 1987. He has worked in public practice for over 25 years and has been a partner in practice since 1992. He has held various directorships over that period including a major local financial institution and is currently a director of the Wollongong Golf Club Ltd.

In 1998 he was appointed an initial director of the University Recreation and Aquatic Centre Ltd and held that position until 2016 when he became an appointed director of UOW Pulse. He brought a wealth of financial and business experience to the Board until he resigned in March 2018.



Anita Mulrooney
Non Executive Director
Since January 2017

Anita has over two decades of experience in the not-for-profit, education, insurance and health sectors in Australia and South-East Asia across key business functions including operations, customer service, marketing, sales and human resources.

She is Head of Customer Service & Marketing for national, not-for-profit health fund, Peoplecare, where she is responsible for the company's operations, customer service delivery, marketing, communications and community relations.

Anita's other appointments include:

- IRT Group – Director
- HIRMAA Marketing Committee – Chair
- Private Health Insurance Ombudsman's Website Reference Group – Member



James Pearson
Non Executive Director
Since June 2018

James is an experienced business and finance executive with a background in external advisory, commercial leadership and all financial management functions.

James joined IRT in 2014 after previously working for Medibank, ahm, KPMG, PKF Chartered Accountants and Fisher Corporate in the United Kingdom. His roles have revolved around leading and driving value creation through financial and operational excellence practices. He has achieved this through leading a skilled team that partners with and foster collaboration.

James is currently Executive General Manager – Finance and Risk at IRT, one of Australia's leading seniors lifestyle and care providers. He is accountable for all aspects of Finance, Procurement, Legal, and Risk Management and line responsibility for IRT Catering.

James's professional qualifications include a Bachelor of Business (majoring in Accounting and Finance) from the University of Technology, Sydney and is a member of the Institute of Chartered Accountants Australia & New Zealand.



Paul Ell
Non Executive Director
Since March 2018

Paul is a Graduate of the University of Wollongong and he currently serves as the alumni representative on the University Council. Paul joined the board of Pulse in 2018 as the University Council representative. Professionally, Paul is employed as a solicitor for the region's largest law firm, RMB Lawyers. Paul has a longstanding involvement in various community organisations and causes throughout the Illawarra and South Coast, in particular the Smith Family and VIEW. In 2018, Paul was awarded the coveted 2018 Tom Harvey Award for Citizenship at Parliament House on behalf of the Australia Youth Trust. The award, named in honour of the Trust's late inaugural chairman, recognises the outstanding contribution of a young Australian (between 15 and 30) who has assisted in the development of other young people and their families by providing better opportunities either through literacy, education and/or employment programs. As a long time ambassador for the Smith Family and Learning for Life programs, Paul has travelled the state speaking to different audiences about the power of education to overcome disadvantage.



Shiva Gopalan
Non Executive Director
Since August 2018

Shiva has 13 years experience in the healthcare setting. In this time he has acted in many high level roles priding himself in his ability to lead teams and achieve positive outcomes. Shiva currently is Wellness and Lifestyle Manager at Warrigal with a team of 75+ looking after physiotherapy services and lifestyle services for older people. As a physiotherapist, Shiva currently sits as deputy chair of the NSW Australian Physiotherapy Association Gerontology board, and holds a seat on the national board.

Despite his passion for older people Shiva has diversity in experience. 11 years ago Shiva was a Co-Founder of a charitable trust called Savy. The trust was founded with the premise of supporting the youth of NZ to develop strong financial habits. He supported Mport a 3d body scanning technology from start up, supported UOW with a number of research opportunities, student supervision and has contributed to a few published papers. Recently Shiva has been supporting Dale Carnegie Australia by acting as Illawarra and ACT Area Manager and this year has been appointed as treasurer for JCI Illawarra board.

Shiva is an outside the box thinker who is passionate about supporting and empowering people to achieve positive outcomes for themselves and for their businesses.



Jo Fisher
Executive Director
Since October 2018

Jo is currently Team Leader for the UniShop. She has been employed with UniCentre since 1993, now UOW Pulse Ltd. Jo has studied in Welfare and Librarianship. She has written articles for Bookseller and Publisher magazine. Jo has 5 children, all of whom attended Kids' Uni.

Jo is a UOW Environmental Committee member, UOW Cares champion, member of the Ally network on campus and a member of Women on Boards.



Bailey Bond
Executive Director
Since October 2018

Bailey is a student of the University of Wollongong studying a Bachelor of Commerce majoring in Management and an employee of UOW Pulse within the UniLife team. Bailey has worked in the events industry for over 4 years and currently is an Entertainment Assistant with a primary focus on the production, delivery, and evaluation of student engagement events at UOW since 2017. He has also served on the Student Advisory Committee for UOW Pulse in 2017-18 and gained an insight into the student experience at UOW. Bailey is the Immediate Past President of Junior Chamber International: Illawarra an organisation providing development opportunities to young people to create a positive change. Bailey was a delegate of the McKinnon Walker Trust International Study Tour, highlighting and reporting best practice from nine leading global institutions and informing ways of enriching the student experience at the University of Wollongong in which he hopes to continue to implement moving forward with his role of Student Director of UOW Pulse Ltd.

BOARD OF DIRECTORS

This statement outlines the UOW Pulse Governance Practices that were in place throughout the financial year.

There were six meetings of the Board during 2018. The number of Board meetings attended by directors is detailed below.

The Board is responsible for the overall Corporate Governance of UOW Pulse Ltd, including:

- strategic direction;
- establishing goals for management;
- monitoring organisational performance; and
- ensuring that stewardship frameworks are in place

The Board has an approved Corporate Governance Manual. This document outlines in detail the Rights and Responsibilities of Directors, and requires that directors uphold the Australian Institute of Directors Code of Conduct. It also states the requirements for ethical conduct within the organisation, and disclosure of pecuniary interests on appointment and annually. Directors are offered external training and development activities, primarily through Australian Institute of Company Directors.

