

ANNUAL REPORT 2020



UOW
PULSE

ABN 28 915 832 337
ACN 081 114 089



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CEO REPORT

2020 was an eventful year and one where we faced a number of challenges in a drastically changing world due to the COVID-19 pandemic. There is no doubt that these events have impacted every person in some way or another, but it is important to focus on the positives. I truly believe that the challenges that UOW Pulse faced in 2020, has strengthened our team.

2020 pushed us as a business and team to live our values. As a team we **supported** each other, we were a **community** not only for each other but for everyone that engaged with our business. This year more than ever, we showed our **agility** in being able to adapt to an online world while continuing to engage at every level. We continued to provide **quality** programs and events to those students that were close and far and we continued to **play** and make sure our workplace was fun. I am immensely proud and thankful for the way our staff stepped up to the challenge. Their ability to adapt quickly to remote working and finding new ways to deliver our services has enabled the organisation to make a significant contribution to the students at UOW. None of this would have been possible without the unwavering support of our Board throughout this period, and for this I am very grateful.



UOW Pulse was eligible and received Federal Government COVID-19 funding, which comprised of JobKeeper, Early Education and Care Relief Package, Transition Payment and a cash flow boost, which assisted us in reducing our expenses. Our team also stepped up significantly by only working the JobKeeper hours, and reducing their annual leave balances to help UOW Pulse get through this pandemic. This again showed the supportive community that we have developed at UOW Pulse, as the significant sacrifices that the team made last year ensured that we can continue to successfully operate in the years to come.

Despite all the challenges we faced, we had some positives over the year. The establishment and continued growth of UOW Pulse Early Intervention program. The team continued to work throughout the pandemic supporting many local families through this very difficult time. Kids Uni iC opened their doors in January 2020 as a new Long Day Care Service for pre-schoolers, extending our offering to the local community. Both of these operations continued to grow and helped return positive results to the bottom line, in a time when we needed it most.

UOW Pulse has ended the year a little leaner, but with some stronger practices. From the challenges we overcame as a business and team in 2020, I know we have the ability to tackle 2021 head on to succeed in becoming a leader within Student Engagement and to continue assisting UOW deliver its goals.

Alif Maccioni
Chief Executive Officer

DIRECTORS' REPORT

2020 was a year like no other as the COVID-19 Pandemic almost brought the world to a complete stop. As a result of the pandemic, UOW transitioned to online learning in March 2020 for all of its courses. This resulted in no face-to-face classes occurring on campus for 2020, which led to a significant drop in opportunities to engage students and staff outside of the digital environment. Despite these challenges we were able to continue providing high quality Student Engagement, alongside the core functions of Sport & Recreation, Retail, Food & Beverage, Children's Services, Events & Catering and Student Clubs and Social Activities.

STUDENT ENGAGEMENT

The Company's mission is to complement the 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.

The 2020 program was significantly impacted by the COVID-19 Pandemic as we were temporarily prevented from running events due to changing government restrictions and temporary pausing of Student Services and Amenities Fee ("SSAF") funding during Q2.

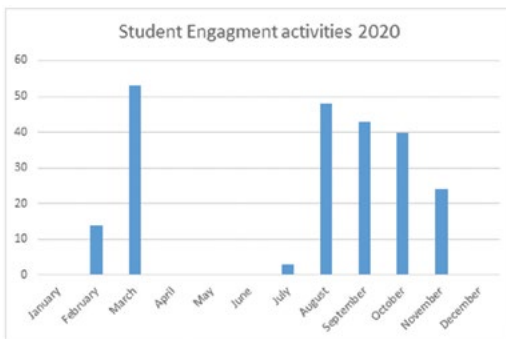
Despite these challenges in 2020 the Company focussed on creating experiences and broadening opportunities for students in an online world to:

- Join one of the 120 clubs and societies to attend the hundreds of events held virtually and face-to-face, to meet new people and develop skills.
- Give back through volunteering across pillars including Active, Events, Community, Environment and Wellness.
- Enjoy the broad entertainment program that leverages both the emerging digital technologies and innovative event strategies to comply with the "new normal".
- Participate in events, sports and workshops designed to assist student to understand the importance of wellness.

UNILIFE CAMPUS ENGAGEMENT

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

- 180 Wollongong campus events across all programs (-50% compared to 2019)
- 43,519 attendances recorded at Pulse student engagement events (-13%)



*As noted the impact of the COVID-19 pandemic resulted in restrictions that prevented public gatherings. This along with the shift to online learning contributed to the significantly reduced amount of events. However by pivoting to online engagement we were still able to reach a significant number of students with our programming who were living in lockdown.

UNICLUBS

UniClubs provides support and assistance to affiliated student run Clubs & Societies. UniClubs 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, building their social and professional networks while 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, executive training 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

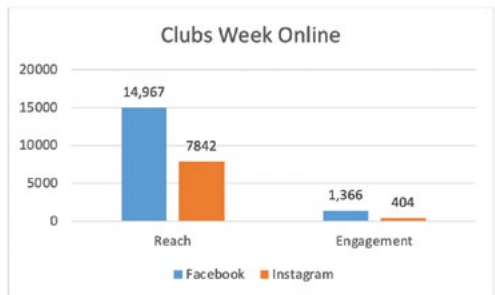
In 2020, Clubs and Societies saw unprecedented challenges with COVID-19, but successfully adapted to moving all Club events and activities online when all physical events were cancelled in March 2020. Clubs and Societies powered through by creating new and exciting ways to keep Club members interested and excited in Club run activities. Continuing to deliver opportunities for personal growth, practice skills, leadership, interaction and fun, the program has achieved the following in the past twelve months:

- 120 affiliated Clubs (-20% compared to 2019)
- 6 of those are newly affiliated clubs
- 39,006 individual club memberships (-20% compared to 2019)
- 2443 attendees at 8 UniClub Events (-67% compared to 2019)

UNICLUBS AND SOCIAL MEDIA IN 2020

- 1,314 Club and Societies posts to Facebook
- 34,622 Facebook likes
- 38,526 Facebook followers

For the first time, Clubs Week was run in an online format, which allowed for interaction with students across all domestic campuses.



