ANNUAL REPORT 2019

UOW PULSE

ABN 28 915 832 337 ACN 081 114 089

CONTENTS

DIRECTORS' REPORT

Throughout 2019, 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.

STUDENT ENGAGEMENT

The Company's mission is to complement University of Wollongong's ("UOW") academic activities through products and services including Student Engagement, Food & Beverage, Retail, Sports & Fitness, Catering & Events and Children's Services. The primary purpose is to enrich our students' experience on campus. To support this purpose, financial returns generated from trading units and the UniLife Membership program are directed into funding UOW Pulse's Student Engagement program. The program is designed to build a sense of community on campus while encouraging and facilitating engagement between students, staff and the wider Wollongong community. Program benefits include improved academic attainment, better retention rates, higher student satisfaction and the cultivation of a positive community.

In 2019 the Company focussed on creating experiences and broadening opportunities for students to:

- Join one of the 150 clubs and societies and to meet new people and develop skills.
- Give back through volunteering across pillars including Active, Events, Community, Environment and Wellness.
- Enjoy the broad day and night entertainment program.
- Participate in events, sports and workshops designed to assist students to understand the importance of Wellness.

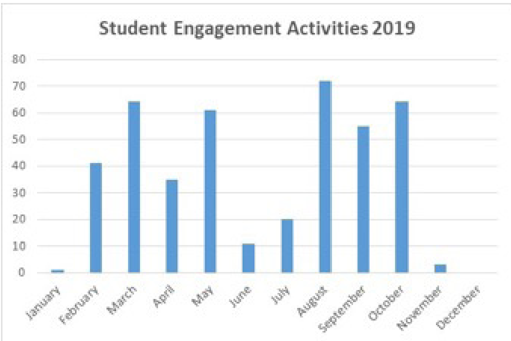
UNILIFE CAMPUS ENGAGEMENT

Campus engagement is the collective result of all the programs, activities, and events facilitated by UniLife. With a remit to enhance the student experience, the following results detail the combined total achieved:

• 358 events (+12% compared to 2018).

• 53,984 attendances recorded at UniLife facilitated events (+6%).

• 105,344 reach of activities including both UniLife and affiliated Club Events (-1%).



UNICLUBS

UniClubs provides support and assistance to affiliated student run Clubs & Societies. The purpose is to provide an all-inclusive program for UOW students to be involved in different facets of University life. The program exists to allow students and the wider community to become involved with a core group of people that share similar interests whilst building their social and professional networks and offering the opportunity to participate in a diverse range of activities and events. The Company's UniClubs department manages the affiliation of Clubs & Societies, provides administrative and financial support and serves as a source of expertise provided to assist in the running of their activities and affairs.

UniClubs is grouped into Non-Faculty Clubs and Societies and Faculty Clubs and can be broken down further into the following categories:

- Academic Clubs
- Community Service Clubs
- Cultural Clubs
- Professional Development
- Political Clubs
- Spiritual Clubs
- Sport and Recreational Clubs
- Special Interest Clubs

In 2019 the program had 150 affiliated Clubs and Societies. The Clubs actively contributed to creating a vibrant campus life through a range of social activities, clubs events and programs. Delivering opportunities for personal growth, practice skills, leadership, interaction and fun, the program has realised solid the following achievements over the last twelve months:

- 150 affiliated Clubs (+5% compared to 2018).
- 18 of those newly affiliated clubs.
- 48,921 individual club memberships.
- 7,559 attendees at 8 UniClub Events.
- 3,429 Club run events (+84%).
- 37,830 participants attended club run events.
- 396 club executives participated in executive development and networking workshops.

COMPETITIVE SPORTS CLUBS

During 2019 five new sporting clubs joined UniClubs. This relationship reflects the long-standing connection these clubs have had with UOW, which dates back more than 50 years. The 5 clubs are UOW Hockey, UOW Rugby, UOW AFL, UOW Football and the UOW Cricket Club. The Company through the UniClubs program provides both financial and administrative support to these clubs by assisting them in making the sports accessible to students by providing them with both subsidised field hire and subsidised registrations for students.

In 2019 these 5 clubs have 428 students playing across the 5 codes.

FACULTY AND NON-FACULTY CLUBS

The 99 Non-Faculty Clubs had a very successful year holding 2,653 events throughout the year. This is an outstanding 109% increase in events held from 2018. The Faculty Club program increased by 2 Clubs & Societies taking the total Faculty Clubs affiliated in 2019 to 51 Faculty Clubs. These 51 Clubs delivered 776 events, a 32% increase in yearly events compared to 2018.

2019 ACHIEVEMENTS

- The Chinese Students & Scholars Association held their annual "Mid-Autumn Festival" for the Chinese Community at Wollongong University in which 800 people attended.
- Harry Potter Society held their annual Dragon Alley Markets at McKinnon Lawn and through widespread promotion in the Illawarra Mercury, saw their highest attendance of 2,500 participants.
- Malaysian Association for Students hosted an Asian Food Festival and worked in partnership with other Club & Societies to ensure a wide range of food stalls which catered to over 1,000 visitors.
- CABLE hosted a wide range of events including a Half Year Leader Meeting, T3 & Spring Workshops, 10th Year Gala Dinner, Student Leaders Training and Student Leaders Welcome Party, which in total reached over 1,200 students.
- Law Students Society held 18 events including the ALSA Council, Cocktail Party, Harbour Cruise, Clerkship Guide, Women in Law Luncheon and an Intervarsity Criminal Law Moot recording a total of more than 1,000 participants.

VOLUNTEERING

The UniLife Volunteering program exists to provide a platform for UOW students to become involved in campus events, meet new people and boost employability through personal and professional development opportunities. Through the 4 pillars of Active Tribe, Enviro Warriors, Events Crew and Wellness Ambassadors, volunteers are able to connect with likeminded people. The two additional pillars of Community Volunteers and Digital Volunteers allow students to have hands-on experience in areas they want to pursue post-University. Students can engage in a variety of workshops and activities relevant to their personal interests and their academic degree to enhance their co-curricular experience as a student.

2019 also saw the inclusion of the Wellness Program, which provided additional resources and support to the volunteering program which enabled volunteers to participate in additional themed days such as, RSPCA Cup Cake Day, IDAHOBIT, Biggest Morning Tea, International day of happiness and Harmony day. In 2019, the UniLife Volunteering program consisted of:

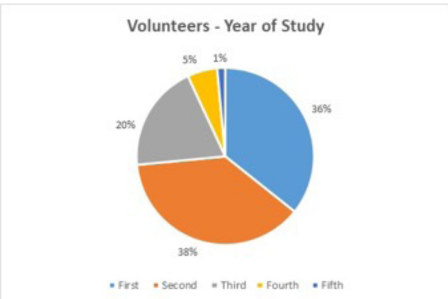
- Events on campus (Events Crew) which ran weekly events such as game on and trivia along with assisting on all large scale events from O Week to clubs cup.
- Environmental volunteering (Enviro Warriors) which managed the campus gardens, ran workshops making boomerang bags, participated in ocean clean ups, tree planting and stalls showcasing sustainability.
- Health and fitness volunteering (Active Tribe) held various hikes and tours across the Illawarra, South Coast and Blue Mountains and is responsible for running the play free sport initiative which runs twice a week.
- Wellness Ambassadors, reflect the values of students seeking to assist others by applying the concepts of wellness to the mind body and spirit. This involved a range of initiatives including free breakfasts, random acts of kindness, workshops, outdoor yoga sessions and Wellness Wednesday.
- Community Volunteering Project provides both personal and professional development experiences to aid in the development of leadership skills, employability skills and project management skills while contributing to the ongoing success of not-for-profit organisation's initiatives in the Wollongong community. Partnering with PCYC, Aspect and Cancer Council in 2019 resulted in 42 students form 3 teams.

