

ANNUAL REPORT 2021



UOW
PULSE

ABN 28 915 832 337
ACN 081 114 089



ANNUAL REPORT 2021



UOW
PULSE

CONTENTS

CEO Report	2
Directors' Report	3
Independent Auditor's Report	14
Auditor's Independence Declaration	16
Directors' Declaration	17
Statement of Comprehensive Income	18
Statement of Financial Position	19
Statement of Changes in Equity	20
Statement of Cash Flows	21
Notes to the Financial Statements	22

CEO REPORT

2021 brought us another eventful year. We continued to successfully navigate the COVID-19 landscape with the strictest restrictions following the Greater Sydney lockdown in mid-June, whilst still providing some of the best Student Engagement programs in Australia albeit online. The challenges that our business and staff have had to face for a second year running, has continued to strengthen the UOW Pulse team.

2021 continued to push us as a business and team to really live the Pulse values. As a team we **supported** each other, we came together as a **community** not only for each other, but for everyone that engaged with our business. We continued to show our **agility** in being able to quickly and seamlessly pivot our programs to an online format and growing the way we can creatively engage with students. We continued to provide **quality** programs and events to students that were near & far and continue to strive to be the best provider for quality student engagement in the country, which was recognised at the annual SEN (Student Engagement Network) Awards night where we won 5 awards and highly commended for 2 other categories. Most of all, through all of the ups and downs, successes and challenges we continued to **play** and make sure our workplace was a fun and safe space. I am immensely proud and continue to be astounded by the way our staff continue to step up to the challenges we have been faced with and do so with a positive attitude.



UOW Pulse was eligible and received Federal Government COVID-19 JobSaver funding, which assisted us in reducing our expenses. Our team, once again stepped up significantly by reducing their annual leave balances and many opted to take some leave without pay to help UOW Pulse get through another year of the pandemic.

Despite all the challenges we faced, we had some positives over the year, which included digitising most of our student engagement programs to ensure we were able to engage with students whilst they were studying remotely and in lockdown. We introduced more events that offered diversity inclusion like Drag Queen Bingo, which have been a hit with students. UOW Pulse also developed and grew our community engagement with UOW through several different avenues including, the launch of the Kids Uni Reconciliation Plan and partnering with Early Start to develop the 'Early Start Denver Model' training facility. Commercially, we have also developed our relationships with local businesses and have expanded our online presence through our websites and food delivery platforms to ensure continued customer engagement.

UOW Pulse has ended the year a little tattered at the edges from another tipsy turvy year, but we have continued to strengthen our practices and programs. As I reflect on the year that has been, I know that from the challenges we have faced and the actions we have taken that as a business we have the ability to take 2022 head on and continue to succeed in becoming the leader within Student Engagement and being a strategic partner with UOW.

Finally, I want to acknowledge the UOW Pulse Board as our success this year would not have been possible without their unwavering support, and for this I am very grateful. I also would like to thank our departing Director, Mr Paul Eli for his support and contribution whilst on the Board. Also, a huge acknowledgment to Ms Sue Chapman who has been the chairperson of the UOW Pulse Board since its creation. Sue has been the leader this organisation needed to have at the helm, and will be missed when she retires in April 2022. It has been a privilege and great learning opportunity for me personally to have worked with Sue over the last five years.

Alf Maccioni
Chief Executive Officer

DIRECTORS' REPORT

2021 was another unpredictable and challenging year as the COVID-19 pandemic continued to impact the world. As a result of the pandemic and extended lockdowns throughout New South Wales, UOW continued with online learning for all courses for the academic year. Throughout these challenging times, UOW Pulse was able to quickly pivot and continue to provide high quality Student Engagement through a combination of online and in-person activities and events. In line with Government restrictions, our core functions of Sports & Recreation, Retail, Food & Beverage, Children's Services, Events & Catering and Student Clubs and Social Activities continued to operate.

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 Pulse 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. Our program benefits include improved academic attainment, better retention rates, higher student satisfaction and the cultivation of a positive community.

Similar to the previous year, the 2021 program was significantly impacted by the COVID-19 pandemic as we were temporarily prevented from running events due to changing government restrictions and learning being 100% online.

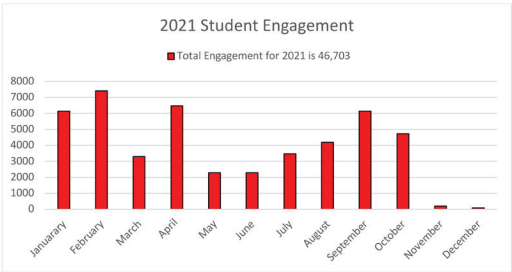
Despite these challenges in 2021 the UOW Pulse focused on creating better experiences and broadening opportunities for students in an online world to:

- 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 digital technologies and innovative event strategies.
- Participate in events, sports and workshops designed to assist students through all phases of their academic year.

PULSE 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 details the combined total achieved:

- 488 events across all programs (+170% compared to 2020)
- 46,703 attendees recorded at Pulse student engagement events (+7.3% compared to 2020)



*As noted, the impact of the COVID-19 pandemic resulted in restrictions that prevented public gatherings. This along with online learning for the whole academic year contributed to the significantly reduced number of events. However, by continuing to build our online engagement we were still able to reach a significant number of students with our programming throughout the year.