DIRECTORS MEETING ATTENDANCE

	Board		ARMCC		SAC	
	A	B	A	B	A	B
Sue Chapman	6	6	-	-	-	-
Melva Crouch	6	6	1	1	-	-
Mary Youssif	2	2	1	1	-	-
Murray Reid	1	1	-	-	-	-
Sarah Lisle	4	4	2	3	-	-
Daniel Crameri	3	4	3	3	1	1*
Kath McCollim	3	6	1	1	-	-
Anita Mulrooney	3	6	-	-	-	-
Paul Ell	5	6	1	2	-	-
James Pearson	3	4	2	2	-	-
Shiva Gopalan	2	3	-	-	-	-
Jo Fisher	2	2	1	1	-	-
Bailey Bond	2	2	-	-	-	-

* = Quorum was not met.

A = Number of meetings attended.

B = Reflects the number of meetings held during the time the director held office during the year.

ARMCC = Audit, Risk Management and Compliance Committee.

SAC = Student Advisory Committee.

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 Wollongong, to the amount of \$80,965 per \$300(1)g, 300(8) and 300(9). 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.

FINANCIAL PERFORMANCE

	2018 \$	2017 \$
Revenue	26,936,325	29,156,399
Operating result for the year	(471,988)	2,587,486
Retained earnings at the beginning of the financial year	10,062,766	8,654,174
Acquisition 1 January	-	(1,178,894)
Retained earnings at the end of the financial year	9,590,778	10,062,766

PRINCIPLE ACTIVITIES

UOW Pulse exist to be UOW's agile campus services arm geared to improve the quality of campus life. Our focus has evolved to providing an encompassing 'campus life' with the purpose to ENRICH our students' time on campus which is at the heart of all that we do.

OUR VALUES

- Support
- Community
- Agility
- Quality
- Play

AUDIT PROCESS

As an entity of the University of Wollongong, the external auditors are The Audit Office of NSW. The Audit, Risk Management & Compliance Committee advises the Board on the external audit program and outcomes. As a part of its process the committee requires:

- The attendance of The Audit Office of NSW representatives at meetings where their reports are considered.
- A formal sign-off from management to the Board, on the accuracy of financial position and performance statements.
- A procedure of absenting senior managers during Audit meetings.

INTERNAL CONTROL FRAMEWORK

To assist in the discharge of its responsibilities for the internal control framework the Board uses Internal Auditors KPMG to ensure compliance with internal controls.

DELEGATION OF AUTHORITY

The Board has, under section 198D of the Corporations Act, defined delegations of authority to individuals and committees. These delegations are recorded in the Governance Manual and cover:

- Property, Plant and Equipment
- Authority to Enter Contracts
- Staff and Organisation
- Operating Expenditure
- Financial Administration
- Sponsorship and Donation

RISK MANAGEMENT

The CEO oversees a range of risk management strategies on behalf of the Board of Directors. A Risk Assessment Program, conducted in 2015, and reviewed in 2017, identified key areas of risk and mitigation to create a new Risk Assessment Profile – which has been shared with the University's Risk Audit & Compliance Committee. The risk, mitigation strategies and status reports on action plans are embedded in quarterly reporting processes to the Audit & Risk Management & Compliance Committee as well as reported to the Board. Other specific arrangements include:

- Review by the Board of the annual budget and regular financial performance reviews.
- A comprehensive Insurance Program.
- Policies to ensure that capital expenditure commitments above a certain limit are authorised by the Board.
- Work Health and Safety reviews of the workplace in accordance with the relevant legislation.

BOARD COMMITTEES

The Board has the following advisory committees:

- Audit, Risk Management & Compliance Committee
- Student Advisory Committee (SAC)

DIVIDENDS

Dividends are not payable by companies limited by guarantee, such as UOW Pulse Limited.

STATE OF AFFAIRS

There were no significant changes to the scope of operating activities of UOW Pulse during the year.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to the balance date.

LIKELY DEVELOPMENTS

Currently no likely developments to report

AUDITOR'S INDEPENDENT DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307c of the Corporations Act 2001 is set out on page 13.

FINANCIAL OUTCOMES

The financial result for 2018 is an operating deficit of \$471,988, which includes the performance of the trading units, support services and most importantly student engagement activities.

There was a material reduction in the year on year operating result due to a debt forgiveness of \$4.2M by the parent entity relating to the former entity University of Wollongong Recreation & Aquatic Centre (URAC) which occurred in 2017. This was a non-reoccurring one off forgiveness.

Excluding the debt forgiveness there was an improvement in the operating result by \$1.2M. This was driven by improvements in the financial return from trading units and increased support by the parent entity via a contribution of \$800,000 as the Company becomes more focused in its student engagement activities and providing an appropriate retail environment on campus.

The improvement in financial return from the trading units was driven by material improvements by both UniActive and Tenancy.

Whilst UniShop faces challenges within the campus market the unit is focused on providing increased technology based products such as eBooks and a revamped IT offer in an ever changing market.

The focus on student engagement continues to grow with total participants in activities increasing by 9% to 106,249. The amount of volunteers in the UniLife volunteer program increased by 7%, with 200 students volunteering 3,284 hours. The amount of participants in events facilitated by Clubs increased by 6% to 55,406 people. The UniLife team facilitated 320 events, which attracted 50,843 participants.

UOW Pulse continues to be committed to the student experience on campus by providing an appropriate mix of services and products. The financial return from trading activities are used to support UniLife's student engagement activities and experiences.



INDEPENDENT AUDITOR'S REPORT

UOW Pulse Ltd

To Members of the New South Wales Parliament and Members of UOW Pulse Ltd

Opinion

I have audited the accompanying financial report of UOW Pulse Ltd (the Company), which comprises, the Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration:

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

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 Report' section of my report.

I am independent of the Company 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' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with 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 confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 11 April 2019, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Other Information

Other information comprises the information included in the Company's annual report for the year ended 31 December 2018, other than the financial report 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 Director's Report and the draft Annual Report endorsed by the Company's Board of Directors.

My opinion on the financial report 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 report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is 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 report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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

A handwritten signature in cursive script, appearing to read 'D Ryan'.