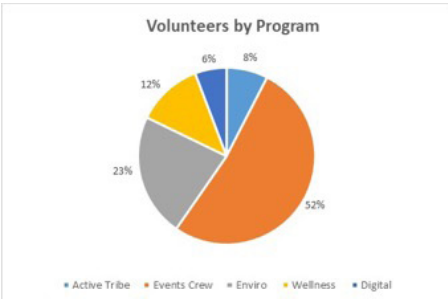
2019 ACHIEVEMENTS

- 538 active student volunteers (+169% compared to 2018).
- 3,893.75 volunteer hours volunteered (+18.5%).
- Volunteers supported 139 events
- 416 Community Volunteering Project hours.
- Community engagement with volunteers assisting a diverse range of organisations including, PCYC Wollongong, Cancer Council Illawarra, RSPCA, ASPECT.

PROGRAM PROFILE:

- Whilst the program is still dominated by Domestic students, there has been a 6% increase in International student participation since 2018.
- The majority of Volunteers in 2019 were either in their first or second year of study.
- The events crew remains the pillar with the highest level of engagement.





COMMUNITY VOLUNTEERING PROJECT

The program consists of groups of up to 15 students assigned to work in conjunction with a local organisation on a specific project from the initial planning stage all the way through to completion. Students are engaged with their project for a minimum of 32 hours over the course of 10 weeks, which includes regular weekly meetings with their community representation/mentor and volunteer team.

THIS YEAR'S COMMUNITY VOLUNTEERING PROJECT SAW:

- 74 applications submitted from new volunteers.
- 42 applications accepted to make up the 3 teams involved.
- 2019 partners included PCYC, Aspect and Cancer Council.

ENTERTAINMENT

Throughout 2019, the Entertainment Unit delivered a diverse and exciting day and evening program comprised of various weekly events, festivals and major parties with an overall attendance of 45,050 students during the year.

2019 PROGRAM:

- Orientation: Autumn & Spring including special events: Pool Party and Under The Stars.
- Student Parties: O-Party, The Jam, Oktoberfest, Wide World of Sports, Pirate Party.
- Themed Weeks: Live Art Week, International Week, Stress Less Week.
- Regular Events: Lunch on the Lawn, UniBar Trivia, Market Alley, Table Tennis Tuesday, Game On.
- Special Events: Egg Hunt, Nugfest, Moonlit Markets.

PROGRAM PROFILE:

INTERNATIONAL WEEK

International Week was reinstated to the Entertainment portfolio in 2019 and was a major success. Events included a food, language and culture festival, belly dancing and African dancing classes, a Spanish movie night, two free international food bars and a manga drawing class.

Attendance: 2,000 students

REGULAR EVENTS:

In 2019 the most popular regular events were Market Alley, Trivia and Lunch on the Lawn, which resulted in the engagement of thousands of students throughout the year.

Attendance: 20,000 students

REGIONAL CAMPUS & INNOVATION CAMPUS

This UniLife program includes regional campuses - South Western Sydney (Liverpool), the UOW Sydney Business School (UOW SBS) and Innovation Campus(iC). A tailored schedule of events was facilitated across the campuses with the specifics for each being driven from student feedback and numbers. Events across UOW SBS, SWS and iC included orientation activities, diverse free food events, activations, Live Art Week and Stress Less Weeks, tours.

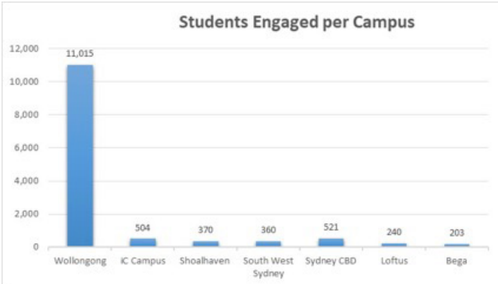
Highlight events per campus included the implementation of Stress Less Weeks and Live Art Week. Introducing Welcome Dinners and a Winter Feast event to UOW SBS Campus, creating an End of year Party for UOW SWS and the running of tours to Manley, Whale watching and Taronga Zoo.

2019 ACHIEVEMENTS:

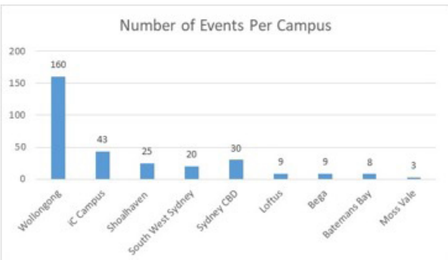
- Innovation Campus: 11 events (-1% increase), 564 attendees (+2%).
- South West Sydney Campus: 14 events, 1,003 attendees.
- Sydney Business School Campus: 18 events, 951 attendees.

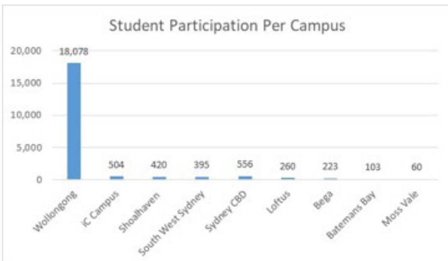
WELLNESS AND SPORT

In 2019 UniLife through a SSAF funded program ran and created a program of events operated from of all of UOW's domestic campuses. UniLife focused on providing students with the skills to look after themselves under the three categories of mind, body and spirit. This resulted in the creation of 268 events across all of UOW's 9 domestic campuses. These include both large scale pop ups that lasted a whole week. I.e. Stress Less Week at Wollongong, which reached thousands of people through to play free sport, mediation and yoga programs, which occurred weekly. The program also employed two student wellness ambassadors who worked with 110 wellness volunteers who contributed more than 468 hours in 2019.



The Wellness program was facilitated on all onshore campuses with a goal to engage students and build a community in this first year of implementation. The spread of events which touched all campuses had a strong following in the first year. As this was the first year the Company delivered the program these participant and event engagement statistics will now form the baseline for 2020.





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.

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

Mr Paul Ell 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 is currently the president of the Shoalhaven and Districts Regional Law Society 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 14 years experience in the healthcare sector and prides himself in his ability to lead teams and achieve positive outcomes for organisations through system and process improvement. Currently Shiva works for Warrigal as their Wellness and Lifestyle Manager looking after physiotherapy services and lifestyle services for older people. In 2018 Shiva was a finalist for the IBC young executive of the year award.