COMPETITIVE SPORTS CLUBS

UniClubs provides both financial and administrative support to five competitive sporting clubs. The five clubs are UOW Hockey, UOW Rugby, UOW AFL, UOW Football and the UOW Cricket Club. The support UniClubs provides these competitive sporting clubs is making sport accessible to students by providing them with subsidised field hire and registrations. During 2020 restrictions resulted in the inability for these clubs to conduct their sports within their usual timeframes. Furthermore, due to reductions in the collection of SSAF the funding support for the program was revoked.

FACULTY AND NON-FACULTY CLUBS

2020 saw 76 non-faculty Clubs and Societies and 44 Faculty Clubs (-12% compared to 2019) successfully affiliated with UniClubs. Due to COVID-19 a significant number of events were cancelled, however the Clubs still managed to hold some events towards the end of 2020, including five end of year balls being arranged in a short timeframe when NSW COVID restrictions were eased.

2020 ACHIEVEMENTS

- 20 members of the UOW Ultimate Frisbee Club competed in the Eastern Mixed Ultimate Championship held in Canberra in November.
- UOW Ultimate Frisbee President won the 2020 Martin Laird Achievement Award that recognises the achievements and efforts of University Ultimate players.
- UOW Esport had the largest number of teams competing in the online competition, Australian Esport League. Over 50 students

competed under UOW Esport in Rocket League, CSGO, Dota, Rainbow, League of Legends, hearthstone and Pokemon.

- UOW Volleyball club and UOW SPARTA club collaborated in January to hold a beach volleyball competition to fundraise for RFS. Over 150 club members attended on the day, raising \$2680 for the NSW RFS Mt Keira Brigade.

VOLUNTEERING

The UOW Pulse 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 5 pillars of Active, Enviro Warriors, Events Crew, Wellness Ambassadors and Community Vollyies, volunteers are able to connect with likeminded people. 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.

- Events on campus (Events Crew)
- Environmental volunteering (Enviro Warriors)
- Health and fitness volunteering (Active)
- Community Volunteering
- Health and Wellbeing (Wellness Ambassadors)
- Buddies Mentoring for UOW College (Campus Buddies)

Within each of these pillars, online volunteering opportunities were added to the program in order to provide students the ability to assist their community from home. Although there was a minor drop in engagement due to reduced capacity for events and minimal students on campus, the volunteering program remained consistent when compared to 2019.



2020 ACHIEVEMENTS

- 587 registered Volunteers (+ 9% compared to 2019).
- 3,115.25 Hours volunteered (-5% compared to 2019).
- Volunteers supported a total of 165 events [129 physical and 36 online events] (+15% compared to 2019).
- Volunteers supported the packing and handout of 4,222 food packs to students in need.



PROGRAM PROFILE

- In 2020 there were more international students registering for the volunteering program, which is change from previous years.
- The events crew remains the pillar with the highest level of engagement, however community volunteering saw an increase following the need to support fellow students in hardship.

ENTERTAINMENT

The Entertainment and Events portfolio in 2020 changed dramatically due to the circumstances of COVID-19. The Student Engagement team completed successful Discovery Day Activations, O-Week and Week 1 activities before moving into virtual and smaller events for the remainder of the year.

2020 PROGRAM

- Orientation: Autumn O-Festival across 3 days including Pool Party, Under The Stars, O-Happy Hour
- Weekly Events: Lunch on the Lawn and Market Alley, Trivia Online and Physical, Drag Queen Bingo
- Online Events: Netflix Party, Home Hunt
- Themed Weeks: Scavenger Hunt, Live Art Week Virtually, International Week Online and Physically, Food Truck Trial Stress Less Week, Breakfast After Dark
- Accommodation Events: Orientation, Live in the Yard, Table Tennis Competition, Food Truck Movie Night, Donut Stress Night, Pizza and Games Night, Chocolate Hunt

2020 HIGHLIGHTS

- Trivia: Trivia was a highlight in 2020 allowing our volunteers to stay engaged with students. Trivia had the flexibility to move online via Kahoot and transition back into the UniBar with capacity numbers during session 2.
- O-Happy Hour: This was a new initiative introduced to try and welcome students back to campus in a safe environment at the UniBar. A sample of our weekly events were provided throughout the event, including Trivia, Drag Queen Bingo and an acoustic performer.
- Food Truck Trail: this was our first larger outdoor market event in COVID-19, which saw over 275 serves of food sold on the evening.
- Relationships with Accommodations: COVID-19 allowed us to develop stronger connections with UOW Accommodation Services, which saw us organising activities and entertainment for students living on-campus.

REGIONAL CAMPUS & INNOVATION CAMPUS

The UOW Pulse student engagement program includes regional and metro campuses – South Western Sydney (SWS), Sydney Business School (CBD) and Innovation Campus (IC). In 2020, students at these campuses had the opportunity to engage in activities both physically and virtually with the majority of the program being delivered online due to the restrictions of the COVID-19 pandemic.

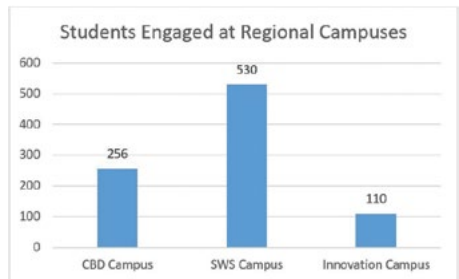
PHYSICAL

- CBD – orientation activities, welcome dinner, Manly excursion, Holi festival, chocolate drop, noodle drop (7 events, 256 attendees)
- SWS – orientation activities, Holi festival, chocolate drop, noodle drop (5 events, 530 attendees)
- IC – free food (2 events, 110 attendees)

VIRTUAL

Both SWS and CBD have a private Facebook group which has been the main channel for communication and engagement throughout 2020. Regular social content included online yoga, weekly breakfast recipes, wellness workshops, study motivation and general entertainment such as video tutorials and question polls.