Dominika Ryan
Director, Financial Audit Services

16 April 2019
SYDNEY



To the Directors
UOW Pulse Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial report of UOW Pulse Ltd for the year ended 31 December 2018, 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 cursive script that reads "D. Ryan".

Dominika Ryan
Director, Financial Audit Services

11 April 2019
SYDNEY

DIRECTOR'S DECLARATION

In the opinion of the Directors' of UOW Pulse Ltd ("the Company"):

1. The financial statements and notes, are in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of the financial position of the Company as at 31 December 2018 and of their performance, as represented by the results of its operations and their cash flows, for the year ended on that date; and
 - (b) Complying with Australian Accounting Standards and the Corporations Regulations 2001;and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Wollongong, 16 April 2019.

Signed in accordance with a resolution of the Directors.

SIGNATURES:



Sue Chapman
Chair of the UOW Pulse Ltd Board



Alf Maccioni
Chief Executive Officer

Statement of Comprehensive Income

For the Year Ended 31 December 2018

		2018	2017
	Note	\$	\$
Revenue from continuing operations	3	26,936,325	29,156,399
Gain/(loss) on disposal of assets	4	(28,292)	(259,154)
Raw materials and consumables used		(6,005,832)	(6,584,989)
Employee related expenses	5(a)	(13,915,855)	(14,322,889)
Depreciation and amortisation expense	5(b)	(1,378,889)	(1,438,681)
Other expenses	5(c)	(6,061,089)	(3,938,729)
Finance costs		(18,356)	(24,471)
Operating Result before income tax		(471,988)	2,587,486
Income tax expense	1(d)	-	-
Operating Result for the year		(471,988)	2,587,486
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(471,988)	2,587,486

Statement of Financial Position

As at 31 December 2018

		2018	2017
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	2,800,288	4,356,586
Trade and other receivables	7	6,206,125	1,609,746
Inventories	8	1,277,312	1,886,729
Other non-financial assets	9	191,813	392,991
Total current assets		10,475,538	8,246,052
Non current assets			
Property, plant and equipment	10	8,769,149	2,554,055
Intangible assets	11	45,511	7,295,893
Total non current assets		8,814,660	9,849,948
Total assets		19,290,198	18,096,000
LIABILITIES			
Current liabilities			
Trade and other payables	12	7,342,662	5,780,640
Borrowings	13	166,838	159,475
Provisions	14	1,441,778	1,354,427
Other Current Liabilities	15	309,305	223,981
Total current liabilities		9,260,583	7,518,523
Non current liabilities			
Borrowings	13	151,542	318,380
Provisions	14	287,295	196,331
Total non current liabilities		438,837	514,711
Total liabilities		9,699,420	8,033,234
Net assets		9,590,778	10,062,766
EQUITY			
Retained earnings	16	9,590,778	10,062,766
Total equity		9,590,778	10,062,766

Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

		Retained Earnings
	Note	\$
Balance at 1 January 2018	16	10,062,766
Total comprehensive income for the year	16	(471,988)
Balance at 31 December 2018		<u>9,590,778</u>

2017

		Retained Earnings
	Note	\$
Balance at 1 January 2017	16	8,654,174
Acquisition 1 January 2017	16	(1,178,894)
Total comprehensive income for the year	16	2,587,486
Balance at 31 December 2017		<u>10,062,766</u>

Statement of Cash Flows

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		23,781,052	29,949,505
Payments to suppliers and employees		(24,850,103)	(27,505,880)
Interest received		62,476	79,668
Interest paid		(18,356)	(24,471)
Net cash flows from operating activities	24	<u>(1,024,931)</u>	<u>2,498,822</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment		(371,892)	(705,436)
Purchases of intangibles		-	(12,991)
Proceeds from sale of non-current assets		-	249,823
Net cash used in investing activities		<u>(371,892)</u>	<u>(468,604)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	41,949
Repayment of borrowings		(159,475)	(156,031)
Net cash used in financing activities		<u>(159,475)</u>	<u>(114,082)</u>
Net increase/(decrease) in cash and cash equivalents held		(1,556,298)	1,916,136
Cash and cash equivalents at beginning of year		4,356,586	2,140,414
Acquisition - Cash and cash equivalents at beginning of year		-	300,036
Cash and cash equivalents at the end of the year	6	<u>2,800,288</u>	<u>4,356,586</u>

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

UOW Pulse Limited (the "Company") is a company limited by guarantee incorporated and domiciled in Australia. If the Company is wound up, each 'member' is liable to contribute a maximum of \$1.00 towards the costs, charges and expenses of winding up the Company and payment of debts and liabilities of the Company. The address of the Company's registered office is Northfields Avenue, North Wollongong NSW 2500.

The ultimate parent of the entity is the University of Wollongong Consolidated Entity.

The financial statement covers UOW Pulse Limited for the year ended 31 December 2018.

The nature of the operations and principal activities of the Company are providing services primarily to students including childcare, entertainment, student engagement activities, retail and food, sporting, leisure, recreation and health and fitness.

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (which includes Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board, the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*.

These statements were authorised for issue on the 16th of April, 2019.

The financial statements are presented in Australian dollars.

Compliance with Australian Charities and Not-for-profit Commission

The financial statement have been prepared in accordance with the *Australian Charities and Not-for-profits Commissions Act 2012*.

Compliance with IFRS

The financial statements of the Company do not comply with IFRS because the Company has adopted the not for profit requirements of the Australian Accounting Standards which are inconsistent with IFRS requirements.

Historical cost convention

The financial statements have been prepared under the historical cost convention except that the liability for long service leave is adjusted to net present value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(b) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and rendering of services

Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is recognised when the service is provided or by reference to the stage of completion.

(ii) Lease income

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

(iii) Interest income

Interest income is recognised in the Statement of Comprehensive Income as it accrues.

(iv) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(v) Grants and contributions

Grants and contributions are generally recognised as revenues when the company obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

(c) Interest costs

Interest costs comprise interest payable on borrowings, which is recognised in the statement of comprehensive income as it accrues.