13 years ago Shiva Co-Founded a Charitable Trust called Savy. The trust was founded with the premise of supporting the youth of NZ to develop strong financial habits. The trust continues to deliver over 200 workshops in schools across two major cities in NZ. Shiva remains an active member of the board as the Deputy Chairman. He consulted for Mport a 3d body scanning technology from start up, he has supported UOW and UNSW with a number of research opportunities and has contributed to a few published papers. Shiva is a qualified physiotherapist, currently sitting on the NSW Australian Physiotherapy Association Gerontology board. This year Shiva has been appointed as Junior Chamber International Australia's National Director of Trainer and Membership Development.

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.

Christine O-Toole
Non Executive Director
Since August 2019

Christine has extensive experience in the steel manufacturing industry, having held managerial roles in sales, marketing, procurement and business improvement functions. Christine has also led significant projects throughout BlueScope Steel's Australian business divisions.

She was a board member of WEA Illawarra for eight years and served on their Audit and Risk Committee.

Christine holds a BA in Marketing and Administration from the University of Strathclyde, Glasgow and an MBA from the University of Wollongong.

Kathleen Packer
Executive Director
Since December 2019

Kathleen joined the University of Wollongong in 2018 as Director Facilities Management. Her primary role is to secure safe and efficiently run domestic campuses for the University. This includes maintenance, security, parking provision and enforcement, construction and environmental strategies. Prior to UOW, she worked within a local government context for over 16 years; having worked at both Wollongong City Council and Shellharbour City Council.

During her career she has managed facilities, building and civil maintenance, building and commercial operations, and civil and building construction. Kathleen is passionate about efficient operations, appropriate asset management and giving high level of customer service. Kathleen is also currently on the Board of the Tertiary Education Facilities Management Association (TEFMA).

Matthew Wright
Executive Director
Since June 2019

Mr Matthew Wright joined the University of Wollongong in 2007 as the Associate Director Financial Services, and was appointed to the role of Director of Financial Operations in 2013.

Mr Wright's expertise extends to a wide range of areas including investments, capital and commercial works projects, government policy, business process improvement, corporate financial modelling, organisational change and strategic planning.

As DFO, Mr Wright's primary roles are management for all the University's financial operations and systems, and ensuring the effective management of governance and planning of the University's finance and planning processes.

Mr Wright is a Certified Practising Accountant (Fellow), and holds a Bachelor of Commerce (Management) and Master of Accounting.

Jo Fisher
Executive Director
Since October 2018

Jo is currently Unishop Manager. 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.

Melva Crouch, CSM

UOW Chief Administrative Officer
Executive Chair to October 2016
Executive Director August 2013 - August 2019

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.

Kath McCollim

Non Executive Director
January 2017 - August 2019

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

Anita Mulrooney
Non Executive Director
January 2017 - August 2019

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

Bailey Bond
Executive Director
October 2018 - December 2019

Bailey is a graduate of the University of Wollongong and studied a Bachelor of Commerce majoring in Management and is a former employee of UOW Pulse where he worked in the UniLife team. Bailey has worked in the events industry for over 4 years and currently is an Events and Marketing Officer within the Faculty of Law, Humanities & the Arts at UOW responsible for both future student recruitment activities and current student programs and events. He has also served on the Student Advisory Committee for UOW Pulse during 2017-19 as well the UOW Student Advisory Council. 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 brought value to 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 2019. 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		REM	
	A	B	A	B	A	B	A	B
Sue Chapman	5	6	-	-	-	-	1	1
Melva Crouch	4	4	-	-	-	-	-	-
Damien Israel*	1	1	-	-	-	-	-	-
Kath McCollim	3	4	1	3	-	-	-	-
Anita Mulrooney	4	4	-	-	-	-	-	-
Paul Ell	6	6	4	4	-	-	-	-
James Pearson	6	6	4	4	-	-	-	-
Shiva Gopalan	5	6	-	-	-	-	1	1
Jo Fisher	6	6	2	4	-	-	1	1
Bailey Bond	5	6	-	-	4	4	-	-
Christine O'Toole	2	2	-	-	-	-	-	-
Matthew Wright	1	1	-	-	-	-	-	-
Kathleen Packer	1	1	-	-	-	-	-	-

***** = attended meeting as Acting Chief Administrative Officer
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.
REM = Remuneration 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 $101,207per S300(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

	2019 $	2018 Restated $
Revenue	29,153,785	26,936,325
Operating result for the year	1,408,166	(1,186,742)
Retained earnings at the beginning of the financial year	7,912,045	9,098,787
Retained earnings at the end of the financial year	9,320,211	7,912,045

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. The Company's Risk Assessment Program was revised in 2019, which identified nine areas of risk and respective mitigation strategies to create a new Risk Assessment Profile. This Risk Assessment Profile will be shared with the University's Risk Audit & Compliance Committee as per protocol. 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

The Coronavirus (COVID-19) outbreak began in Wuhan, China and was first reported on 30 December 2019. The responses by the Australian Government and organisations both domestic and internationally, which highlighted the severity of the outbreak occurred after 31 December 2019. The World Health Organisation (WHO) declared a public health emergency of international concern over the outbreak on 20 January 2020.

Although the Coronavirus existed at 31 December 2019, the severity of the virus and the responses to the outbreak which may impact the Company's operations arose after the reporting period, as such the outbreak is a non-adjusting event for the reporting period ending 31 December 2019 and no adjustment will be made to the amounts recognised in the 31 December 2019 financial statements.

The Company is dependent on the operations of the Parent entity continuing in its traditional form and a disruption to those as a result of the Coronavirus could have a material impact to the Company's operations and financial performance. In addition to this the Coronavirus could potentially have a material impact on the Company's operations that are not dependant on the Parent entity as a result of the Australian Government's approach to manage the outbreak of Coronavirus. For example, the Government's decision to close principal places of gathering such as gyms and indoor sporting venues. Should it also decide to close Child Care facilities then the Company's facility located off campus would close operations.

The full extent of the impact of the Coronavirus on the Company is unknown and as such an estimate of the financial effect cannot be made.

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 2019 is an operational surplus of $1,408,166, which is a material improvement on the prior year result which has been restated to an operational deficit of $1,186,742.

The operational surplus is materially impact by the recognition of the Parent Company's payment of the Company's payroll tax liability, providing a net benefit of $1.7M.

The restatement of the 2018 result was due to the correction of a prior period error, which excluded the payroll tax expense of $0.7M. The restatement occurred as a result of the change to the payroll tax exemption status of the Company.

The payroll tax exemption status changed as a result of a voluntary review of the matter by the Parent company, where subsequently the Chief Commissioner of State Revenue confirmed that for a period of time the exemption ceased to apply as the Company is an educational company pursuant to Section 48 of the Payroll Tax Act 2007.