UNICLUBS

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, allowing them to build their social and professional networks while offering the opportunity to participate in a diverse range of activities and events. UOW Pulse's UniClubs team 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 & 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 2021, UniClubs had a positive start with significantly reduced government restrictions for the first 6 months, enabling Clubs & Societies to have a strong start to the year by signing up many new members during virtual O-Week and Clubs Day. In June 2021, government restrictions were tightened for several months which saw most Clubs cease their activities, however a small group continued to hold weekly online meetings and events. The UniClubs team moved to an online platform to continue engagement with Clubs & Societies running events like trivia, executive training and online competitions. Clubs & Societies continued to deliver opportunities for personal growth, skills development, leadership, interaction and fun with the program achieving the following over the past twelve months:

- 120 affiliated Clubs (+/- 0% compared to 2020)
- 30 of those are newly affiliated clubs (+400% compared to 2020)
- 36,660 individual club memberships (-6% compared to 2020)
- 3,099 attendees at 21 UniClub Events (+27% attendance compared to 2020) (+162% UniClubs Events compared to 2020)

UNICLUBS AND SOCIAL MEDIA IN 2021

- 1,314 Clubs and Societies post to Facebook
- 34,662 Facebook likes
- 28,526 Facebook followers

For the second year, Clubs Week was run in an online format, which allowed for interaction with students across all domestic campuses. It was a successful week, with the following achievements:

- 180 members participated
- 44 Clubs participated
- 5,161 Facebook likes, shares, comments and views

COMPETITIVE SPORTS CLUBS

UOW Pulse UniClubs provided both financial and administrative support to five competitive sporting clubs. These competitive clubs are UOW Hockey, UOW Rugby, UOW AFL, UOW Football and the UOW Cricket Club. Due to the extended lockdown in mid-2021 organised sporting activities were significantly disrupted, which resulted in all Clubs abandoning their season.

FACULTY AND NON-FACULTY CLUBS

2021 saw 73 Non-Faculty Clubs and Societies and 47 Faculty Clubs (+/- 0% compare to 2020) successfully affiliated with UniClubs. With lockdown restrictions pausing all clubs in mid to late 2021, many large events such as end of year balls were cancelled.

2021 ACHIEVEMENTS

- UOW Debating Society hosted Australia's first in-person debating competition since the COVID-19 pandemic started in 2020.
- UOW Ultimate Frisbee Club competed in the annual Bathurst Frisbee competition, taking the largest team in their history (3 teams of 48 players).
- UOW Digital Media Society started collaborating with UOW Hong Kong and UOW Dubai for their annual Bloggie Awards.
- UOW Tennis Club regularly collaborated with UTS Tennis Club for training and competition.
- Illawarra Public Health Society held Bike'N'Blend, gaining 72 new members with over 100 students attending.

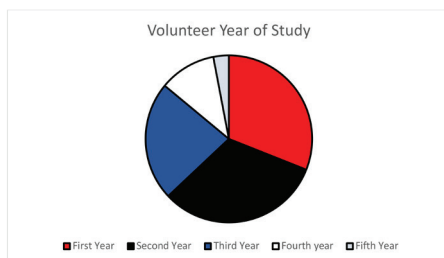
VOLUNTEERING

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 Volles volunteers are able to connect with likeminded individuals. 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.

In 2021, there were 223 domestic students and 137 international students registered for the Volunteering program.

2021 ACHIEVEMENTS

- 360 registered volunteers (-38.67% compared to 2020)
- 2,867 hours volunteered (-7.97% compared to 2020)
- Volunteers supported a total of 90 events and activations [80 physical and 10 online events] (-45.45% compared to 2020)
- Volunteers supported the first semester of Pulse Pantry (prior to the NSW lockdown)



WELLNESS

In 2021, the Wellness by Pulse program funded through SSAF was able to design and implement a program to help foster the health and happiness of students at UOW. The Wellness program aims at nurturing the mind, body and spirit of students through a range of workshops and regular events. 2021 saw the program delivered in a hybrid style with both face-to-face and online sessions, facilitating engagement with UOW on-shore and off-shore students.

Throughout the year, 162 Wellness events and activations were run in a combined delivery of face-to-face and online. This was a 46% growth in the number of events offered by the Wellness program, bringing the total number of engaged participants to 19,377.

2021 ACHIEVEMENTS

- Wellness by Pulse in partnership with the Pulse Volunteering program and Cancer Council Australia hosted an Australia's Biggest Morning Tea event raising over \$800.
- 1,070 students participated in Stress Less Week Semester 1, with 14 activations happening at Wollongong campuses, including a muffin parachute drop from the University Library roof.
- Throughout the Great Sydney Lockdowns workshop packages such as pottery packs, fresh food recipe boxes and candle making kits were sent to students.
- 170 students participated in R U Ok? Day by anonymously sending a care package to a friend.
- Over 290 students engaged online in Stress Less Week Semester 2, with 90 workshop pack sent.

ENTERTAINMENT

The Entertainment and Events portfolio in 2021 continued to change dramatically due to the COVID-19 landscape. The Student Engagement team completed a successful 6 months of in-person events, prior to pivoting to an online delivery model when the Greater Sydney lockdowns commenced in mid-June.

2021 PROGRAM

- Orientation: Autumn O-Festival across 3 days including Drive-In Movie, O-Trivia, O-Comedy, Great Hall Movie Night and O-Party
- Weekly Events: Lunch on the Lawn and Market Alley, Trivia, Drag Queen Bingo, Guided Groove and Bev's and Brushes (January – May)
- Online Events: Bev's and Brushes and Instagram Trivia (May – November)
- Themed Weeks: Live Art Week, Moonlit Markets, Breakfast After Dark and International Week
- Accommodation Events: Bend and Snack, Table Tennis, Murder Mystery, Friday Fun

2021 HIGHLIGHTS

- Autumn Orientation: This was the first large COVID-Safe event UOW Pulse hosted in 2021. There were 5,700 attendees across a number of events throughout the week, which was facilitated by spreading across the whole campus.
- Market Alley: Throughout Semester 1, 2021 there was increased attendance by both participants and stallholders. Due to restrictions, we were unable to hold Market Alley in Semester 2, 2021.
- Bev's and Brushes: This was a new initiative to generate more creative activity in the UniBar. This program was well received in-person and was transitioned into an online format seamlessly.
- Cultural Events: We introduced new cultural events to the program, including Diwali Picnic which was very well received. Moving into 2022 we are looking to build more cultural events and experiences into our program.