(d) Income tax

The operations of the Company are exempt from income tax under Section 50-5 of the *Income Tax Assessment Act (1997)*.

The operations of the Company are exempt from payroll tax under Sections 48(2) of the *Payroll Tax Act 2007*. NSW Revenue have advised that they will be conducting a payroll tax review in 2019 for the University of Wollongong Consolidated Entity, including the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(e) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 10). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 19). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

(f) Impairment of assets

Goodwill and 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.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities in the statement of financial position.

(h) Trade and other receivables

Trade and other receivables are recognised at the original invoice amount as this is not materially different to amortised cost, given the short term nature of these receivables. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are expected to be uncollectible are written off.

The Company applies a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit loss. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The amount of the provision is recognised in the statement of comprehensive income. Debt forgiveness is recognised as the amount receivable as at the time the debt is forgiven.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less all

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

estimated selling costs.

(j) Investments and other financial assets

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(k) Property, plant and equipment

(i) Owned Assets

Property, plant and equipment is stated at historical cost less depreciation.

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

Generally property, plant and equipment and intangible assets with a greater value than \$5,000 are capitalised except for computer equipment which is normally capitalised irrespective of the \$5,000 threshold where it is considered to be part of a network of assets. Other property, plant and equipment items will be capitalised if they are individually less than \$5,000 in value only if they collectively with other items exceed \$5,000 combined and form one asset item.

Depreciation is calculated on a straight line basis over the estimated useful life of the specific assets as follows:

	2018	2017
Building improvements	5 - 10 years	5 - 10 years
Plant and equipment	3 - 10 years	3 - 10 years
Computer equipment	3 - 5 years	3 - 5 years
Motor vehicles	5 - 10 years	5 - 10 years

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(l) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Impairment losses recognised for goodwill are not subsequently reversed.

(ii) Computer Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

(iii) Occupancy Contribution and Leasehold Improvements

The University as the parent entity holds legal title over all land and buildings the University and its subsidiaries (including the company) occupy. Over time UOW Pulse made improvements to buildings the Company occupied belonging to the Parent entity. Historically the company recognised this expenditure as a "contribution to occupancy" effectively a right to use intangible asset and amortised the expense annually.

From 1 January 2018, following a review of the services and lease arrangements between the Company and the Parent, the Company pays rent to the Parent entity for use of its building. The Company has full ownership and control of these improvements, whilst the Parent retains ownership of the base assets. On this basis, the transactions are in the nature of Leasehold Improvements and have been recognised by the Company and the Parent entity as Leasehold Improvements from 1 January 2018.

The impact of this change for the Company:

- Reclassification of the Occupancy Contribution to Leasehold Improvements from 1 January 2018.

The impact of this change for the Parent entity:

- Derecognition of the improvements made by the Company which were previously reported in the Parent's Property, Plant and Equipment from 1 January 2018;
- Derecognition of the Contribution to Occupancy liability from 1 January 2018;
- Ownership of the Leasehold Improvements are with the Company.

The change in classification and recognition has nil impact on Net Assets and Liabilities for the Company, the UOW Parent Entity and the Consolidated Entity.

	2018	2017
Occupancy Contribution	0	30 - 40 Years
Leasehold Improvements	30 - 40 Years	0

(m) Trade and other payables

Trade and other payables are stated at cost, which is considered to approximate amortised cost due to their short term nature and are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(n) Borrowings

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

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

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

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The pre tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(p) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries (including non monetary benefits) and annual leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non current liability.

Long term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The provision is calculated using estimated future increases in wage and salary rates including related on costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government securities at reporting date which most closely match the terms of maturity of the related liabilities. Leave

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

is charged to the provision at the time leave is taken. The provision for long service leave for the year ended 31 December 2018 was assessed by management in accordance with guidelines recommended by PricewaterhouseCoopers. The assumptions used to calculate the long service leave provision include:

- Salary inflation rate per annum 3% (2017: 3%)
- Discount rate 1.99% (2017: 2.34%)
- Proportion of leave taken in service 18% (2017: 18%)

(iii) Superannuation entitlements

Contributions to employee superannuation funds are charged against income as incurred. The Company is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

(q) Goods and Services Tax (GST)

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

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

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

(r) New accounting standards and interpretations

AASB 9 Financial Instruments became effective for periods beginning on or after 1 January 2018, replacing AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. Refer Note 1h) and 1J)

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. Any differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment would be recognised in opening retained earnings as at 1 January 2018.

The Carrying amounts and Amortised cost measurement basis for Cash and Cash Equivalents, Trade Receivables, Other financial Assets, Trade payables and Borrowings have not changed upon adoption of AASB 9.

Allowance for impairment in 2018 was calculated under the expected credit loss model in the 2018 reporting period and recalculated for the 2017 reporting period. Refer Note 1h), 2 and 7. No changes to opening retained earnings as at 1 January 2018 for impairment was required.

The following standards have been issued but are not mandatory for the 31 December 2018 reporting period. UOW Pulse has elected not to early adopt any of these standards. The assessment and impact of these new standards and interpretations are set out below:

Standard	Application Date	Implications
AASB15 Revenue from Contracts	1 January 2019	No material impact
AASB16 Leases	1 January 2019	No material impact
AASB1058 Income for Not-for-Profits	1 January 2019	No material impact

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in the financial statement or significantly impact the disclosures in relation to the Company.

2 Financial risk management objectives and policies

The Company's principal financial instruments comprise cash, investments, receivables, payables and borrowings.

The Company manages its exposure to the following financial risks, including credit risk, liquidity risk and market risk relating to interest rate and equity risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit Risk Management and Compliance Committee, which is responsible for developing and monitoring risk management policies. The Committee reports to the Board on its activities.

(a) Credit risk

Credit risk refers to the risk that indebted counter parties will default on their contractual obligations, resulting in financial loss to the Company. Credit risk is monitored on an ongoing basis. The majority of the Company's business is conducted by cash or EFTPOS, and consequently the level of credit risk is low. In addition, the majority of trade and other debtors are with related entities. The Company does not require collateral in respect of financial assets. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7.