The Commissioner's Notice of Assessment confirmed the Company's payroll tax liability of $2.4M, $1.7M of which related to 2015-16, 2016-17 and 2017-18.

From an operational perspective, the net return from trading units was driven by UniActive, which materially increased revenue from health and fitness memberships. In addition to UniActive, Tenancy and Childrens Services continued to perform well and all three units continue to remain the pillars of the Company's financial results.

The retail mix demanded by customers on campus has evolved and the Company is focused on providing new and innovative solutions to this segment of the campus market.

The net contribution by the Parent increased by $0.3M as a result of a reduction in the annual rent.

UOW Pulse continues to focus on the university experience on campus by providing appropriate products and services in addition to increasing value to UniLife members. The financial return from the trading activities contribute to support and enhance UniLife's student engagement activities and experiences.

INDEPENDENT AUDITOR'S REPORT

UOW Pulse Limited

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

Opinion

I have audited the accompanying financial statements of UOW Pulse Limited (the Company), which comprise the Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 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).

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GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | mail@audit.nsw.gov.au | audit.nsw.gov.au

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 16 April 2020, 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

The Company's annual report for the year ended 31 December 2019 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 Director's Report and the draft Annual Report endorsed by the Company's Board of Directors.

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 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 statements that free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 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/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 statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Dominika Ryan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

17 April 2020
SYDNEY

To the Directors
UOW Pulse Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UOW Pulse Limited for the year ended 31 December 2019, 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.

Dominika Ryan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

16 April 2020
SYDNEY

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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 2019 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 2020.

Signed in accordance with a resolution of the Directors.

SIGNATURES:

S Chapman

Sue Chapman
Chair of the UOW Pulse Ltd Board

Alf Maccioni
Chief Executive Officer

Statement of Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 $	2018 Restated $
Revenue from continuing operations	3	**29,153,785**	26,936,325
Gain/(loss) on disposal of assets	4	**(62,046)**	(28,292)
Raw materials and consumables used		**(5,139,072)**	(6,005,832)
Employee related expenses	5(a)	**(15,184,827)**	(14,630,609)
Depreciation and amortisation expense	5(b)	**(1,313,696)**	(1,378,889)
Other expenses	5(c)	**(6,034,988)**	(6,061,089)
Finance costs		**(10,990)**	(18,356)
Operating Result before income tax		**1,408,166**	(1,186,742)
Income tax expense	1(d)	**-**	-
Operating Result for the year		**1,408,166**	(1,186,742)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**1,408,166**	(1,186,742)

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

Statement of Financial Position

As at 31 December 2019

	Note	2019 $	2018 Restated $	1 Jan 2018 Restated $
ASSETS				
Current assets				
Cash and cash equivalents	6	**4,291,578**	2,800,288	4,356,586
Trade and other receivables	7	**4,561,290**	6,206,125	1,609,746
Inventories	8	**955,298**	1,277,312	1,886,729
Other non-financial assets	9	**269,442**	191,813	392,991
Total current assets		**10,077,608**	10,475,538	8,246,052
Non current assets				
Property, plant and equipment	10	**31,830,572**	8,769,149	2,554,055
Intangible assets	11	**48,483**	45,511	7,295,893
Total non current assets		**31,879,055**	8,814,660	9,849,948
Total assets		**41,956,663**	19,290,198	18,096,000
LIABILITIES				
Current liabilities				
Trade and other payables	12	**6,417,466**	9,021,395	6,744,619
Borrowings	13	**-**	166,838	159,475
Provisions	15	**1,520,003**	1,441,778	1,354,427
Other current liabilities	16	**1,288,155**	309,305	223,981
Total current liabilities		**9,225,624**	10,939,316	8,482,502
Non current liabilities				
Borrowings	13	**-**	151,542	318,380
Provisions	15	**284,372**	287,295	196,331
Other non current liabilities	16	**23,126,456**	-	-
Total non current liabilities		**23,410,828**	438,837	514,711
Total liabilities		**32,636,452**	11,378,153	8,997,213
Net assets		**9,320,211**	7,912,045	9,098,787
EQUITY				
Retained earnings	17	**9,320,211**	7,912,045	9,098,787
Total equity		**9,320,211**	7,912,045	9,098,787

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 2019

2019

	Note	Retained Earnings $
Balance at 1 January 2019	17	**9,590,778**
Correction of prior period error	23	**(1,678,733)**
Restated Balance at 1 January 2019	17	**7,912,045**
Total comprehensive income for the year	17	**1,408,166**
Balance at 31 December 2019		**9,320,211**

2018

	Note	Retained Earnings $
Balance at 1 January 2018	17	10,062,766
Correction of prior period error	23	(963,979)
Restated Balance at 1 January 2018	17	9,098,787
Correction of prior period error	23	(714,754)
Total comprehensive income for the year		(471,988)
Restated Total comprehensive income for the year	17	(1,186,742)
Restated Balance at 31 December 2018		7,912,045

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 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**29,875,304**	23,781,052
Payments to suppliers and employees		**(25,680,598)**	(24,850,103)
Interest received		**69,482**	62,476
Interest paid		**(10,990)**	(18,356)
Short -term lease payments		**(1,999,150)**	-
Lease payments for leases of low-value assets		**(95,456)**	-
Net cash flows from operating activities	26	**2,158,592**	(1,024,931)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment		**(481,215)**	(371,892)
Purchases of intangibles		**(19,250)**	-
Net cash used in investing activities		**(500,465)**	(371,892)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(166,837)**	(159,475)
Net cash used in financing activities		**(166,837)**	(159,475)
Net increase/(decrease) in cash and cash equivalents held		**1,491,290**	(1,556,298)
Cash and cash equivalents at beginning of year		**2,800,288**	4,356,586
Cash and cash equivalents at the end of the year	6	**4,291,578**	2,800,288

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

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 2019.

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, 2020.

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. Right of use assets are measured at the value of the lease liability at present value adjusted for lease payments before inception.

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.

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

(iv) 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 Company is subject to payroll tax resulting from the change to the Company's constitution in 2016.

1 Summary of Significant Accounting Policies

(e) 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.

(f) 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.

(g) 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.

For trade receivables and other, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

(h) 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 estimated selling costs.

(i) 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

1 Summary of Significant Accounting Policies

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.

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

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.

1 Summary of Significant Accounting Policies

(j) 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:

	2019	2018
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.

ii) Right of Use Assets

Right of use assets are measured at the value of the lease liability at present value adjusted for lease payments before inception. The right of use assets are recognised over the term of their respective leases:

	2019	2018
Buildings	20 Years	-
Leased finance assets	4 Years	-

(k) 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

1 Summary of Significant Accounting Policies

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) 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 the Company has made improvements to buildings the Company occupied belonging to the Parent entity. The company recognises the expenditure as "Leasehold Improvements" effectively a right to use intangible assets and amortises the expense annually.

The Company pays rent to the Parent entity for use of its buildings. The Company has full ownership and control of these improvements, whilst the Parent retains ownership of the base assets.