REGIONAL CAMPUS & INNOVATION CAMPUS

The UOW Pulse Student Engagement program encompasses all on-shore campuses, including: Sydney Business School (CBD) and Innovation Campus (IC). South West Sydney (SWS) campus was not included in the Pulse portfolio for 2021, as this was managed by the Campus Management team. In 2021, students at these campuses had the opportunity to engage in activities both physically and virtually.

PHYSICAL EVENTS

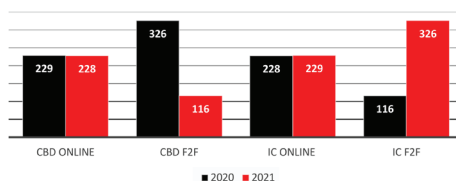
- CBD – Table Tennis Competition, Meet and Eat, Sydney Nature Tour, Holi Fest, Easter Egg Drop and Stress Less Week, Sydney Landmark Tour, Bev's and Brushes, Canape Connections and End of Year Dinner (10 events, 116 attendees)
- IC – Lunar New Year, Social Lunches, Soccer and Snags, Coffee Masterclass, Blue Mountains Excursion, Sci-Fi Film Night and End of Year Dinner (8 events, 326 attendees)

VIRTUAL EVENTS

Both CBD and IC has increased direct email engagement and social media content via Facebook groups. Regular social content included wellness workshops, study motivation, video tutorials and question polls. The team also hosted regular competitions and giveaways like chocolate gift packs, inspirational cookies and YOUFOODZ vouchers at both campuses.

Virtual engagement activities for students at both campuses included Bev's and Brushes, social games online, and "drop-in" chat sessions.

CBD & IC Student Engagement (2020 vs. 2021)



BOARD OF DIRECTORS



Sue Chapman

Chair of UOW Pulse Ltd. Board (Non-Executive Director)
Since October 2016

Sue has had a long career as a senior executive in the ACT and NSW governments, with 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 Departments 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 and has a good understanding of the University sector.

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



James Pearson

Deputy Chair of UOW Pulse Ltd. Board (Non-Executive Director)
Since June 2018

James is an experienced business and financial 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, PFK Chartered Accountants and Fisher Corporate in the United Kingdom. His roles have revolved around leading and driving sustainable value through financial and operational excellence practices. He has achieved this through leading a skilled team that partners with and fosters collaboration.

James is currently the Executive General Manager – Finance at IRT, one of Australia's leading seniors' lifestyle and care providers. He is accountable for all aspects of Finance, Procurement, Payroll and Commercial Finance initiatives.

James' 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.



Shiva Gopalan
Non-Executive Director
Since August 2018

Shiva has 15 years' experience in the healthcare setting and in 2017 was recognised for his work with Warrigal as a finalist for the Illawarra Business Chamber Young Executive of the Year. In this time with Warrigal he has acted in both Executive and General Management roles, priding himself in his ability to lead teams and achieve positive outcomes. Shiva is currently the Wellness and Lifestyle Manager at Warrigal looking after physiotherapy services and lifestyle services for older people. As a Physiotherapist, Shiva currently sits as the Chairperson of the NSW Australian Physiotherapy Association Gerontology Board, and holds a seat on the National Gerontology Board.

In 2008 he became the Co-Founder of a charitable trust called Savy, which was founded with the premise of supporting the youth of New Zealand to develop strong financial habits. He has consulted for Mport, a 3D body scanning technology start up, as well as supported UOW with a number of research opportunities, student supervision and contributed to a number of published papers. Shiva has recently been supporting Dale Carnegie Australia, An internationally renowned soft skills training organisation, by acting as their Illawarra Area Manager. Since 2018 Shiva has a number of local (Illawarra) and National Board level roles with Junior Chamber International including Treasurer (Illawarra), National Director of Member Training and Development, National Director of International Relations and this year as the National Director of Community and Member Engagement.

Shiva is an outside of the box thinker who is passionate about supporting and empowering people to achieve positive outcomes for themselves and 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 the BlueScope Steel's Australian business divisions. Christine recently retired from her full-time employment with BlueScope Australia.

Christine was a Board member of WEA Illawarra for 8 years and served on their Audit and Risk Committee.

Christine holds a Bachelor of Arts (majoring 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 of Facilities Management Division. 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 her employment with UOW, Kathleen worked within a local government context for over 16 years; having working at both Wollongong City Council and Shellharbour City Council.

During her career Kathleen has managed facilities, building and civil maintenance, building and commercial operations and civil and building construction. She is passionate about efficient operations, appropriate asset management, providing a high level of customer service and sustainability. Kathleen is also currently on the Board of 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 of Financial Services, as 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 work projects, government policy, business process improvement, corporate financial modelling, organisational change and strategic planning.

As Director of Financial Operations, his 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 the Staff representative of the UOW Pulse Ltd. Board. Jo joined UniCentre in 1993, now UOW Pulse Ltd. and is the UniShop Manager. She has a Diploma of Welfare and Librarianship from University of Wollongong. Jo has had a successful career and has written articles for Bookseller and Publisher magazines.