Investments are allowed only in liquid securities. All funds invested are invested with the National Australia Bank.

The weighted average interest rate on interest earned by the Company is 1.25% (2017: 1.25%).

At reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk by class of recognised financial assets is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Details with respect to credit risk of trade and other receivables are provided in Note 7.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of each reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Financial risk management objectives and policies

31 December 2018								
	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Rate \$	Non Interest \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Total \$
Financial assets								
Cash and cash equivalents	1.25	2,800,288	-	-	2,800,288	-	-	2,800,288
Receivables	-	-	-	6,206,125	6,206,125	-	-	6,206,125
Other financial assets	2.75	-	120,000	-	120,000	-	-	120,000
Total Financial assets	-	2,800,288	120,000	6,206,125	9,126,413	-	-	9,126,413
Financial liabilities								
Payables	-	-	-	6,829,158	6,829,158	-	-	6,829,158
Borrowings- NAB	4.49	-	292,048	-	156,324	135,724	-	292,048
Borrowings- NAB	4.97	-	26,332	-	10,515	15,817	-	26,332
Total financial liabilities	-	-	318,380	6,829,158	6,995,997	151,541	-	7,147,538

31 December 2017								
	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Rate \$	Non Interest \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Total \$
Financial assets								
Cash and cash equivalents	1.25	4,356,586	-	-	4,356,586	-	-	4,356,586
Receivables	-	-	-	1,609,746	1,609,746	-	-	1,609,746
Other financial assets	2.60	-	120,000	-	120,000	-	-	120,000
Total Financial assets	-	4,356,586	120,000	1,609,746	6,086,332	-	-	6,086,332
Financial liabilities								
Payables	-	-	-	5,611,786	5,611,786	-	-	5,611,786
Borrowings- NAB	4.49	-	441,518	-	149,470	292,048	-	441,518
Borrowings- NAB	4.97	-	36,338	-	10,006	26,332	-	36,338
Total Financial liabilities	-	-	477,856	5,611,786	5,771,262	318,380	-	6,089,642

(c) Market risk

(i) Foreign currency risk

The Company's only exposure to foreign currency risk is in relation to purchases of UniShop stock from overseas. These purchases are normally each less than \$1,000 and in total are not material to the operations of UniShop as an individual business unit or to the Company. Sale price of these goods is set after the goods are paid for, thus the Australian Dollar amount is known, effectively passing on any foreign exchange cost or benefit to the customer.

(ii) Price risk

The Company and the parent entity maybe exposed to equity securities price risk. This arises from investments that may be held by the Company and classified on the statement of financial position as fair value through profit or loss. At reporting date, the value of the securities was nil (2017: \$nil). The Company is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, investments held by the Company are diversified.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Financial risk management objectives and policies

(iii) Cash flow and fair value interest rate risk

Interest Rate Risk is limited to interest on the balance of the National Australia Bank accounts, shown as cash and cash equivalents in Note 6. The forecast at the end of 2018 is an increase or decrease of 1% based on the current Reserve Bank of Australia cash rate of 1.25%. The Company's trade and other receivables are non interest bearing and all related party loans and receivables are interest free. Interest rates on Commercial Hire Purchase finance are fixed at the time of drawdown of each individual loan within the umbrella facility. The Company's trade and other payables are non interest bearing.

(iv) Summarised sensitivity analysis

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

31 December 2018

Carrying amount \$	Interest rate risk				Price risk			
	-1%		+1%		-1.304%		+1.304%	
	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets								
Cash and Cash Equivalents	2,800,288	(28,003)	(28,003)	28,003	28,003	-	-	-
Accounts receivable	6,206,125	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	6,829,158	-	-	-	-	-	-	-
Current borrowings	166,838	-	-	-	-	-	-	-
Non-current borrowings	151,542	-	-	-	-	-	-	-
Other financial liabilities	13,823	-	-	-	-	-	-	-
Total increase/(decrease)		(28,003)	(28,003)	28,003	28,003	-	-	-

31 December 2017

Carrying amount \$	Interest rate risk				Price risk			
	-1%		+1%		-1.304%		+1.304%	
	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets								
Cash and Cash Equivalents - Deposits at call	4,356,586	(43,566)	(43,566)	43,566	43,566	-	-	-
Accounts receivable	1,609,746	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	5,611,786	-	-	-	-	-	-	-
Current borrowings	159,475	-	-	-	-	-	-	-
Non-current borrowings	318,380	-	-	-	-	-	-	-
Other financial liabilities	14,243	-	-	-	-	-	-	-
Total increase/(decrease)		(43,566)	(43,566)	43,566	43,566	-	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2018

3 Revenue

From continuing operations

	2018	2017
	\$	\$
Sales revenue		
- Sale of goods	11,662,867	12,718,335
- Provision of services	10,745,835	10,048,043
	22,408,702	22,766,378
Other revenue		
- Interest	62,476	79,668
- URAC debt forgiven	-	4,236,603
- Rental income	1,473,015	1,638,927
- Kids Uni Grant from UOW	185,000	185,000
- Other income	7,982	249,823
- UOW Contribution	2,799,150	-
	4,527,623	6,390,021
	26,936,325	29,156,399

4 Gain/(loss) on disposal of assets

	2018	2017
	\$	\$
Gain/(loss) on disposal of assets	(28,292)	(259,154)
	(28,292)	(259,154)

5 Expenses

(a) Employee benefits expense

	2018	2017
	\$	\$
Wages and salaries	11,532,494	12,192,478
Annual leave expense	750,979	670,746
Long service leave expense	256,657	181,352
Superannuation expense	1,139,346	1,011,383
Workers compensation expense	151,478	166,872
Other employee benefits	84,901	100,058
	13,915,855	14,322,889

Notes to the Financial Statements

For the Year Ended 31 December 2018

5 Expenses

Superannuation

The Company makes contributions to various third party defined contribution superannuation funds. Contributions are included in the income statement as employee benefit expense, as outlined in Note 5a. The Company does not contribute to, or have any connection with, any defined benefit superannuation funds.