Regular competitions were run throughout the year with a total of 160 people entering for a chance to get the giveaways on offer.



WELLNESS

In 2020, the Wellness by Pulse program funded through SSAF was able to design and implement a program to help foster the health and happiness of the students at UOW. The Wellness program aims at nurturing the mind, body and spirit of students through a range of workshops and regular events like yoga. 2020 saw the program successfully transition to the online space in response to COVID-19 and was able to deliver 65 events in this space. Throughout the year 111 events were run in a combined delivery of face-to-face and online.

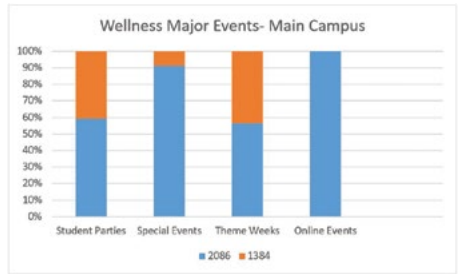
As a part of the 2020 program, Wellness delivered a weekly Wellness EDM with an audience of 19,763. This EDM was also delivered to all 9 UOW onshore campuses giving the Wellness program a multi-campus design.

The Wellness by Pulse program was supported strongly by the Pulse Volunteering Program this year with 61 active Wellness Ambassadors contributing to 317.75 volunteering hours across all 111 online and physical events.

- Session 1 Stress Less Week was delivered online for the first time, engaging with 8,795 students.
- In Session 2 Fit & Well Fest, R U OK? Day, Mental Health Month and Stress Less Week were all run in an online and face-to-face format.

2020 ACHIEVEMENTS

2020 presented the Wellness program with the opportunity to grow in response to the COVID-19 pandemic. The program reach was able to extend further with a prominent online presence. Across both virtual and physical platforms the program saw an overall engagement of 29,372 on the main campus (+62.5% compared to 2019).



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

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

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



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

Matthew 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.

Matthew'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 Director Financial Operations, Matthew'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.

Matthew 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.



Keval Patel
Non-Executive Director
Since March 2020

Keval is the Chair of the UOW Pulse Advisory Committee and is also the Vice-President of the UOW Wellbeing Club. He is currently studying a Bachelor of Mechatronics Engineering (Honors) at UOW.

Keval is passionate about education, environmental awareness and people. Through volunteering roles he has taught underprivileged children in India, participated in various tree plantation drives and also led an eye check-up drive as part of the Rotary Clubs. Through doing such activities, Keval successfully completed Gold, Silver and Bronze levels of the Duke of Edinburgh award.

BOARD OF DIRECTORS

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

There were seven meetings of the Board during 2020. 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	7	7	3	4	-	-	1	1
Paul Eil	7	7	3	4	-	-	-	-
James Pearson	7	7	4	4	-	-	-	-
Shiva Gopalan	7	7	3	4	-	-	1	1
Jo Fisher	7	7	-	-	-	-	-	-
Keval Patel	6	7	-	-	2	2	-	-
Christine O'Toole	7	7	-	-	-	-	-	-
Kathleen Packer	7	7	-	-	-	-	1	1
Matthew Wright	6	7	-	-	-	-	-	-

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 \$131,569 per 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

	2020 \$	2019 \$
Revenue	22,722,235	29,153,785
Operating result for the year	187,739	1,408,166
Retained earnings at the beginning of the financial year	9,320,211	7,912,045
Retained earnings at the end of the financial year	9,507,950	9,320,211

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 and reviewed in 2020, 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

Since 31 December 2020, there have been outbreaks of coronavirus (COVID-19) in certain areas within New South Wales and neighbouring states. This resulted in lockdowns of certain geographical areas, changes to social distancing regulations, mandatory wearing of face masks in certain situations and the closure of borders and/or restrictions in place regarding border crossing.

Although the Coronavirus existed at 31 December 2020, 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 2020 and no adjustment will be made to the amounts recognised in the 31 December 2020 financial statements.

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 17.

FINANCIAL OUTCOMES

The financial result for 2020 is an operational surplus of \$187,739, which is a major achievement considering the challenges faced by the Company as a result of Coronavirus (COVID-19).

Like many organisations throughout the world, the Company was materially impacted by the events that resulted from Coronavirus (COVID-19). Throughout the year the Federal Government imposed social distancing measures that resulted in the closure of many of the departments within the Company. In addition to this it also had a major impact on the operations within departments to ensure compliance with Government imposed social distancing measures in an effort to reduce the spread of Coronavirus. The University changed its delivery of

education to an online model as a result of Coronavirus. Both of these decisions had a material impact of reducing the Company's customers on campus and thus affecting trade and revenue.

The financial impact to the Company was a reduction in GST Turnover of 51% during 2020.

The Federal Government recognised that social distancing measures would have a negative impact on economic growth and announced financial support to impacted organisations. The Company received the following financial support as a result of Coronavirus:

- JobKeeper Payment \$5,529,435
- ChildCare Relief Package and Transition Payment \$1,169,112
- Cashflow Boost \$75,000

As social distancing restrictions eased the Company focused on customer retention and cost containment in addition to Government financial support to return a financial surplus despite the material challenges. Coronavirus had a mixed impact on the financial results within the departments of the Company. Childrens Services benefited from strong customer patronage and Government financial support to return a large financial surplus. Both UniActive and Tenancy returned strong financial surpluses despite both being impacted by social distancing restrictions. The Retail departments returned a collective financial deficit as the lack of customers on campus as a result of Coronavirus had a material impact on revenue.