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

Executive Director

Since March 2020

Keval is the Student representative of the UOW Pulse Ltd. Board. In his role of Student representative, Keval is the Chair of the UOW Pulse Advisory Committee, UOW Pulse representative on the UOW Student Advisory Council, Vice-President of the UOW Wellbeing Club and member of the UOW Pro Vice-Chancellor Students Mental Health Advisory Committee. He is currently studying a Bachelor of Mechatronics Engineering (Honors) at the University of Wollongong.

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.

RETIRED



Paul Ell

Executive Director

March 2018 – December 2021

Paul is a graduate of the University of Wollongong and served as the alumni representative on the University Council until the end of his term in December 2021. Paul joined the UOW Pulse Ltd. Board in 2018 as the University Council representative.

Paul is a solicitor at the region's largest law firm, RMB Lawyers. Up until November 2021, he served for 4 years the President of the Shoalhaven and Districts Regional Law Society. Paul was recently elected as a Shoalhaven City Councillor for Ward 2.

Paul is passionate about the power of education to overcome disadvantages and to eliminate inter-generational poverty. This has lead him to passionately support various education focused organisations and causes over the years, including the Smith Family's Learning for Life program. Paul's work on behalf of the Smith Family and other organisations was recognised when he received the Tom Harvey Award for Citizenship in 2018.

BOARD OF DIRECTORS

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

There were 6 meetings of the Board during 2021. The number of Board meetings attended by Directors is detailed below.

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

- Strategic direction
- Establishing goals for management
- Monitoring organisational performance; and
- Ensuring that stewardship frameworks are in place

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

DIRECTORS MEETING ATTENDANCE

	Board		ARMCC		SAC		REM	
	A	B	A	B	A	B	A	B
Sue Chapman	5	6	1	4	-	-	2	2
Paul Eli	6	6	-	-	-	-	-	-
James Pearson	6	6	4	4	-	-	-	-
Shiva Gopalan	6	6	3	4	-	-	2	2
Jo Fisher	5	6	-	-	-	-	-	-
Keval Patel	5	6	-	-	2	2	-	-
Christine O'Toole	6	6	4	4	-	-	-	-
Kathleen Packer	6	6	-	-	-	-	2	2
Matthew Wright	6	6	-	-	-	-	-	-

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 \$132,765 per S3000(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

	2021 \$	2020 \$
Revenue	19,188,307	22,722,235
Operating result for the year	492,673	187,739
Retained earnings at the beginning of the financial year	9,507,950	9,320,211
Retained earnings at the end of the financial year	10,000,623	9,507,950

PRINCIPLE ACTIVITY

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 as The Audit Office of NSW. The Audit, Risk Management & Compliance Committee advises the Board on the external audit program and outcomes. As 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 annually, which identified nine areas of risk and respective mitigation strategies to create a new Risk Assessment Profile. The Risk Assessment Profile is 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

There has been no matter or circumstances that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of UOW Pulse.

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 2021 is an operational surplus of \$492,673, which is a major achievement considering the ongoing challenges faced by the Company as a result of Coronavirus (COVID-19). During 2021, the global pandemic led to mandated closures of key UOW Pulse operations, namely the fitness centre, events and catering and retail services. The mandated closures significantly affected the business's ability to trade. The University of Wollongong continued to deliver their education programs online in 2021. University staff returned to working from home with the introduction of state-wide lockdowns in June 2021.

Whilst mandated closures and lockdowns were lifted after a period of 3 months, the ongoing affect of reduced student and staff members of the Wollongong campus will continue to have an adverse impact on the financial results of UOW Pulse.

Coronavirus had a negative impact on the financial results of all the departments of the Company. Children's Services were able to return a large financial surplus. UniActive, Tenancy and UniBar all returned strong financial surpluses despite the business operations being disrupted by COVID-19 lockdowns. The Retail departments returned a collective financial deficit due to the low numbers of customers on campus. As a result of strong management, continued financial contributions from the University and Coronavirus related funding from the Federal and State 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 comprises the Income Statement and the Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Company's financial position, financial performance and cash flows

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
- 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 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 2021 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.

Director's Responsibilities for the Financial Statements

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

In preparing the financial statements, the 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 / it] may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Lisa Berwick
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

8 April 2022
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 2021, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of Section 60-40 of the Australian Charities and Not-for-profits commission Act 2012 in relation to the audit
- any applicable code of professional conduct in relation to the audit.

Lisa Berwick
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

8 April 2022
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 2021 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 no reasonable grounds to believe that the Company will not 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.

Date at Wollongong, 6 April 2022.

Signed in accordance with a resolution of the Directors.

SIGNATURES:



James Pearson
Chair of the UOW Pulse Ltd. Board



Alf Maccioni
Chief Executive Officer

Statement of Comprehensive Income

For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Revenue from continuing operations	3	19,188,307	22,722,235
Gain/(loss) on disposal of assets	4	51,943	(1,679)
Raw materials and consumables used		(1,468,857)	(2,263,956)
Employee related expenses	5(a)	(11,467,450)	(14,245,153)
Depreciation and amortisation expense	5(b)	(2,332,522)	(2,419,266)
Other expenses	5(c)	(2,649,685)	(2,734,940)
Finance costs	5(d)	(829,063)	(869,502)
Operating results before income tax		492,673	187,739
Income tax expense	1(d)	-	-
Operating results for the year		492,673	187,739
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		492,673	187,739

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	6,492,341	8,821,448
Trade and other receivables	7	336,008	1,930,789
Inventories	8	456,903	562,859
Other non-financial assets	9	256,927	226,247
Total current assets		7,542,179	11,541,343
Non current assets			
Property, plant and equipment	10	28,318,439	29,913,022
Intangible assets	11	133,491	62,620
Total non current assets		28,451,930	29,975,642
Total assets		35,994,109	41,516,985
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,018,974	6,032,895
Provisions	14	1,373,627	1,385,644
Other current liabilities	15	2,308,189	2,556,058
Total current liabilities		4,700,790	9,974,597
Non current liabilities			
Provisions	14	235,076	284,340
Other non current liabilities	15	21,057,620	21,750,098
Total non current liabilities		21,292,696	22,034,438
Total liabilities		25,993,486	32,009,035
Net assets		10,000,623	9,507,950
EQUITY			
Retained earnings	16	10,000,623	9,507,950
Total equity		10,000,623	9,507,950