(b) Depreciation and Amortisation

	2018 \$	2017 \$
Depreciation		
Building improvements	268,166	362,539
Depreciation - motor vehicles	4,183	4,183
Leased plant & equipment	161,235	158,118
Plant and equipment	300,880	307,821
Computer equipment	48,273	55,833
Leasehold Improvements *	531,893	-
Total Depreciation	1,314,630	888,494
Amortisation		
Occupancy Contribution *	-	531,893
Establishment costs	48,839	2,742
Computer software	15,420	15,552
Total amortisation	64,259	550,187
Total depreciation and amortisation	1,378,889	1,438,681

* Reference to Note 1(l) (iii)

(c) Other Expenses

	2018 \$	2017 \$
Consultant fees	168,862	246,107
Maintenance	417,222	554,356
Advertising & Promotional	145,880	120,893
Computer rental	95,228	75,454
Auditor's remuneration - audit of financial statements	78,650	73,100
Security	88,543	94,359
Activity Expenses	185,970	118,894

Notes to the Financial Statements

For the Year Ended 31 December 2018

5 Expenses

(c) Other Expenses

	2018	2017
	\$	\$
Cleaning	98,347	123,870
Kids Uni Catering	117,842	109,872
Bank charges	118,561	133,378
Laundry	53,179	71,346
Nappy Services	30,847	36,950
Waste disposal	154,031	161,372
Leasing cost	7,156	40,051
Small Equipment	59,531	46,233
Legal expenses	41,044	39,227
Materials and Consumables	96,920	92,546
Evening Entertainment	17,967	84,968
Lunch Entertainment	231,620	89,345
Electricity Expenses	166,740	184,206
Gas Charges	143,778	151,861
UOW Rent	1,999,150	-
Other	1,544,021	1,290,341
	6,061,089	3,938,729

6 Current assets - Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	2,800,288	4,356,586

7 Current assets - Trade and other receivables

	2018	2017
	\$	\$
Trade receivables	6,209,518	1,611,111
Provision for impairment	(a) (3,393)	(1,365)
Sub - Total	6,206,125	1,609,746
Total current trade and other receivables	6,206,125	1,609,746

Notes to the Financial Statements

For the Year Ended 31 December 2018

7 Current assets - Trade and other receivables

(a) Impaired trade receivables

As at 31 December 2018 current trade receivables of the Company with a nominal value of \$2,305,019 (2017: \$971,213) were past due. Of this past due amount, \$3,393 (2017: \$1,365) was considered impaired and provided for. The individually impaired receivables mainly relate to Childrens Service, Events and Unishop customers, who are in unexpectedly difficult economic situations.

Movements in the provision for impairment of receivables are as follows:

	2018 \$	2017 \$
At 1 January	(1,365)	(5,737)
Provision for impairment recognised during the year	(2,028)	(128)
Receivables written off during the year as uncollectible	-	4,500
At 31 December	(3,393)	(1,365)

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

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

Information about the Company's exposure to credit risk, foreign currency and interest rate risk is provided in Note 2.

	Trade receivables			
	Days Past due			
	30-90 days	91-180 days	>180 days	Total
2018				
Expected credit loss rate	-	-	0.28 %	0.15 %
Estimated total gross carrying amount at default	494,961	581,813	1,224,852	2,301,626
Expected credit loss	-	-	3,393	3,393
2017				
Expected credit loss rate	-	-	0.50 %	0.14 %
Estimated total gross carrying amount at default	499,881	194,215	275,752	969,848
Expected credit loss	-	-	1,365	1,365

Notes to the Financial Statements

For the Year Ended 31 December 2018

As of 31 December 2018, trade receivables of \$2,301,626 (2017: \$969,848) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2018	2017
	\$	\$
1 to 3 months	494,961	499,881
3 to 6 months	581,813	194,215
Over 6 months	1,224,852	275,752
At 31 December	2,301,626	969,848

8 Current assets - Inventories

	2018	2017
	\$	\$
Inventories - at cost	1,277,312	1,886,729
	1,277,312	1,886,729

Write downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2018 amounted to \$52,986 (2017: \$79,017). The expense has been included in 'raw materials and consumables used' in profit or loss.

9 Current Assets- Other non-financial assets

	2018	2017
	\$	\$
Bank Guarantee	120,000	120,000
Lease Incentive	-	5,556
Prepayments	71,813	267,435
	191,813	392,991

10 Non current assets - Property, plant and equipment

	2018	2017
	\$	\$
Building improvements		
Cost	3,905,173	3,980,939
Accumulated depreciation	(3,004,448)	(3,049,510)
Total building improvements	900,725	931,429
Leased plant and equipment		
Cost	834,030	922,024
Accumulated depreciation	(546,368)	(473,128)
Total plant and equipment	287,662	448,896

Notes to the Financial Statements

For the Year Ended 31 December 2018

10 Non current assets - Property, plant and equipment

	2018 \$	2017 \$
Plant and equipment		
Cost	3,333,892	3,372,462
Accumulated depreciation	(2,486,822)	(2,261,644)
Total plant and equipment	847,070	1,110,818
Motor vehicles		
Cost	63,495	63,495
Accumulated depreciation	(62,101)	(57,918)
Total motor vehicles	1,394	5,577
Computer equipment		
Cost	204,596	250,584
Accumulated depreciation	(123,554)	(193,249)
Total computer equipment	81,042	57,335
Leasehold Improvements		
Cost	17,290,265	-
Accumulated depreciation	(10,639,009)	-
Total improvements	6,651,256	-
Total property, plant and equipment	8,769,149	2,554,055

(a) Movements in Carrying Amounts

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

	Building improvements \$	Leased Plant & Equipment \$	Plant and equipment \$	Motor vehicles \$	Computer equipment \$	Leasehold Improvements \$	Total \$
Year ended at 31 December 2018							
Balance at the beginning of year	931,429	448,896	1,110,818	5,577	57,335	-	2,554,055
Addition	237,462	-	53,552	-	80,878	-	371,892
Reclassification from Intangibles	-	-	-	-	-	7,183,149	7,183,149
Disposals - written down value	-	-	(16,420)	-	(8,898)	-	(25,318)
Depreciation expense	(268,166)	(161,235)	(300,880)	(4,183)	(48,273)	(531,893)	(1,314,630)
Year ended at 31 December 2018	900,725	287,662	847,070	1,394	81,042	6,651,256	8,769,149