As a result of strong management, continued financial contributions from the University and Coronavirus related funding from the Federal Government, the Company is well placed to meet the future needs of the campus community and return sustainable financial returns.



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 Directors' Declaration, the Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

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 2020 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).

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 13 April 2021, 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 2020 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 are 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.

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.

The scope of my audit does not include, nor 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

Delegate of the Auditor-General for New South Wales

16 April 2021
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 2020, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in cursive script that reads "D Ryan".

Dominika Ryan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 April 2021
SYDNEY

DIRECTOR'S DECLARATION

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

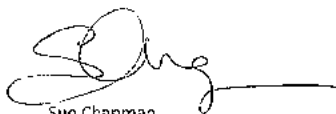
1. The financial statements and notes, are in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of the financial position of the Company as at 31 December 2020 and of their performance, as represented 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, 13 April 2021.

Signed in accordance with a resolution of the Directors.

SIGNATURES:



Sue Chapman

Chair of the UOW Pulse Ltd Board



Alf Maccioni

Chief Executive Officer

Statement of Comprehensive Income

For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue from continuing operations	3	22,722,235	29,153,785
(Loss)/gain on disposal of assets	4	(1,679)	(62,046)
Raw materials and consumables used		(2,263,956)	(5,139,072)
Employee related expenses	5(a)	(14,245,153)	(15,184,827)
Depreciation and amortisation expense	5(b)	(2,419,266)	(1,313,696)
Other expenses	5(c)	(3,601,094)	(6,034,988)
Finance costs		(3,348)	(10,990)
Operating results before income tax		187,739	1,408,166
Income tax expense	1(d)	-	-
Operating results for the year		187,739	1,408,166
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		187,739	1,408,166

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	8,821,448	4,291,578
Trade and other receivables	7	1,930,789	4,561,290
Inventories	8	562,859	955,298
Other non-financial assets	9	226,247	269,442
Total current assets		11,541,343	10,077,608
Non current assets			
Property, plant and equipment	10	29,913,022	31,830,572
Intangible assets	11	62,620	48,483
Total non current assets		29,975,642	31,879,055
Total assets		41,516,985	41,956,663
LIABILITIES			
Current liabilities			
Trade and other payables	12	6,032,895	6,417,466
Provisions	14	1,385,644	1,520,003
Other current liabilities	15	2,556,058	1,288,155
Total current liabilities		9,974,597	9,225,624
Non current liabilities			
Provisions	14	284,340	284,372
Other non current liabilities	15	21,750,098	23,126,456
Total non current liabilities		22,034,438	23,410,828
Total liabilities		32,009,035	32,636,452
Net assets		9,507,950	9,320,211
EQUITY			
Retained earnings	16	9,507,950	9,320,211
Total equity		9,507,950	9,320,211

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2020

2020

		Retained Earnings
	Note	<u>\$</u>
Balance at 1 January 2020	16	9,320,211
Surplus for the period		187,739
Other Comprehensive income		-
Total comprehensive income for the year	16	<u>187,739</u>
Balance at 31 December 2020		<u><u>9,507,950</u></u>

2019

		Retained Earnings
	Note	<u>\$</u>
Balance at 1 January 2019	16	9,590,778
Correction of prior period error		(1,678,733)
Restated Balance at 1 January 2019	16	7,912,045
Surplus for the period		1,408,166
Other Comprehensive income		-
Total comprehensive income for the year	16	<u>1,408,166</u>
Balance at 31 December 2019		<u><u>9,320,211</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		26,933,008	29,875,304
Payments to suppliers and employees		(20,284,314)	(25,680,598)
Interest received		34,123	69,482
Interest paid		(3,348)	(10,990)
Lease payments for leases of low-value assets		(83,441)	(95,456)
Net cash flows from operating activities	25	6,596,028	4,157,742
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment		(176,900)	(481,215)
Purchases of intangibles		(43,334)	(19,250)
Net cash in investing activities		(220,234)	(500,465)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Short-term lease payments		(1,699,150)	(1,999,150)
Repayment of borrowings		(146,774)	(166,837)
Net cash in financing activities		(1,845,924)	(2,165,987)
Net increase in cash and cash equivalents held		4,529,870	1,491,290
Cash and cash equivalents at beginning of year		4,291,578	2,800,288
Cash and cash equivalents at the end of the year	6	8,821,448	4,291,578

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies

OOW 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 OOW Pulse Limited for the year ended 31 December 2020.

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 13th of April, 2021.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 arises mainly from the provision of goods and services by the Company to customers located on the campuses of the University of Wollongong.

To determine whether to recognise revenue, the Company follows the 5-step process within AASB 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of goods and services is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer.

The Company generates most of its revenue from the provision of goods and services to Childcare Centres, Sports Facilities and Services, Tenanted Facilities and Retail operations.

(ii) Lease income

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

(iii) Interest income

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

(iv) Grants and contributions

An assessment is made to determine if the Company has an unmet performance obligation at the time of gaining control of the grant or contribution, and if so then a liability is recognised until the obligation is met. Alternatively, the grant or contribution will be recognised as income upon control of the contribution. Control 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*.

As of the 3rd of April 2020, the operations of the Company are exempt from payroll tax under Section 48(2) of the *NSW Payroll Tax Act 2007*, resulting from the change to the Company's constitution.

Notes to the Financial Statements

For the Year Ended 31 December 2020

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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies

Classification and subsequent measurement of financial assets

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

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

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

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

Classifications are determined by both:

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

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

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

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

Impairment of Financial assets

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

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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

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:

	2020	2019
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:

	2020	2019
Buildings	20 years	20 years
Leased finance assets	4 years	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

Notes to the Financial Statements

For the Year Ended 31 December 2020

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.