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2021

2021

		Retained Earnings
	Note	\$
Balance at 1 January 2021	16	9,507,950
Surplus for the period		492,673
Other Comprehensive income		-
Total comprehensive income for the year	16	492,673
Balance at 31 December 2021		10,000,623

2020

		Retained Earnings
	Note	\$
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	187,739
Balance at 31 December 2020		9,507,950

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		21,346,397	26,933,008
Payments to suppliers and employees		(21,454,588)	(20,287,663)
Interest received		20,259	34,123
Interest paid		(829,063)	(869,444)
Lease payments for leases of low-value assets		(86,834)	(83,441)
Net cash flows from operating activities	24	<u>(1,003,829)</u>	<u>5,726,584</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment		(368,609)	(176,900)
Purchases of intangibles		(82,895)	(43,334)
Proceeds from sale of non-current assets		80,868	-
Net cash in investing activities		<u>(370,636)</u>	<u>(220,234)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of leases		(954,642)	(976,480)
Net cash in financing activities		<u>(954,642)</u>	<u>(976,480)</u>
Net (decrease)/increase in cash and cash equivalents held		(2,329,107)	4,529,870
Cash and cash equivalents at beginning of year		<u>8,821,448</u>	<u>4,291,578</u>
Cash and cash equivalents at the end of the year	6	<u>6,492,341</u>	<u>8,821,448</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

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

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

The financial statement covers UOW Pulse Limited for the year ended 31 December 2021.

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 and *the Government Sector Finance Act 2018*.

These statements were authorised for issue on the 06th of April, 2022 .

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.

Going concern

The financial report has been prepared on a going concern basis as the directors have received a letter of continued financial support from The University of Wollongong Limited, and believe that such financial support will continue to be

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

made available. The directors believe that the company will be able to meet its debts as and when they fall due for the foreseeable future as a result of this financial support.

During 2021, the global pandemic led to mandated closures of key UOW Pulse operations, namely the fitness centre, catering and retail services. The mandated closures significantly affected the business's ability to trade and UOW Pulse estimate this led to a 28% reduction on budgeted sales of goods across UOW Pulse's operations. Whilst mandated closures were lifted after a period of 3 months the ongoing effect of reduced staff and student numbers on the Wollongong campus will adversely affect the entity.

Support from Federal and State Government \$709,665 through JobKeeper and \$1,262,393 through Jobsaver offset the financial impact of the reduction in trade, without this Federal Government assistance the entity would have incurred a \$1,479,385 loss for the 2021 financial year.

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

(v) Volunteer Services

UOW Pulse had made an assessment of AASB 1058 and elected to not recognise volunteer services received as income.

(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.

(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

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated selling costs.

(i) Investments and other financial assets

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

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

Classifications are determined by both:

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

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

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

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

Impairment of Financial assets

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

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

Classification and measurement of financial liabilities

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.

(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:

	2021	2020
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:

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

	2021	2020
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 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.

	2021	2020
Leasehold Improvements	30 - 40 years	30 - 40 years

(iv) Software-as-a-Service (SaaS) arrangements

SaaS arrangements are arrangements in which the Company does not control the underlying software used in the arrangement. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the Company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Company with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are capitalised as a prepayment and are recognised as expenses over the duration of the SaaS contract. Previously some costs had been capitalised and amortised over its useful life. In the process of applying the Company's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements.

- Determining whether cloud computing arrangements contain a software licence intangible asset
 - The Company evaluates cloud computing arrangements to determine if it provides a resource that the Company can control. The Company determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
 - The Company has the contractual right to take possession of the software during the hosting period

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

- without significant penalty.
- It is feasible for the Company to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements

Where the Company incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance current on-premise software or provide code that can be used by the Company in other arrangements, the Company applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB138.

(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.

(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

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

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 2021 was assessed by PricewaterhouseCoopers. The assumptions used to calculate the long service leave provision include:

- Salary inflation rate per annum: 2% (2020: 3%)
- Discount rate: 1.50% (2020: 0.10%)
- Proportion of leave taken in service: 11% (2020: 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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in the financial statement or significantly impact the disclosures in relation to the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2021

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 0.15% (2020: 0.29%).

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

(b) Liquidity risk

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

Maturities of financial liabilities

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Financial risk management objectives and policies

31 December 2021

	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	0.15	6,492,341	-	-	6,492,341	-	-	6,492,341
Receivables	-	-	-	336,008	336,008	-	-	336,008
Other financial assets	0.35	-	120,000	-	120,000	-	-	120,000
Total Financial assets		6,492,341	120,000	336,008	6,948,349	-	-	6,948,349
Financial liabilities								
Payables	-	-	-	899,035	899,035	-	-	899,035
Lease liability	2.78	-	612,209	-	160,829	451,380	-	612,209
Total financial liabilities	-	-	612,209	899,035	1,059,864	451,380	-	1,511,244

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

(c) Market risk

(i) Foreign currency risk

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

(ii) Price risk

The Company and the parent entity maybe exposed to equity securities price risk. This arises from investments that may be held by the Company and classified on the statement of financial position as fair value through profit or loss. At reporting date, the value of the securities was nil (2020: \$nil). The Company is not exposed to commodity price risk.