	2019	2018
Leasehold Improvements	30 - 40 Years	30 - 40 Years

(l) 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.

(m) 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.

(n) 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.

1 Summary of Significant Accounting Policies

(o) 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 is charged to the provision at the time leave is taken. The provision for long service leave for the year ended 31 December 2019 was assessed by PricewaterhouseCoopers. The assumptions used to calculate the long service leave provision include:

- Salary inflation rate per annum: 3% (2018: 3%)
- Discount rate: 1.04% (2018: 1.99%)
- Proportion of leave taken in service: 34% (2018: 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.

(p) 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.

(q) New accounting standards and interpretations

(i) AASB 15 Revenue from Contracts with Customers (effective 1 January 2019)

AASB 15 Revenue from Contracts with Customers has superseded AASB 118 Revenue and AASB 111 Construction Contracts. AASB 15 requires revenue to be recognised for the transfer of promised goods or services (performance

1 Summary of Significant Accounting Policies

obligations) from contracts with customers at an amount that reflects the consideration to which an entity expects to be entitled. Revenue is recognised when control of the goods or services transfers to a customer, being either at a point in time or over time.

The Company's performance obligations relate to retail operations, event management, child care, tenancy and sports & leisure. These performance obligations occur either immediately at the time of purchase or have an original expected duration of no longer than the current financial year.

Revenue relating to these performance obligations is recognised at a point in time. The adoption of AASB 15 did not impact on the timing of revenue recognition.

AASB 15 requires revenue from contracts to be disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenue has been disaggregated between the following categories: sports & leisure, event management, tenancy, child care, UOW, grants.

(ii) AASB 16 Leases (effective 1 January 2019)

The Company has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the Company has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at either:

(i) Its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application, or

(ii) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the Company recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases - AASB117 and AASB Interpretation 4 Determining whether an arrangement contains a lease (Interpretation 4).

The nature and effect of the changes as a result of adoption of AASB16 are as described below:

Definition of lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, the Company will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the Company has not reassessed whether they are, or contain, a lease in accordance with the new AASB16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4 as a lease will be treated as a lease under AASB16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB16. Therefore, the Company applied the recognition and measurement requirements of AASB16 only to contracts that were previously identified as leases, and does not apply AASB16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.

The Company as a lessee

The Company previously classified leases as operating or finance leases based on its assessment of whether the

1 Summary of Significant Accounting Policies

lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under AASB16, this classification no longer exists for the Company as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments.

Leases previously classified as operating leases under AASB117

On transition to AASB16, the Company recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at either:

a) Its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application or

b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Company has applied the following practical expedients in transitioning existing operating leases:

(a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(b) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining lease term is 12 months or less from the date of initial application.

(c) Applied the exemption not to recognise right-of-use assets and lease liabilities where the underlying asset is of low value, being less than $5,000 when brand new.

Leases previously classified as finance leases under AASB117

On the date of initial application, right-of-use assets and lease liabilities continued to be recognised for leases previously classified as finance leases at the same carrying amounts of the leased assets and finance lease liabilities recognised in accordance with AASB117 immediately before the date of initial application.

Reconciliation of operating lease commitments under AASB117 and lease liabilities under AASB16

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 3.56%.

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 January 2019 is explained as follows:

	Parent
	1 January 2019
	$
Operating lease commitments disclosed at 31 December 2018	132,770
Discounted using the UOW Pulse Limited weighted average incremental borrowing rate of 3.56%	128,043
Add: Finance lease liabilities recognised as at 31 December 2018	318,380
(Less): Low-value leases recognised on a straight-line basis as an expense	(128,043)
Lease liability recognised as at 1 January 2019	318,380

Notes to the Financial Statements
For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies

The following standards have been issued for the 31 December 2019 reporting period. 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
AASB1058 Income for Not-for-Profits	1 January 2019	No material impact
AASB1059 Service Concession Arrangements: Grantors	1 January 2019	No material impact

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 0.92% (2018: 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.

2 Financial risk management objectives and policies

(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.

31 December 2019

	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	0.92	4,291,578	-	-	4,291,578	-	-	4,291,578
Receivables	-	-	-	4,561,290	4,561,290	-	-	4,561,290
Other financial assets	1.60	-	120,000	-	120,000	-	-	120,000
Total Financial assets		4,291,578	120,000	4,561,290	8,972,868	-	-	8,972,868
Financial liabilities								
Payables	-	-	-	5,838,058	5,838,058	-	-	5,838,058
Lease liability	4.49	-	135,728	-	135,728	-	-	135,728
Lease liability	4.97	-	15,823	-	11,049	4,774	-	15,823
Total financial liabilities	-	-	151,551	5,838,058	5,984,835	4,774	-	5,989,609

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 lilibilities	-	-	318,380	6,829,158	6,995,997	151,541	-	7,147,538

2 Financial risk management objectives and policies

(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 (2018: $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.

(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 2019 is an increase or decrease of 1% based on the current Reserve Bank of Australia cash rate of 0.92%. 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 2019		**Interest rate risk**				**Price risk**			
		-1%		+1%		-1%		+1%	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets									
Cash and Cash Equivalents	**4,291,578**	**(42,916)**	**(42,916)**	**42,916**	**42,916**	-	-	-	-
Accounts receivable	**4,561,290**	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	**5,838,058**	-	-	-	-	-	-	-	-
Current borrowings	**146,774**	-	-	-	-	-	-	-	-
Non-current borrowings	**4,769**	-	-	-	-	-	-	-	-
Other financial liabilities	**14,105**	-	-	-	-	-	-	-	-
Total increase/(decrease)		**(42,916)**	**(42,916)**	**42,916**	**42,916**	-	-	-	-

Notes to the Financial Statements
For the Year Ended 31 December 2019

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 - Deposits at call	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	-	-	-	-

3 Revenue

(a) From continuing operations

	2019	2018
	$	$
Sales revenue		
- Sale of goods	**10,295,113**	11,662,867
- Provision of services	**11,745,842**	10,745,835
	22,040,955	22,408,702
Other revenue		
- UOW Contribution	**2,799,150**	2,799,150
- Rental income	**1,655,649**	1,473,015
- UOW payroll tax contribution	**2,401,799**	-
- Kids Uni Grant from UOW	**185,000**	185,000
- Interest	**69,482**	62,476
- Other income	**1,750**	7,982
	7,112,830	4,527,623
	29,153,785	26,936,325

(b) Disaggregation of sales revenue from contracts with customers

The Company's performance obligations relate to retail operations, event management, child care, tenancy and Sports & Leisure. These performance obligations occur either immediately at the time of purchase or have an original expected duration of no longer than the current financial year. Revenue relating to these performance obligations is recognised at a point in time.

Revenue from contracts has been disaggregated between the following categories: sports & leisure, event management, tenancy, child care, UOW and grants.