	2020	2019
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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 2020 was assessed by management in accordance with guidelines recommended by PricewaterhouseCoopers. The assumptions used to calculate the long service leave provision include:

- Salary inflation rate per annum: 3% (2019: 3%)
- Discount rate: 0.10% (2019: 1.04%)
- Proportion of leave taken in service: 34% (2019: 34%)

(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

The following standard has been issued for the 31 December 2020 reporting period. The assessment and impact of the new standard and interpretation is set out below:

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies

Standard	Application Date	Implications
AASB 1059 Service Concession Arrangements: Grantors	1 January 2020	No material impact

The Company's assessment of the impact of this new standard and interpretation is that it has 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 0.29% (2019: 0.92%).

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

(b) Liquidity risk

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

Maturities of financial liabilities

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

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Financial risk management objectives and policies

(b) Liquidity risk

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 2020

	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	0.29	8,821,448	-	-	8,821,448	-	-	8,821,448
Receivables	-	-	-	1,930,789	1,930,789	-	-	1,930,789
Other financial assets	0.75	-	120,000	-	120,000	-	-	120,000
Total Financial assets		8,821,448	120,000	1,930,789	10,872,237	-	-	10,872,237
Financial liabilities								
Payables	-	-	-	5,605,128	5,605,128	-	-	5,605,128
Lease liability	4.97	-	4,776	-	4,776	-	-	4,776
Total financial liabilities	-	-	4,776	5,605,128	5,609,904	-	-	5,609,904

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

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Financial risk management objectives and policies

(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 (2019: \$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 2020 is an increase or decrease of 1% based on the current Reserve Bank of Australia cash rate of 0.10%. 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 2020

Carrying amount \$	Interest rate risk				Price risk				
	-1%		+1%		-1%		+1%		
	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	
Financial assets									
Cash and Cash Equivalents	8,821,448	(88,214)	(88,214)	88,214	88,214	-	-	-	-
Accounts receivable	1,930,789	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	5,605,128	-	-	-	-	-	-	-	-
Current borrowings	4,776	-	-	-	-	-	-	-	-
Other financial liabilities	14,707	-	-	-	-	-	-	-	-
Total increase/(decrease)		(88,214)	(88,214)	88,214	88,214	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2020

31 December 2019

Carrying amount	Interest rate risk				Price risk				
	-1%		+1%		-1%		+1%		
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets									
Cash and Cash Equivalents - Deposits at call	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	-	-	-	-

3 Revenue

(a) From continuing operations

	2020	2019
	\$	\$
Sales revenue		
- Sale of goods	3,959,662	10,295,113
- Provision of services	9,356,275	11,745,842
	<u>13,315,937</u>	<u>22,040,955</u>
Other revenue		
- UOW Contribution	2,799,150	2,799,150
- Rental income	858,590	1,655,649
- UOW payroll tax contribution	-	2,401,799
- Kids Uni Grant from UOW	185,000	185,000
- Interest	34,123	69,482
- Other income	-	1,750
- JobKeeper Payment Federal Government	5,529,435	-
	<u>9,406,298</u>	<u>7,112,830</u>
	<u>22,722,235</u>	<u>29,153,785</u>

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Revenue

(b) Disaggregation of sales revenue from contracts with customers

Revenue and Income Streams	Sources of funding						2020
	Event Management	Sport and Leisure	Tenancy	Child Care	Grants	UOW	Total
	\$	\$	\$	\$	\$	\$	\$
Fees and charges							
Events sales	423,742	-	-	-	-	-	423,742
Rent	-	-	858,590	-	-	-	858,590
Child Care fees	-	-	-	6,685,613	-	-	6,685,613
Child Care grant	-	-	-	-	185,000	-	185,000
Gym Membership fees	-	2,080,916	-	-	-	-	2,080,916
Contribution	-	-	-	-	-	2,898,441	2,898,441
Total Fees and charges	423,742	2,080,916	858,590	6,685,613	185,000	2,898,441	13,132,302

Revenue and Income Streams	Sources of funding						2019
	Event Management	Sport and Leisure	Tenancy	Child Care	Grants	UOW	Total
	\$	\$	\$	\$	\$	\$	\$
Fees and charges							
Events sales	1,623,946	-	-	-	-	-	1,623,946
Rent	-	-	1,655,649	-	-	-	1,655,649
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 course fees and charges	1,623,946	3,261,869	1,655,649	5,718,817	225,828	3,144,745	15,630,854

4 Loss on disposal of assets

	2020	2019
	\$	\$
Loss on disposal of assets	(1,679)	(62,046)
	<u>(1,679)</u>	<u>(62,046)</u>

5 Expenses

(a) Employee benefits expense

	2020	2019
	\$	\$
Wages and salaries	11,982,468	11,830,657
Payroll tax	192,516	810,862
Annual leave, long service leave & workers insurance expense	1,008,461	1,289,611
Superannuation expense	1,021,415	1,145,318
Other employee benefits	40,293	108,379
	<u>14,245,153</u>	<u>15,184,827</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

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

	2020	2019
	\$	\$
Depreciation		
Building improvements	288,465	256,090
Depreciation - motor vehicles	-	1,394
Leased plant & equipment	123,353	161,235
Plant and equipment	208,706	259,778
Computer equipment	18,662	21,105
Leasehold Improvements	531,893	531,893
Lease Depreciation	<u>1,218,990</u>	<u>72,323</u>
Total Depreciation	<u>2,390,069</u>	<u>1,303,818</u>
Amortisation		
Computer software	<u>29,197</u>	9,878
Total amortisation	<u>29,197</u>	9,878
Total depreciation and amortisation	<u>2,419,266</u>	<u>1,313,696</u>