Notes to the Financial Statements

For the Year Ended 31 December 2018

10 Non current assets - Property, plant and equipment

(a) Movements in Carrying Amounts

	Building improvements	Leased Plant & Equipment	Plant and equipment	Motor vehicles	Computer equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended at 31 December 2017							
Balance at the beginning of year	1,049,174	-	817,440	-	72,281	-	1,938,895
Acquisition	52,675	568,878	303,180	46,631	43,788	-	1,015,152
Addition	314,392	38,136	352,906	-	-	-	705,434
Disposals - written down value	(122,273)	-	(54,887)	(36,871)	(2,901)	-	(216,932)
Depreciation expense	(362,539)	(158,118)	(307,821)	(4,183)	(55,833)	-	(888,494)
Year ended at 31 December 2017	931,429	448,896	1,110,818	5,577	57,335	-	2,554,055

11 Non current assets - Intangible Assets

	2018 \$	2017 \$
Computer software		
Cost	68,451	175,419
Accumulated amortisation and impairment	(39,272)	(127,847)
Net carrying value	29,179	47,572
 Goodwill		
Cost	216,792	180,192
Accumulated impairment	(200,460)	(115,020)
Net carrying value	16,332	65,172
 Occupancy Contribution		
Cost	-	17,290,265
Accumulated amortisation and impairment	-	(10,107,116)
Net carrying value	-	7,183,149
 Total Intangibles	45,511	7,295,893

Notes to the Financial Statements

For the Year Ended 31 December 2018

11 Non current assets - Intangible Assets

(a) Movements in Carrying Amounts

	Computer software \$	Goodwill \$	Occupancy Contribution \$	Total \$
Year ended 31 December 2018				
Net carrying amount at start of year	47,572	65,172	7,183,149	7,295,893
Reclassification to Leasehold Improvements	-	-	(7,183,149)	(7,183,149)
Disposals	(2,974)	-	-	(2,974)
Amortisation	(15,420)	-	-	(15,420)
Impairment	-	(48,839)	-	(48,839)
Closing value at 31 December 2018	29,179	16,332	-	45,511
Year ended 31 December 2017				
Net carrying amount at start of year	50,891	109,378	4,897,281	5,057,550
Acquisition	-	-	2,817,761	2,817,761
Additions	12,991	-	-	12,991
Disposals	(758)	(41,464)	-	(42,222)
Amortisation	(15,552)	(2,742)	(531,893)	(550,187)
Closing value at 31 December 2017	47,572	65,172	7,183,149	7,295,893

12 Current liabilities - Trade and other payables

	2018 \$	2017 \$
Sundry creditors	37,285	72,907
GST payable	513,504	168,854
Accrued expenses	6,791,873	5,538,879
Total Trade and other payables	7,342,662	5,780,640

Information about the Company's exposure to foreign exchange risk is provided in Note 2.

13 Borrowings

(a) Current liabilities

	2018 \$	2017 \$
Secured		
Financial lease Liability	166,838	159,475
Total current borrowings	166,838	159,475

Notes to the Financial Statements

For the Year Ended 31 December 2018

Information about the Company's exposure to foreign exchange risk is provided in Note 2.

(b) Non-current liabilities

	2018	2017
	\$	\$
Secured		
Financial lease Liability	151,542	318,380
Total non-current borrowings	151,542	318,380
Total borrowings	318,380	477,855

14 Provisions

(a) Current liabilities

	2018	2017
	\$	\$
Employee benefits - long service leave	834,232	803,888
Employee benefits - annual leave	607,546	550,539
Total current provisions	1,441,778	1,354,427

(b) Non current liabilities

	2018	2017
	\$	\$
Employee benefits - long service leave	287,295	196,331
Total Non current provisions	287,295	196,331

The current provision for long service leave and annual leave includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current. Based on past experience, the Company does not expect all employees to take the full amount of accrued current long service leave and annual leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2018	2017
	\$	\$
Long service leave obligation expected to be settled after 12 months	697,580	767,531
Annual leave obligation expected to be settled after 12 months	101,616	83,292

Expense recognised in the Statement of Comprehensive Income

Movements in provisions for annual leave and long service leave are included in the profit or loss as employee benefits expense, as outlined in Note 5a.

Notes to the Financial Statements

For the Year Ended 31 December 2018

15 Other Current liabilities

	2018	2017
	\$	\$
Deposits held	13,823	14,243
Income in advance	295,482	209,738
	309,305	223,981

16 Retained Earnings

	2018	2017
	\$	\$
Balance 1 January	10,062,766	8,654,174
Acquisition 1 January 2017	-	(1,178,894)
Operating Result for the year	(471,988)	2,587,486
Retained earnings at 31 December	9,590,778	10,062,766

17 Key Management Personnel Disclosures

(a) Directors

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

(i) Chair

Sue Chapman

(ii) Executive Director

Bailey Bond (Commenced: 23/10/2018)

Jo Fisher (Commenced: 23/10/2018)

Melva Crouch

Sarah Lisle (Concluded: 21/08/2018)

(iii) Non executive Directors

Anita Mulrooney

Daniel Crameri (Concluded: 21/08/2018)

James Pearson (Commenced: 16/06/2018)

Kath McCollim

Mary Youssif (Concluded: 17/04/2018)

Murray Reid (Concluded: 06/03/2018)

Paul Ell (Commenced: 06/03/2018)

Shiva Gopalan (Commenced: 21/08/2018)

Aside from the remuneration for services rendered as an employee of the Company disclosed in Note 17(b) no Director has entered into any other material contract with the Company since the end of the previous financial year.