3 Revenue

(b) Disaggregation of sales revenue from contracts with customers

2019

	Sources of funding						
	Event Mangement	Sport and Lesure	Tenancy	Child Care	Grants	UOW	Total Revenue from contracts with customers
Revenue and Income Streams	$	$	$	$	$	$	$
Fees and charges							
Events sales	1,623,946	-	-	-	-	-	1,623,946
Rent	-	-	1,655,650	-	-	-	1,655,650
Child Care fees	-	-	-	5,718,817	-	-	5,718,817
Child Care grant	-	-	-	-	225,828	-	225,828
Gym Membership fees	-	3,261,869	-	-	-	-	3,261,869
Contribution	-	-	-	-	-	3,144,745	3,144,745
Total Fees and charges	1,623,946	3,261,869	1,655,650	5,718,817	225,828	3,144,745	15,630,855

4 Gain/(loss) on disposal of assets

	2019	2018
	$	$
Gain/(loss) on disposal of assets	**(62,046)**	(28,292)
	(62,046)	(28,292)

5 Expenses

(a) Employee benefits expense

	2019	2018
	$	$
Wages and salaries	**11,830,657**	11,532,494
Payroll tax	**810,862**	714,754
Annual leave expense	**804,155**	750,979
Long service leave expense	**211,075**	256,657
Superannuation expense	**1,145,318**	1,139,346
Workers compensation expense	**274,381**	151,478
Other employee benefits	**108,379**	84,901
	15,184,827	14,630,609

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

	2019 $	2018 $
Depreciation		
Building improvements	**256,090**	268,166
Depreciation - motor vehicles	**1,394**	4,183
Leased plant & equipment	**161,235**	161,235
Plant and equipment	**259,778**	300,880
Computer equipment	**21,105**	48,273
Leasehold Improvements	**531,893**	531,893
Lease Depreciation	**72,323**	-
Total Depreciation	**1,303,818**	1,314,630
Amortisation		
Establishment costs	**-**	48,839
Computer software	**9,878**	15,420
Total amortisation	**9,878**	64,259
Total depreciation and amortisation	**1,313,696**	1,378,889

(c) Other Expenses

	2019 $	2018 $
Consultant fees	**189,798**	168,862
Maintenance	**449,348**	417,222
Advertising & Promotional	**90,857**	145,880
Computer rental	**88,573**	95,228
Auditor's remuneration - audit of financial statements	**73,450**	78,650
Security	**85,923**	88,543
Activity Expenses	**196,541**	185,970
Cleaning	**99,954**	98,347
Kids Uni Catering	**122,607**	117,842
Bank charges	**128,935**	118,561
Laundry	**74,999**	53,179
Nappy Services	**40,617**	30,847
Waste disposal	**171,742**	154,031
Leasing cost	**-**	7,156
Small Equipment	**68,003**	59,531
Legal expenses	**40,217**	41,044

5 Expenses

(c) Other Expenses

		2019	2018
		$	$
Materials and Consumables		**93,574**	96,920
Evening Entertainment		**43,855**	17,967
Lunch Entertainment		**278,992**	231,620
Electricity Expenses		**211,139**	166,740
Gas Charges		**148,657**	143,778
UOW Rent		**1,601,391**	1,999,150
Lease Interest Expenses (ROA)		**50,678**	-
UniLife Promotion		**168,933**	-
General expense		**296,353**	274,571
Evening Sound		**273,428**	81,275
Other		**946,424**	1,188,175
		6,034,988	6,061,089

6 Current assets - Cash and cash equivalents

	2019	2018
	$	$
Cash at bank and on hand	**4,291,578**	2,800,288

7 Current assets - Trade and other receivables

		2019	2018
		$	$
Trade receivables		**4,606,885**	6,209,518
Provision for impairment	(a)	**(45,595)**	(3,393)
Sub - Total		**4,561,290**	6,206,125
Total current trade and other receivables		**4,561,290**	6,206,125

7 Current assets - Trade and other receivables

(a) Impaired trade receivables

As at 31 December 2019 current trade receivables of the Company with a nominal value of $641,359 (2018: $2,305,019) were past due. Of this past due amount, $45,595 (2018: $3,393) was considered impaired and provided for. The individually impaired receivables mainly relate to Childrens Service, Events, UniActive, Tenancy and Unishop customers, who are in unexpectedly difficult economic situations.

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

	2019	2018
	$	$
At 1 January	**(3,393)**	(1,365)
Provision for impairment recognised during the year	**(42,202)**	(2,028)
At 31 December	**(45,595)**	(3,393)

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
2019				
Expected credit loss rate	**0.45 %**	**3.39 %**	**55.93 %**	**7.65 %**
Estimated total gross carrying amount at default	**273,632**	**258,482**	**63,651**	**595,764**
Expected credit loss	**1,231**	**8,762**	**35,602**	**45,595**
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

As of 31 December 2019, trade receivables of $595,764 (2018: $2,301,626) 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:

	2019	2018
	$	$
	2019	2018
	$	$
1 to 3 months	**273,632**	494,961
3 to 6 months	**258,482**	581,813
Over 6 months	**63,650**	1,224,852
At 31 December	**595,764**	2,301,626

8 Current assets - Inventories

	2019	2018
	$	$
Inventories - at cost	**955,298**	1,277,312
	955,298	1,277,312

Write downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2019 amounted to $30,457 (2018: $52,986). The expense has been included in ‘raw materials and consumables used’ in profit or loss.

9 Current Assets- Other non-financial assets

	2019	2018
	$	$
Bank Guarantee	**120,000**	120,000
Prepayments	**149,442**	71,813
	269,442	191,813

10 Non current assets - Property, plant and equipment

	2019	2018
	$	$
Building improvements		
Cost	**4,203,084**	3,905,173
Accumulated depreciation	**(3,133,675)**	(3,004,448)
Total building improvements	**1,069,409**	900,725
Leased plant and equipment		
Cost	**-**	834,030
Accumulated depreciation	**-**	(546,368)
Total plant and equipment	**-**	287,662
Plant and equipment		
Cost	**2,910,633**	3,333,892
Accumulated depreciation	**(2,397,389)**	(2,486,822)
Total plant and equipment	**513,244**	847,070
Motor vehicles		
Cost	**63,495**	63,495
Accumulated depreciation	**(63,495)**	(62,101)
Total motor vehicles	**-**	1,394
Computer equipment		
Cost	**204,376**	204,596
Accumulated depreciation	**(144,597)**	(123,554)
Total computer equipment	**59,779**	81,042
Leasehold Improvements		
Cost	**17,290,265**	17,290,265
Accumulated depreciation	**(11,170,901)**	(10,639,009)
Total improvements	**6,119,364**	6,651,256
Right-of-use assets		
Cost	**24,848,703**	-
Accumulated depreciation	**(779,927)**	-
Total Right-of-use assets	**24,068,776**	-
Total property, plant and equipment	**31,830,572**	8,769,149