(c) Other Expenses

	2020	2019
	\$	\$
Consultant fees	151,221	189,798
Maintenance	208,548	449,348
Advertising & Promotional	35,142	90,857
Computer rental	95,158	88,573
Auditor's remuneration - audit of financial statements	73,450	73,450
Security	32,064	85,923
Activity Expenses	8,412	196,541
Cleaning	54,755	99,954
Kids Uni Catering	91,588	122,607
Bank charges	62,993	128,935
Laundry	47,816	74,999
Nappy Services	32,915	40,617
Waste disposal	96,278	171,742
Small Equipment	-	68,003
Legal expenses	33,342	40,217
Materials and Consumables	-	93,574
Evening Entertainment	38,800	43,855

Notes to the Financial Statements

For the Year Ended 31 December 2020

5 Expenses

(c) Other Expenses	2020	2019
	\$	\$
Lunch Entertainment	337,743	278,992
Electricity Expenses	170,475	211,139
Gas Charges	108,367	148,657
UOW Rent	-	1,601,391
Lease Interest Expenses (ROA)	866,154	50,678
UniLife Promotion	8,819	168,933
General expense	-	296,353
Evening Sound	57,271	273,428
Computer software	90,613	72,051
Staff training	31,205	68,857
Bad debt expenses	96,545	46,340
Customer transaction fee	76,669	61,153
Printing	46,014	44,905
Promotional resources	217,279	15,620
Rental external	68,499	50,079
Subscriptions	54,337	53,493
Other	308,622	533,926
	<u>3,601,094</u>	<u>6,034,988</u>

6 Current assets - Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	<u>8,821,448</u>	<u>4,291,578</u>

7 Current assets - Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	2,039,573	4,606,885
Provision for impairment	(108,784)	(45,595)
Sub - Total	<u>1,930,789</u>	<u>4,561,290</u>
Total current trade and other receivables	<u>1,930,789</u>	<u>4,561,290</u>

(a) Impaired trade receivables

As at 31 December 2020 current trade receivables of the Company with a nominal value of \$1,007,000 (2019: \$641,359) were past due. Of this past due amount, \$108,784 (2019: \$45,595) 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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

7 Current assets - Trade and other receivables

(a) Impaired trade receivables

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

	2020	2019
	\$	\$
At 1 January	(45,595)	(3,393)
Provision for impairment recognised during the year	(94,703)	(42,202)
Receivables written off during the year as uncollectible	31,514	-
At 31 December	<u>(108,784)</u>	<u>(45,595)</u>

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
2020				
Expected credit loss rate	0.56 %	4.24 %	69.92 %	12.11 %
Estimated total gross carrying amount at default	427,964	338,627	131,625	898,216
Expected credit loss	2,407	14,348	92,028	108,784
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

As of 31 December 2020, trade receivables of \$898,216 (2019: \$595,764) 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:

Notes to the Financial Statements

For the Year Ended 31 December 2020

	2020	2019
	\$	\$
1 to 3 months	427,964	273,632
3 to 6 months	338,627	258,482
Over 6 months	131,625	63,650
At 31 December	898,216	595,764

8 Current assets - Inventories

	2020	2019
	\$	\$
Inventories - at cost	562,859	955,298
	562,859	955,298

Write downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2020 amounted to \$25,874 (2019: \$30,457). The expense has been included in 'raw materials and consumables used' in profit or loss.

9 Current Assets - Other non-financial assets

	2020	2019
	\$	\$
Bank Guarantee	120,000	120,000
Prepayments	106,247	149,442
	226,247	269,442

Notes to the Financial Statements
For the Year Ended 31 December 2020

10 Non current assets - Property, plant and equipment

	2020	2019
	\$	\$
Building improvements		
Cost	4,096,811	4,203,084
Accumulated depreciation	<u>(3,178,908)</u>	<u>(3,133,675)</u>
Total building improvements	<u>917,903</u>	<u>1,069,409</u>
Leased plant and equipment		
Plant and equipment		
Cost	2,850,504	2,910,633
Accumulated depreciation	<u>(2,507,704)</u>	<u>(2,397,389)</u>
Total plant and equipment	<u>342,800</u>	<u>513,244</u>
Motor vehicles		
Cost	63,495	63,495
Accumulated depreciation	<u>(63,495)</u>	<u>(63,495)</u>
Total motor vehicles	<u>-</u>	<u>-</u>
Computer equipment		
Cost	196,240	204,376
Accumulated depreciation	<u>(155,124)</u>	<u>(144,597)</u>
Total computer equipment	<u>41,116</u>	<u>59,779</u>
Leasehold Improvements		
Cost	17,290,265	17,290,265
Accumulated depreciation	<u>(11,702,793)</u>	<u>(11,170,901)</u>
Total improvements	<u>5,587,472</u>	<u>6,119,364</u>
Right-of-use assets		
Cost	25,141,631	24,848,703
Accumulated depreciation	<u>(2,117,900)</u>	<u>(779,927)</u>
Total Right-of-use assets	<u>23,023,731</u>	<u>24,068,776</u>
Total property, plant and equipment	<u>29,913,022</u>	<u>31,830,572</u>

Notes to the Financial Statements For the Year Ended 31 December 2020

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 \$	Plant and equipment \$	Motor vehicles \$	Computer equipment \$	Leasehold improvements \$	Right of Use Assets (ROA) \$	Total \$
Year ended at 31 December 2020							
Balance at the beginning of year	1,069,409	513,244	-	59,779	6,119,364	24,068,776	31,830,572
Addition	136,959	39,941	-	-	-	297,298	474,198
Disposals - written down value	-	(1,679)	-	-	-	-	(1,679)
Depreciation expense	(288,465)	(208,706)	-	(18,663)	(531,893)	(1,342,343)	(2,390,070)
Year ended at 31 December 2020	917,903	342,800	-	41,116	5,587,472	23,023,731	29,913,022
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	(256,080)	(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