The totals of remuneration paid to the key management personnel of UOW Pulse Limited during the year are as follows:

Notes to the Financial Statements

For the Year Ended 31 December 2018

17 Key Management Personnel Disclosures

(b) Remuneration of Executive Officers

	2018 \$	2017 \$
Remuneration payments made to Executive Officers		
Short term employee benefits	678,253	221,534
Other long term employee benefits	12,487	-
Termination benefits	28,928	-
Post-employment benefits	71,907	20,392
Total Remuneration	791,575	241,926

18 Remuneration of Auditors

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

	2018 \$	2017 \$
Audit Office of NSW		
Audit of financial statements	78,650	73,100

19 Commitments

(a) Lease commitments

(i) Operating lease commitments

Future Non Cancellable Operating Lease Rentals of Plant and Equipment

The Company has entered into a commercial lease for computer equipment. The computer equipment lease is for three years. There are no restrictions placed upon the lessee by entering into these leases. The GST component of operating lease commitments for the year 2018 is \$9,130 (2017: \$14,071)

	2018 \$	2017 \$
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	74,977	123,691
Later than one year but not later than five years	57,793	149,038
Total Operating lease commitments	132,770	272,729

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Commitments

(ii) Operating lease commitments receivable

The Company has entered into commercial property leases for office space and food outlets.

These non cancellable leases have remaining terms of between one and five years. Leases are based on net sales and/or fixed amounts with a clause included to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future minimum lease payments receivable under non cancellable operating leases in the aggregate and for each of the following periods are:

	2018	2017
	\$	\$
Receivable - minimum lease payments:		
Within one year	1,192,438	921,112
Later than one year but not later than five years	1,798,909	1,598,494
	<u>2,991,347</u>	<u>2,519,606</u>

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of \$438,043 including GST (2017: \$454,238) was received by the Company in the period. The total GST component of operating lease commitments receivable for the year 2018 is \$271,941 (2017: \$137,839)

(iii) Hire purchase commitments

The Commercial Hire Purchase Liability is an umbrella facility of up to \$1,270,000 that the Company can draw on for the purchase of equipment. It is renewable every 12 months. Interest is payable on each drawdown within the facility at the market rate prevailing at the time of the drawdown. As at 31 December 2018 the unused portion of the facility was \$951,609 (2017: \$559,646) and the portion of the facility in use was \$318,391 (2017:\$710,354).

(b) Capital commitments

The Company has a contractual obligation to purchase within the next 12 months, \$21,534 of plant and equipment at reporting date (2017: \$97,405).

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Commitments

(c) Finance Lease Commitments

	Note	2018 \$	2017 \$
Commitments in relation to finance lease are payable as follows:			
Within one year		177,828	177,828
Later than five years		154,949	332,777
Total		332,777	510,605
Less: Future lease finance charges		(14,397)	(32,750)
Recognised as a liability		318,380	477,855
Representing lease liabilities:			
Current (note 13(a))		166,838	159,475
Non-Current (note 13(b))		151,542	318,380
Total		318,380	477,855

20 Related Parties

(a) Directors' Transactions with UOW Pulse Limited

From time to time Directors of related parties or their Director related entities may purchase goods or services from UOW Pulse Limited. These purchases are on the same terms and conditions as those entered into by the employees of UOW Pulse Limited, or customers and are trivial or domestic in nature.

Aside from the remuneration for services rendered as an employee of the Company disclosed in Note 17(b) no Director has entered into any other material contract with the Company since the end of the previous financial year.

(b) Transactions with related parties

UOW Pulse Limited has a related party relationship with the following entities:

The University of Wollongong (Ultimate Controlling Entity)

UOW Global Enterprises and its controlled entities (UOWC Ltd and the Community College of City University Ltd)

Transactions with the controlling entity The University of Wollongong were as follows:

	2018 \$	2017 \$
Sales of goods and services		
- Sales	6,821,142	3,287,191
- Rent received	-	172,695

Notes to the Financial Statements

For the Year Ended 31 December 2018

20 Related Parties

	2018	2017
	\$	\$
- Commissions	49,599	57,309
- Grants for specific purposes	185,000	185,000
Total	7,055,741	3,702,195

	2018	2017
	\$	\$
Purchases of goods		
- Goods and services	3,054,688	1,216,475

From time to time Related Parties of the University of Wollongong, including UOW Global Enterprises and its controlled entities (UOWC Ltd and the Community College of City University Ltd) may enter into transactions with the Controlled Entity. These transactions are on the same terms and conditions as those entered into by the Company's employees or customers.

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

	2018	2017
<i>Current receivables (sales of goods and services)</i>		
Trade receivables	4,852,913	811,570
<i>Current payables (purchases of goods)</i>		
Trade creditors	2,261,560	162,121

21 Economic dependency

The Company's trading activities do not depend on a major customer or supplier. However, the Company is economically dependent on the continued existence of the University of Wollongong.

22 Events Occurring After the Reporting Date

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

23 Contingencies

There were no known contingent assets or liabilities existing at reporting date (nil at 31/12/2017).

Notes to the Financial Statements

For the Year Ended 31 December 2018

24 Reconciliation of Operating Results After Income Tax to Net Cash Flows From Operating Activities

	2018 \$	2017 \$
Operating result for the year	(471,988)	2,587,486
Non-cash flows in profit:		
Amortisation	64,260	550,187
Depreciation	1,314,629	888,494
Net (gain)/loss on sale of non current assets	28,292	9,331
Changes in assets and liabilities		
(Increase)/decrease in trade debtors	(4,592,851)	(138,222)
Decrease/(increase) in prepayments	195,622	(217,512)
(Increase)/decrease in inventories	609,417	198,593
(Increase)/decrease in allowance for impairment	2,028	(4,372)
(Decrease)/increase in income in advance	85,744	(74,195)
Increase/(decrease) in trade creditors/accruals	1,562,021	(1,333,849)
Increase/(decrease) in other operating liabilities	(420)	(505)
Increase/(decrease) in other provisions	178,315	33,386
Net cash inflow/(outflow) from operating activities	(1,024,931)	2,498,822

END OF AUDITED FINANCIAL REPORT.