10 Non current assets - Property, plant and equipment

(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	Right of Use Assets (ROA)	Total
	$	$	$	$	$	$	$	$
Year ended at 31 December 2019								
Balance at the beginning of year	**900,725**	-	**847,070**	**1,394**	**81,042**	**6,651,256**	**287,662**	**8,769,149**
Addition	**456,819**	-	**24,395**	-	-	-	**24,014,673**	**24,495,887**
Disposals - written down value	**(32,045)**	-	**(23,443)**	-	**(158)**	-	-	**(55,646)**
WIP write-off	-	-	**(75,000)**	-	-	-	-	**(75,000)**
Depreciation expense	**(256,090)**	-	**(259,778)**	**(1,394)**	**(21,105)**	**(531,893)**	**(233,558)**	**(1,303,818)**
Year ended at 31 December 2019	**1,069,409**	-	**513,244**	-	**59,779**	**6,119,364**	**24,068,776**	**31,830,572**
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

10 Non current assets - Property, plant and equipment

(b) Right-of-use assets

Information about leases where UOW Pulse Limited is a lessee is presented below:

	2019	2018
	$	$
Right-of-use assets		
Buildings		
Additions of right-of-use assets	**24,014,673**	-
Depreciation charge	**(72,323)**	-
At 31 December 2019	**23,942,350**	-

	2019	2018
	$	$
Right-of-use assets		
Plant and Equipment		
At 1 January 2019	**287,662**	-
Depreciation charge	**(161,235)**	-
At 31 December 2019	**126,427**	-
Total right-of-use assets	**24,068,776**	-

11 Non current assets - Intangible Assets

	2019	2018
	$	$
Computer software		
Cost	**81,301**	68,451
Accumulated amortisation and impairment	**(49,150)**	(39,272)
Net carrying value	**32,151**	29,179
Goodwill		
Cost	**216,792**	216,792
Accumulated impairment	**(200,460)**	(200,460)
Net carrying value	**16,332**	16,332
Total Intangibles	**48,483**	45,511

11 Non current assets - Intangible Assets

(a) **Movements in Carrying Amounts**

	Computer software	Goodwill	Occupancy Contribution	Total
	$	$	$	$
Year ended 31 December 2019				
Net carrying amount at start of year	**29,179**	**16,332**	**-**	**45,511**
Additions	**19,250**	-	-	**19,250**
Disposals	**(6,400)**	**-**	-	**(6,400)**
Amortisation	**(9,878)**	**-**	**-**	**(9,878)**
Closing value at 31 December 2019	**32,151**	**16,332**	**-**	**48,483**
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

12 Current liabilities - Trade and other payables

	2019	Restated 2018
	$	$
Sundry creditors	**317,099**	37,285
Payroll tax payable	**-**	1,678,733
GST payable	**579,406**	513,504
Accrued expenses	**5,520,961**	6,791,873
Total Trade and other payables	**6,417,466**	9,021,395

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

13 Borrowings

(a) Current liabilities

	2019	2018
	$	$
Secured		
Financial lease Liability	**-**	166,838
Total current borrowings	**-**	166,838

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

(b) Non-current liabilities

	2019	2018
	$	$
Secured		
Financial lease Liability	-	151,542
Total non-current borrowings	-	151,542
Total borrowings	-	318,380

14 Lessee

Amounts recognised in the income statement

	2019	2018
	$	$
Interest on lease liabilities	**(61,668)**	-
Income from sub-leasing right of use assets	**1,655,649**	-
Expenses relating to short-term leases	**(1,601,391)**	-
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	**(88,574)**	-
Depreciation of right-of-use assets	**(233,558)**	-
	(329,542)	-

Maturity analysis - undiscounted contractual cash flows

	2019	2018
	$	$
Less than one year	**1,849,271**	-
One to five years	**6,801,427**	-
More than 5 years	**25,389,491**	-
Total undiscounted lease payments receivable	**34,040,189**	-
Lease liabilities recognised in the statement of financial position	**24,119,134**	-
Current	**992,677**	-
Non-current	**23,126,456**	-

Amounts recognised in statement of cash flows

	2019	2018
	$	$
Total cash outflow for leases	**2,265,552**	-

Leases recognised in accordance with AASB 16 Leases are categorised as either Building or Leased Financial Assets:

(i) Buildings

The lease recognised in Buildings relates to the Funding and Service Agreement which provide the Company with a right to use and occupy space within buildings owned by the Parent. This agreement commenced in 2019 and is for a term of 20 years. There are no options to renew the agreement by the Company. The rent paid to the Parent is a fixed payment per annum.

(ii) Leased Financial Assets

The two leases recognised in Leased Financial Assets relate to gymnasium equipment. Both leases have a term of 4 years and expire in 2020 and 2021 respectively. Both leases include a payment schedule, which includes both fixed and interest payments over the term of the lease.

15 Provisions

(a) Current liabilities

	2019	2018
	$	$
Employee benefits - long service leave	**885,113**	834,232
Employee benefits - annual leave	**634,890**	607,546
Total current provisions	**1,520,003**	1,441,778

(b) Non current liabilities

	2019	2018
	$	$
Employee benefits - long service leave	**284,372**	287,295
Total Non current provisions	**284,372**	287,295

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.

	2019	2018
	$	$
Long service leave obligation expected to be settled after 12 months	**824,307**	697,580
Annual leave obligation expected to be settled after 12 months	**95,693**	101,616

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.

16 Other Current liabilities

	2019	2018
	$	$
Deposits held	**14,105**	13,823
Current Lease Liability	**992,677**	-
Income in advance	**281,373**	295,482
	1,288,155	309,305

	2019	2018
	$	$
Non-current Lease Liability	**23,126,456**	-
Total non-current liabilities	**23,126,456**	-

17 Retained Earnings

	2019	Restated 2018
	$	$
Balance 1 January	**7,912,045**	9,098,787
Operating Result for the year	**1,408,166**	(1,186,742)
Retained earnings at 31 December	**9,320,211**	7,912,045

18 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

Baily Bond (Concluded: 10/12/2019)
Melva Crouch (Concluded: 31/08/2019)
Jo Fisher
Kathleen Packer (Commenced: 10/12/2019)
Matthew Wright (Commenced: 10/12/2019)

(iii) Non executive Directors

Paul Ell
Shiva Gopalan
Kath McCollim (Concluded: 13/08/2019)
Anita Mulrooney (Concluded: 18/06/2019)
Christine O'Toole (Commenced: 13/08/2019)
James Pearson

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

18 Key Management Personnel Disclosures

(a) **Directors**
year.

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

(b) **Remuneration of Executive Officers**

	2019	2018
	$	$
Remuneration payments made to Executive Officers		
Short term employee benefits	**729,644**	678,253
Other long term employee benefits	**-**	12,487
Termination benefits	**-**	28,928
Post-employment benefits	**70,687**	71,907
Total Remuneration	**800,331**	791,575

19 Remuneration of Auditors

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

	2019	2018
	$	$
Audit Office of NSW		
Auditors remuneration - parent entity	**73,450**	78,650

20 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 2019 is $9,546 (2018: $9,130)

	2019	2018
	$	$
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	**60,959**	74,977
Later than one year but not later than five years	**35,432**	57,793
Total Operating lease commitments	**96,391**	132,770

20 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:

	2019 $	2018 $
Receivable - minimum lease payments:		
Within one year	**997,553**	1,192,438
Later than one year but not later than five years	**1,837,257**	1,798,909
	2,834,810	2,991,347

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of $460,474 including GST (2018: $438,043) was received by the Company in the period. The total GST component of operating lease commitments receivable for the year 2019 is $257,710 (2018: $271,941)

(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 2019 the unused portion of the facility was $1,118,448 (2018: $951,609) and the portion of the facility in use was $151,552 (2018:$318,391).