Notes to the Financial Statements

For the Year Ended 31 December 2020

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:

	2020	2019
	\$	\$
Right-of-use assets		
Buildings		
At 1 January 2020	23,942,350	-
Additions of right-of-use assets	297,298	24,014,673
Depreciation charge	<u>(1,218,990)</u>	<u>(72,323)</u>
At 31 December 2020	<u>23,020,658</u>	<u>23,942,350</u>

	2020	2019
	\$	\$
Right-of-use assets		
Plant and Equipment		
At 1 January 2020	126,427	287,662
Depreciation charge	<u>(123,354)</u>	<u>(161,235)</u>
At 31 December 2020	<u>3,073</u>	<u>126,427</u>
Total right-of-use assets	<u>23,023,731</u>	<u>24,068,776</u>

11 Non current assets - Intangible Assets

	2020	2019
	\$	\$
Computer software		
Cost	124,635	81,301
Accumulated amortisation and impairment	<u>(78,347)</u>	<u>(49,150)</u>
Net carrying value	<u>46,288</u>	<u>32,151</u>
Goodwill		
Cost	216,792	216,792
Accumulated impairment	<u>(200,460)</u>	<u>(200,460)</u>
Net carrying value	<u>16,332</u>	<u>16,332</u>
Total Intangibles	<u><u>62,620</u></u>	<u><u>48,483</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

11 Non current assets - Intangible Assets

(a) Movements in Carrying Amounts

	Computer software \$	Goodwill \$	Total \$
Year ended 31 December 2020			
Net carrying amount at start of year	32,151	16,332	48,483
Additions	43,334	-	43,334
Amortisation	(29,197)	-	(29,197)
Closing value at 31 December 2020	46,288	16,332	62,620
Year ended 31 December 2019			
Net carrying amount at start of year	29,179	16,332	45,511
Reclassification to Leasehold Improvements	-	-	-
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

12 Current liabilities - Trade and other payables

	2020 \$	2019 \$
Sundry creditors	85,723	317,099
GST payable	427,767	579,406
Accrued expenses	5,519,405	5,520,961
Total Trade and other payables	6,032,895	6,417,466

13 Lessee

Amounts recognised in the income statement

	2020 \$	2019 \$
Interest on lease liabilities	(869,444)	(61,668)
Income from sub-leasing right of use assets	858,590	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	(83,441)	(88,574)
Depreciation of right-of-use assets	(1,218,095)	(233,558)
	(1,312,390)	(329,542)

Notes to the Financial Statements

For the Year Ended 31 December 2020

13 Lessee

Maturity analysis - undiscounted contractual cash flows

	2020	2019
	\$	\$
Less than one year	1,720,275	1,849,271
One to five years	6,881,100	6,801,427
More than 5 years	<u>23,984,875</u>	<u>25,389,491</u>
Total undiscounted lease payments receivable	32,586,250	34,040,189
Lease liabilities recognised in the statement of financial position	<u>23,411,396</u>	<u>24,119,134</u>
Current	1,661,298	992,677
Non-current	21,750,098	23,126,456

Amounts recognised in statement of cash flows

	2020	2019
	\$	\$
Total cash outflow for leases	1,932,712	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 lease recognised in Leased Financial Assets relates to gymnasium equipment. The lease has a term of 4 years and expires in 2021. The lease includes a payment schedule, which includes both fixed and interest payments over the term of the lease.

14 Provisions

(a) Current liabilities

	2020	2019
	\$	\$
Employee benefits - long service leave	678,312	885,113
Employee benefits - annual leave	<u>707,332</u>	<u>634,890</u>
Total current provisions	1,385,644	1,520,003

Notes to the Financial Statements

For the Year Ended 31 December 2020

14 Provisions

(b) Non current liabilities

	2020	2019
	\$	\$
Employee benefits - long service leave	<u>284,340</u>	<u>284,372</u>
Total Non current provisions	<u><u>284,340</u></u>	<u><u>284,372</u></u>

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.

	2020	2019
	\$	\$
Long service leave obligation expected to be settled after 12 months	515,118	824,307
Annual leave obligation expected to be settled after 12 months	112,917	95,693

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.

15 Other Current liabilities

	2020	2019
	\$	\$
Deposits held	14,707	14,105
Current Lease Liability	1,666,066	992,677
Income in advance	<u>875,285</u>	<u>281,373</u>
	<u><u>2,556,058</u></u>	<u><u>1,288,155</u></u>

	2020	2019
	\$	\$
Non-current Lease Liability	<u>21,750,098</u>	<u>23,126,456</u>
Total non-current liabilities	<u><u>21,750,098</u></u>	<u><u>23,126,456</u></u>

16 Retained Earnings

	2020	Restated 2019
	\$	\$
Balance 1 January	9,320,211	7,912,045
Operating Result for the year	<u>187,739</u>	<u>1,408,166</u>
Retained earnings at 31 December	<u><u>9,507,950</u></u>	<u><u>9,320,211</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

17 Key Management Personnel Disclosures

(a) **Directors**

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

(i) Chair

Sue Chapman

(ii) Executive Directors

Jo Fisher
Kathleen Packer
Matthew Wright

(iii) *Non-executive Directors*

Paul Ell
Shiva Gopalan
Christine O'Toole
Keval Patel (Commenced: 16/04/2020)
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 year.

No remuneration was paid to Directors during the year in their roles as Directors.