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Financial risk management objectives and policies

(iii) Cash flow and fair value interest rate risk

Interest Rate Risk is limited to interest on the balance of the National Australia Bank accounts, shown as cash and cash equivalents in Note 6. The forecast at the end of 2021 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 2021

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	6,492,341	(64,923)	(64,923)	64,923	64,923	-	-	-
Accounts receivable	336,008	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	898,036	-	-	-	-	-	-	-
Current borrowings	160,829	-	-	-	-	-	-	-
Non-current borrowings	451,363	-	-	-	-	-	-	-
Other financial liabilities	12,390	-	-	-	-	-	-	-
Total increase/(decrease)		(64,923)	(64,923)	64,923	64,923	-	-	-

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 - Deposits at call	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 2021

3 Revenue

(a) From continuing operations

	2021 \$	2020 \$
Sales revenue		
- Sale of goods	3,145,991	3,959,662
- Provision of services	10,601,235	9,356,275
	13,747,226	13,315,937
Other income		
- UOW Contribution	2,660,793	2,799,150
- Rental income	602,971	858,590
- Kids Uni Grant from UOW	185,000	185,000
- Interest	20,259	34,123
- JobKeeper/JobSaver Payment Federal Government	1,972,058	5,529,435
	5,441,081	9,406,298
	19,188,307	22,722,235

(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.

	Sources of funding						2021
Revenue and Income Streams	Event Management	Sport and Leisure	Tenancy	Child Care	Grants	UOW	Total
	\$	\$	\$	\$	\$	\$	\$
Fees and charges							
Events sales	430,953	-	-	-	-	-	430,953
Rent	-	-	602,971	-	-	-	602,971
Child Care fees	-	-	-	7,287,483	-	-	7,287,483
Child Care grant	-	-	-	-	185,000	-	185,000
Gym Membership fees	-	1,966,060	-	-	-	-	1,966,060
Contribution	-	-	-	-	-	2,828,724	2,828,724
Total Fees and charges	430,953	1,966,060	602,971	7,287,483	185,000	2,828,724	13,301,191

Notes to the Financial Statements

For the Year Ended 31 December 2021

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 course fees and charges	423,742	2,080,916	858,590	6,685,613	185,000	2,898,441	13,132,302

4 Gain/(loss) on disposal of assets

	2021	2020
	\$	\$
Gain/(loss) on disposal of assets	51,943	(1,679)
	51,943	(1,679)

5 Expenses

(a) Employee benefits expense

	2021	2020
	\$	\$
Wages and salaries	9,571,943	11,982,468
Payroll tax	-	192,516
Annual leave, long service leave & workers insurance expense	906,246	1,008,461
Superannuation expense	969,241	1,021,415
Other employee benefits	20,020	40,293
	11,467,450	14,245,153

Notes to the Financial Statements

For the Year Ended 31 December 2021

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

	2021	2020
	\$	\$
Depreciation		
Building improvements	315,149	288,465
Lease depreciation	1,241,113	1,342,343
Plant and equipment	207,464	208,706
Computer equipment	25,403	18,662
Leasehold Improvements	531,892	531,893
Total Depreciation	2,321,021	2,390,069
Amortisation		
Computer software	11,500	29,197
Total amortisation	11,500	29,197
Total depreciation and amortisation	2,332,521	2,419,266

(c) Other Expenses

	2021	2020
	\$	\$
Consultant fees	136,788	151,221
Maintenance	396,900	208,548
Advertising & Promotional	41,473	35,142
Computer rental	117,590	95,158
Auditor's remuneration - audit of financial statements	79,500	73,450
Security	51,765	32,064
Activity Expenses	77,398	8,412
Cleaning	63,280	54,755
Kids Uni Catering	107,791	91,588
Bank charges	44,664	62,993
Laundry	51,789	47,816
Nappy Services	39,910	32,915
Waste disposal	110,471	96,278
Legal expenses	53,340	33,342
Evening Entertainment	59,516	38,800
Lunch Entertainment	347,795	337,743
Electricity Expenses	67,097	170,475
Gas Charges	38,320	108,367
UniLife Promotion	38,966	8,819

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Expenses

(c) Other Expenses - Continued

	2021	2020
	\$	\$
Evening Sound	8,500	57,271
Computer software	109,868	90,613
Staff training	38,049	31,205
Bad debt expenses	18,829	96,545
Customer transaction fee	89,640	76,669
Printing	40,690	46,014
Promotional resources	(49,135)	217,279
Rental external	66,044	68,499
Subscriptions	73,618	54,337
Other	329,229	308,622
	<u>2,649,685</u>	<u>2,734,940</u>

(d) Finance costs

	2021	2020
	\$	\$
NAB loan interest	6,037	3,348
Lease interest	823,026	866,154
	<u>829,063</u>	<u>869,502</u>

6 Current assets - Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	<u>6,492,341</u>	<u>8,821,448</u>

7 Current assets - Trade and other receivables

	2021	2020
	\$	\$
Trade receivables	426,434	2,039,573
Provision for impairment	(90,426)	(108,784)
Sub - Total	<u>336,008</u>	<u>1,930,789</u>
Total current trade and other receivables	<u>336,008</u>	<u>1,930,789</u>

(a)

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Current assets - Trade and other receivables

(a) Impaired trade receivables

As at 31 December 2021 current trade receivables of the Company with a nominal value of \$365,081 (2020: \$1,007,000) were past due. Of this past due amount, \$90,426 (2020: \$108,784) was considered impaired and provided for. The individually impaired receivables mainly relate to Childrens Service, Events, UniActive, Tenancy and Unishop customers, who are in unexpectedly difficult economic situations.