(b) **Capital commitments**

The Company has a contractual obligation to purchase within the next 12 months, $28,362 of plant and equipment at reporting date (2018: $21,534).

20 Commitments

(c) **Finance Lease Commitments**

	Note	2019 $	2018 $
Commitments in relation to finance lease are payable as follows:			
Within one year		**150,121**	177,828
Later than five years		**4,827**	154,949
Total		**154,948**	332,777
Less: Future lease finance charges		**(3,407)**	(14,397)
Recognised as a liability		**151,541**	318,380
Representing lease liabilities:			
Current (note 13(a))		**-**	166,838
Non-Current (note 13(b))		**-**	151,542
Total		**-**	318,380

21 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 18(b) no Director has entered into any other material contract with the Company since the end of the previous financial year.

21 Related Parties

(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:

	2019 $	2018 $
Sales of goods and services		
- Sales	**6,252,792**	6,821,142
- UOW payroll tax contribution	**2,401,799**	-
- Commissions	**41,469**	49,599
- Grants for specific purposes	**185,000**	185,000
Total	**8,881,060**	7,055,741

	2019 $	2018 $
Purchases of goods		
- Goods and services	**2,910,144**	3,054,688

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**

	2019	2018
Current receivables (sales of goods and services)		
Trade receivables	**4,143,355**	4,852,913
Current payables (purchases of goods)		
Trade creditors	**1,939,391**	2,261,560

22 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.

23 Retrospective correction of prior period error

The Company was previously exempt from payroll tax. However, this status changed after the Company changed its constitution in 2016. The Parent company dedicated significant resources to conduct a voluntary review of the Company's status. After this review, the Parent company disclosed that for a period of time, it did not consider the Company to be exempt from payroll tax. Subsequently, the Chief Commissioner of Revenue NSW also confirmed that for a period of time the exemption had ceased to apply as the Company is an educational company pursuant to Section 48 of the Payroll Tax Act 2007.

After review of payroll tax requirements, an amount of $1.7 million was adjusted in 2017-18 and prior periods financial statements. Due to the materiality of these adjustments, they have been recognised as prior period errors and corrected by restating each of the affected financial statement line items as described below.

The error has been corrected by restating each of the affected financial statement lines items for the prior period as follows:

a. Restatement of Comparatives - Statement of Financial Position extract

i. Current liabilities - trade and other payables

	2018 Restated	1 Jan 2018 Restated
Original amount included in previous financial statements	7,342,662	5,780,640
Adjustment for prior period error	1,678,733	963,979
Restated trade and other payables	9,021,395	6,744,619

ii. Total liabilities

	2018 Restated	1 Jan 2018 Restated
Original amount included in previous financial statements	9,699,420	8,033,234
Adjustment for prior period error	1,678,733	963,979
Restated total liabilities	11,378,153	8,997,213

iii. Total equity

	2018 Restated	1 Jan 2018 Restated
Original amount included in previous financial statements	9,590,778	10,062,766
Adjustment for prior period error	(1,678,733)	(963,979)
Restated total equity	7,912,045	9,098,787

iv. Retained Earnings

	2018 Restated	1 Jan 2018 Restated
Original amount included in previous financial statements	9,590,778	10,062,766
Adjustment for prior period error	(1,678,733)	(963,979)
Restated retained earnings	7,912,045	9,098,787

23 Retrospective correction of prior period error

b. Restatement of Comparatives - Statement of Comprehensive Income extract

i. Employee related expenses

	2018 Restated
Original amount included in previous financial statements	13,915,855
Adjustment for prior period error	714,754
Restated employee related expenses	14,630,609

ii. Operating result before income tax

	2018 Restated
Original amount included in previous financial statements	(471,988)
Adjustment for prior period error	(714,754)
Restated operating result before income tax	(1,186,742)

iii. Total comprehensive income for the year

	2018 Restated
Original amount included in previous financial statements	(471,988)
Adjustment for prior period error	(714,754)
Total comprehensive income for the year	(1,186,742)

24 Events Occurring After the Reporting Date

The Coronavirus (COVID-19) outbreak began in Wuhan, China and was first reported on 30 December 2019. The responses by the Australian Government and organisations both domestic and internationally, which highlighted the severity of the outbreak occurred after 31 December 2019. The World Health Organisation (WHO) declared a public health emergency of international concern over the outbreak on 20 January 2020.

Although the Coronavirus existed at 31 December 2019, the severity of the virus and the responses to the outbreak which may impact the Company's operations arose after the reporting period, as such the outbreak is a non-adjusting event for the reporting period ending 31 December 2019 and no adjustment will be made to the amounts recognised in the 31 December 2019 financial statements.

The Company is dependent on the operations of the Parent entity continuing in its traditional form and a disruption to those as a result of the Coronavirus could have a material impact to the Company's operations and financial performance. In addition to this the Coronavirus could potentially have a material impact on the Company's operations that are not dependant on the Parent entity as a result of the Australian Government's approach to manage the outbreak of Coronavirus. For example, the Government's decision to close principal places of gathering such as gyms and indoor sporting venues. Should it also decide to close Child Care facilities then the Company's facility located off campus would close operations.

The full extent of the impact of the Coronavirus on the Company is unknown and as such an estimate of the financial effect cannot be made.

25 Contingencies

There were no known contingent assets or liabilities existing at reporting date (nil at 31/12/2018).

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

	2019	2018
	$	$
Operating result for the year	**1,408,166**	(1,186,742)
Non-cash flows in profit:		
Amortisation	**9,878**	64,260
Depreciation	**1,303,818**	1,314,629
ROU lease rent	**(47,081)**	-
WIP write off	**75,000**	-
Net (gain)/loss on sale of non current assets	**62,046**	28,292
Changes in assets and liabilities		
(Increase)/decrease in trade debtors	**1,602,633**	(4,592,851)
Decrease/(increase) in prepayments	**(77,629)**	195,622
(Increase)/decrease in inventories	**322,014**	609,417
(Increase)/decrease in allowance for impairment	**42,202**	2,028
(Decrease)/increase in income in advance	**(14,109)**	85,744
Increase/(decrease) in trade creditors/accruals	**(2,603,930)**	2,276,775
Increase/(decrease) in other operating liabilities	**282**	(420)
Increase/(decrease) in other provisions	**75,302**	178,315
Net cash inflow/(outflow) from operating activities	**2,158,592**	(1,024,931)

END OF AUDITED FINANCIAL REPORT.

ABN 28 915 832 337 **ACN** 081 114 089

UOW PULSE