(b) **Remuneration of Executive Officers**

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

	2020	2019
	\$	\$
Remuneration payments made to Executive Officers		
Short term employee benefits	736,723	729,644
Post-employment benefits	<u>64,264</u>	<u>70,687</u>
Total Remuneration	<u>800,987</u>	<u>800,331</u>

18 Remuneration of Auditors

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

	2020	2019
	\$	\$
Audit Office of NSW		
Auditors remuneration	73,450	73,450

Notes to the Financial Statements

For the Year Ended 31 December 2020

19 Commitments

(a) Lease commitments

(i) *Operating lease commitments*

Future Non Cancellable Operating Lease Rentals of Plant and Equipment

The Company has entered into a commercial lease for computer equipment. The computer equipment lease is for three years. There are no restrictions placed upon the lessee by entering into these leases. The GST component of operating lease commitments for the year 2020 is \$8,344 (2019: \$9,546)

	2020	2019
	\$	\$
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	63,097	60,959
Later than one year but not later than five years	50,720	35,432
Total Operating lease commitments	<u>113,817</u>	<u>96,391</u>

(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:

	2020	2019
	\$	\$
Receivable - minimum lease payments:		
Within one year	721,400	997,553
Later than one year but not later than five years	1,136,788	1,837,257
	<u>1,858,188</u>	<u>2,834,810</u>

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of \$92,991 including GST (2019: \$460,474) was received by the Company in the period. The total GST component of operating lease commitments receivable for the year 2020 is \$85,859 (2019: \$257,710)

(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

Notes to the Financial Statements

For the Year Ended 31 December 2020

19 Commitments

at the market rate prevailing at the time of the drawdown. As at 31 December 2020 the unused portion of the facility was \$1,265,224 (2019: \$1,118,448) and the portion of the facility in use was \$4,776 (2019:\$151,552).

(b) Capital commitments

The Company has a contractual obligation to purchase within the next 12 months, \$54,448 of plant and equipment at reporting date (2019: \$28,362).

(c) Finance Lease Commitments

	2020	2019
Note	\$	\$
Commitments in relation to finance lease are payable as follows:		
Within one year	4,835	150,121
Later than five years	-	4,827
Total	4,835	154,948
Less: Future lease finance charges	(59)	(3,407)
Recognised as a liability	4,776	151,541

20 Related Parties

(a) Directors' Transactions with UOW Pulse Limited

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2020

20 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:

	2020	2019
	\$	\$
Sales of goods and services		
- Sales	4,270,269	6,252,792
- UOW payroll tax contribution	-	2,401,799
- Commissions	25,903	41,469
- Grants for specific purposes	185,000	185,000
Total	4,481,172	8,881,060

	2020	2019
	\$	\$
Purchases of goods		
- Goods and services	2,708,609	2,910,144

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

	2020	2019
<i>Current receivables (sales of goods and services)</i>		
Trade receivables	1,251,605	4,143,355
<i>Current payables (purchases of goods)</i>		
Trade creditors	2,207,866	1,939,391

21 Economic dependency

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

Notes to the Financial Statements

For the Year Ended 31 December 2020

22 Impact of Coronavirus (COVID-19)

Coronavirus (COVID-19) has had a material impact on the Company and has subsequently impacted the following components of the financial statements: revenue, impairment of debt, raw materials and consumables, cash and cash equivalents, receivables, inventories and related party transactions.

Revenue reduced by \$6,431,550 during the year, which is attributed to Coronavirus and the subsequent reduction in the sale of goods and services. Revenue impacted by Coronavirus was material in the following units: Retail Operations, Tenancy and Sports and Leisure. Revenue reduced to \$22,722,235, which includes the receipt of the JobKeeper Payments totalling \$5,529,435. Revenue also included other receipts from the Federal Government relating to Coronavirus including the Child Care Relief Package & Transition Payment \$1,169,112 and the Cashflow Boost payment \$75,000.

Coronavirus also impacted Related Party Transactions through reduced sales of goods and services to the University of Wollongong totalling \$4,399,888. This represents a reduction of 50%.

The provision for the impairment of trade receivables during the year increased from \$45,595 to \$108,784 relating to customers who were in difficult economic situations.

The reduction in revenue had a flow on impact with material reductions in Raw Materials and Consumable Used in addition to Inventory held at the end of the financial year.

Employee Related Expenses includes the payment of JobKeeper Payments to employees totalling \$5,529,435.

23 Events Occurring After the Reporting Date

Whilst the first reporting of Coronavirus (COVID-19) occurred in December 2019, there have been outbreaks of the virus during the year.

Since 31 December 2020, there have been further outbreaks of coronavirus (COVID-19) in certain areas within New South Wales and neighbouring states. This resulted in lockdowns of certain geographical areas, changes to social distancing regulations, mandatory wearing of face masks in certain situations and the closure of borders and/or restrictions in place regarding border crossing.

Although the Coronavirus existed at 31 December 2020, 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 2020 and no adjustment will be made to the amounts recognised in the 31 December 2020 financial statements.

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.

24 Contingencies

There were no known contingent assets or liabilities existing at reporting date (nil at 31/12/2019).

Notes to the Financial Statements

For the Year Ended 31 December 2020

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

	2020	2019
	\$	\$
Operating result for the year	187,739	1,408,166
Non-cash flows in profit:		
Amortisation	29,197	9,878
Depreciation	2,390,069	1,303,818
ROU lease rent	845,029	(47,081)
WIP write off	-	75,000
Net (gain)/loss on sale of non current assets	1,679	62,046
Changes in assets and liabilities		
(Increase)/decrease in trade debtors	2,567,312	1,602,633
Decrease/(increase) in prepayments	43,195	(77,629)
(Increase)/decrease in inventories	392,439	322,014
(Increase)/decrease in allowance for impairment	63,189	42,202
(Decrease)/increase in income in advance	593,912	(14,109)
Increase/(decrease) in trade creditors/accruals	(383,943)	(2,603,930)
Increase/(decrease) in other operating liabilities	602	282
Increase/(decrease) in other provisions	(134,391)	75,302
Net cash inflow/(outflow) from operating activities	6,596,028	2,158,592

END OF AUDITED FINANCIAL REPORT.