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

	2021 \$	2020 \$
At 1 January	(108,784)	(45,595)
Provision for impairment recognised during the year	(18,761)	(94,703)
Receivables written off during the year as uncollectible	37,119	31,514
At 31 December	(90,426)	(108,784)

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			Total
	30-90 days	91-180 days	>180 days	
2021				
Expected credit loss rate	0.56 %	4.24 %	69.92 %	39.97 %
Estimated total gross carrying amount at default	31,172	-	129,083	226,255
Expected credit loss	175	-	90,251	90,426
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

Notes to the Financial Statements

For the Year Ended 31 December 2021

As of 31 December 2021, trade receivables of \$274,655 (2020: \$898,216) 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:

	2021	2020
	\$	\$
1 to 3 months	31,172	427,964
3 to 6 months	-	338,627
Over 6 months	243,483	131,625
At 31 December	274,655	898,216

8 Current assets - Inventories

	2021	2020
	\$	\$
Inventories - at cost	456,903	562,859
	456,903	562,859

Write downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2021 amounted to \$145,370 (2020: \$25,874). The expense has been included in 'raw materials and consumables used' in profit or loss.

9 Current Assets - Other non-financial assets

	2021	2020
	\$	\$
Bank Guarantee	120,000	120,000
Prepayments	136,927	106,247
	256,927	226,247

Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Non current assets - Property, plant and equipment

	2021 \$	2020 \$
Building improvements		
Cost	4,258,943	4,096,811
Accumulated depreciation	(3,423,037)	(3,178,908)
Total building improvements	<u>835,906</u>	<u>917,903</u>
Plant and equipment		
Cost	2,728,045	2,850,504
Accumulated depreciation	(2,488,300)	(2,507,704)
Total plant and equipment	<u>239,745</u>	<u>342,800</u>
Motor vehicles		
Cost	41,677	63,495
Accumulated depreciation	(41,677)	(63,495)
Total motor vehicles	<u>-</u>	<u>-</u>
Computer equipment		
Cost	198,886	196,240
Accumulated depreciation	(180,527)	(155,124)
Total computer equipment	<u>18,359</u>	<u>41,116</u>
Leasehold Improvements		
Cost	17,290,265	17,290,265
Accumulated depreciation	(12,234,685)	(11,702,793)
Total improvements	<u>5,055,580</u>	<u>5,587,472</u>
Right-of-use assets		
Cost	24,934,707	25,141,631
Accumulated depreciation	(2,765,858)	(2,117,900)
Total Right-of-use assets	<u>22,168,849</u>	<u>23,023,731</u>
Total property, plant and equipment	<u>28,318,439</u>	<u>29,913,022</u>

Notes to the Financial Statements

For the Year Ended 31 December 2021

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	Computer equipment	Leasehold improvements	Right of Use Assets (ROA)	Total
	\$	\$	\$	\$	\$	\$
Year ended at 31 December 2021						
Balance at the beginning of year	917,903	342,800	41,116	5,587,472	23,023,731	29,913,022
Addition	245,135	120,827	2,646	-	664,816	1,033,424
Disposals - written down value	(11,983)	(16,418)	-	-	(278,585)	(306,986)
Depreciation expense	(315,149)	(207,464)	(25,403)	(531,892)	(1,241,113)	(2,321,021)
Year ended at 31 December 2021	835,906	239,745	18,359	5,055,580	22,168,849	28,318,439
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	(288,405)	(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

Notes to the Financial Statements

For the Year Ended 31 December 2021

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:

	2021	2020
	\$	\$
Right-of-use assets		
Buildings		
At 1 January 2021	23,020,658	23,942,350
Additions/(Disposal) of right-of-use assets	(278,585)	297,298
Depreciation charge	(1,199,563)	(1,218,990)
At 31 December 2021	21,542,510	23,020,658

	2021	2020
	\$	\$
Right-of-use assets		
Plant and Equipment		
At 1 January 2021	3,073	126,427
Additions of right-of-use assets	664,816	-
Depreciation charge	(41,551)	(123,354)
At 31 December 2021	626,338	3,073
Total right-of-use assets	22,168,849	23,023,731

11 Non current assets - Intangible Assets

	2021	2020
	\$	\$
Computer software		
Cost	200,939	124,635
Accumulated amortisation and impairment	(83,780)	(78,347)
Net carrying value	117,159	46,288
Goodwill		
Cost	216,792	216,792
Accumulated impairment	(200,460)	(200,460)
Net carrying value	16,332	16,332
Total Intangibles	133,491	62,620

Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Non current assets - Intangible Assets

(a) Movements in Carrying Amounts

	Computer software \$	Goodwill \$	Total \$
Year ended 31 December 2021			
Net carrying amount at start of year	46,288	16,332	62,620
Additions	82,895	-	82,895
Disposals	(524)	-	(524)
Amortisation	(11,500)	-	(11,500)
Closing value at 31 December 2021	117,159	16,332	133,491
Year ended 31 December 2020			
Net carrying amount at start of year	32,151	16,332	48,483
Reclassification to Leasehold Improvements	-	-	-
Additions	43,334	-	43,334
Amortisation	(29,197)	-	(29,197)
Closing value at 31 December 2020	46,288	16,332	62,620

12 Current liabilities - Trade and other payables

	2021 \$	2020 \$
Sundry creditors	223,763	85,723
GST payable	119,939	427,767
Accrued expenses	675,272	5,519,405
Total Trade and other payables	1,018,974	6,032,895

13 Lessee

Amounts recognised in the income statement

	2021 \$	2020 \$
NAB loan interest	(6,037)	(3,348)
Lease interest	(823,026)	(866,154)
Income from sub-leasing right of use assets	587,449	858,590
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	(86,834)	(83,441)
Depreciation of right-of-use assets	(1,241,113)	(1,218,095)
	(1,569,561)	(1,312,448)

Notes to the Financial Statements

For the Year Ended 31 December 2021

13 Lessee

Maturity analysis - undiscounted contractual cash flows

	2021	2020
	\$	\$
Less than one year	1,859,979	1,720,275
One to five years	7,265,423	6,881,100
More than 5 years	21,989,975	23,984,875
Total undiscounted lease payments receivable	31,115,377	32,586,250
Lease liabilities recognised in the statement of financial position	22,859,345	23,411,396
Current	1,801,725	1,661,298
Non-current	21,057,619	21,750,098

Amounts recognised in statement of cash flows

	2021	2020
	\$	\$
Total cash outflow for leases	1,870,539	1,932,712

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 2025. The lease includes a payment schedule, which includes both fixed and interest payments over the term of the lease.

14 Provisions

(a) Current liabilities

	2021	2020
	\$	\$
Employee benefits - long service leave	583,043	678,312
Employee benefits - annual leave	790,584	707,332
Total current provisions	1,373,627	1,385,644

Notes to the Financial Statements

For the Year Ended 31 December 2021

14 Provisions

(b) Non current liabilities

	2021	2020
	\$	\$
Employee benefits - long service leave	235,076	284,340
Total Non current provisions	235,076	284,340

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.

	2021	2020
	\$	\$
Long service leave obligation expected to be settled after 12 months	482,191	515,118
Annual leave obligation expected to be settled after 12 months	230,516	112,917

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

	2021	2020
	\$	\$
Deposits held	12,390	14,707
Current Lease Liability	1,801,725	1,666,066
Income in advance	494,074	875,285
	2,308,189	2,556,058

	2021	2020
	\$	\$
Non-current Lease Liability	21,057,620	21,750,098
Total non-current liabilities	21,057,620	21,750,098

16 Retained Earnings

	2021	2020
	\$	\$
Balance 1 January	9,507,950	9,320,211
Operating Result for the year	492,673	187,739
Retained earnings at 31 December	10,000,623	9,507,950

Notes to the Financial Statements

For the Year Ended 31 December 2021

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
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:

	2021	2020
	\$	\$
Remuneration payments made to Executive Officers		
Short term employee benefits	557,963	736,723
Post-employment benefits	44,753	64,264
Total Remuneration	602,716	800,987

18 Remuneration of Auditors

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

	2021	2020
	\$	\$
Audit Office of NSW		
Auditors remuneration	79,500	73,450

Notes to the Financial Statements

For the Year Ended 31 December 2021

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 2021 is \$8,683 (2020: \$8,344)

	2021	2020
	\$	\$
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	76,275	63,097
Later than one year but not later than five years	61,814	50,720
Total Operating lease commitments	138,089	113,817

(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:

	2021	2020
	\$	\$
Receivable - minimum lease payments:		
Within one year	773,567	721,400
Later than one year but not later than five years	1,701,644	1,136,788
	2,475,211	1,858,188

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of \$51,704 including GST (2020: \$92,991) was received by the Company in the period. The total GST component of operating lease commitments receivable for the year 2021 is \$58,745 (2020: \$85,859)

(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 2021

19 Commitments

at the market rate prevailing at the time of the drawdown. As at 31 December 2021 the unused portion of the facility was \$653,015 (2020: \$1,265,224) and the portion of the facility in use was \$612,209 (2020:\$4,776).

(b) Capital commitments

The Company has nil contractual obligation to purchase within the next 12 months of plant and equipment at reporting date (2020: \$54,448).

(c) Finance Lease Commitments

	Note	2021 \$	2020 \$
Commitments in relation to finance lease are payable as follows:			
Within one year		160,829	4,835
Later than five years		468,823	-
Total		629,652	4,835
Less: Future lease finance charges		(17,460)	(59)
Recognised as a liability		612,192	4,776

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 2021

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:

	2021	2020
	\$	\$
Sales of goods and services		
- Sales	3,759,961	4,270,269
- Commissions	9,850	25,903
- Grants for specific purposes	185,000	185,000
Total	3,954,811	4,481,172

	2021	2020
	\$	\$
Purchases of goods		
- Goods and services	2,590,110	2,708,609

From time to time Related Parties of UOW Pulse, including The University of Wollongong, UOW Global Enterprises and its controlled entities (UOWC Ltd and the Community College of City University Ltd) may enter into transactions. 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

	2021	2020
<i>Current receivables (sales of goods and services)</i>		
Trade receivables	68,425	1,251,605
<i>Current payables (purchases of goods)</i>		
Trade creditors	43,645	2,207,866

21 Economic dependency

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

22 Events Occurring After the Reporting Date

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

23 Contingencies

There were no known contingent assets or liabilities existing at reporting date (nil at 31/12/2020).

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

	2021	2020
	\$	\$
Operating result for the year	492,673	187,739
Non-cash flows in profit:		
Amortisation	11,500	29,197
Depreciation	2,321,022	2,390,069
Net (gain)/loss on sale of non current assets	(51,943)	1,679
Changes in assets and liabilities		
(Increase)/decrease in trade debtors	1,613,139	2,567,312
Decrease/(increase) in prepayments	(30,680)	43,195
(Increase)/decrease in inventories	105,956	392,439
(Increase)/decrease in allowance for impairment	(18,358)	63,189
(Decrease)/increase in income in advance	(381,211)	593,912
Increase/(decrease) in trade creditors/accruals	(5,002,329)	(408,358)
Increase/(decrease) in other operating liabilities	(2,317)	602
Increase/(decrease) in other provisions	(61,281)	(134,391)
Net cash inflow from operating activities	(1,003,829)	5,726,584

END OF AUDITED FINANCIAL REPORT.

