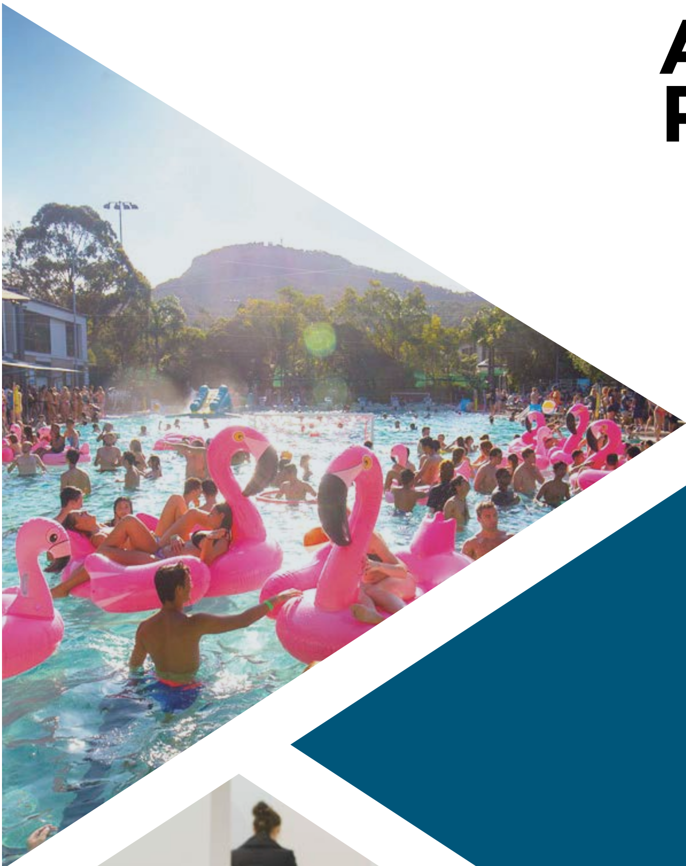
2016 ANNUAL REPORT



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

UOW PULSE

CONTENTS

DIRECTORS' REPORT

Through 2016 UOW Pulse Ltd continued to provide high quality services and support to the University of Wollongong (UOW) Campus Communities.

On 23 August, 2016 a General Meeting, was held where a new company name was adopted, changing from Wollongong UniCentre Limited to UOW Pulse Limited.

BOARD OF DIRECTORS

Sue Chapman
Chair of the UOW Pulse Ltd Board
Since October 2016

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

A Graduate of UOW with both MBA & BA, Sue is also a graduate of the Australian Institute of Company Directors and an executive fellow of ANZOG.

Sue has had a long association with UOW, having been a member of Council for 11 years and Deputy Chancellor for two years. Sue has considerable board experience and is currently an independent member of the Audit and Risk Committee for the Education Directorate in the ACT.

Melva Crouch, CSM
UOW Chief Administrative Officer
Executive Chair to October 2016
Executive Director Since August 2013

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

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

Melva exercises executive oversight of support services to the University, including staff and student administration, student residences, construction and maintenance of campus facilities, advancement and governance. Melva is secretary to the University of Wollongong Council.

Mary Youssif

B.Com, M.Stud.Accy, FCPA, AGIA, RTA, MAMI, MAICD
Non Executive Director
Director Since August 2004

Mary has held various senior and executive positions within the Coal Mining and Chemical Manufacturing Industries for 15 years. She also worked for the University of Wollongong between 1993 and 2001 in Chief Accountant and Project Management positions. During that time she was the Vice-Chancellor's representative on the UniCentre's Children's Services Management Committee. Currently she operates her own accounting practice locally. Mary has been a director on the Board of Community Alliance Credit Union (The Illawarra Credit Union) for the past 25 years and served as Chair of the Board from 2008 to 2014 and is currently the Chair of the Risk Committee. During this time, she formed and Chaired the Audit Committee, was on their Strategic Planning Committee for 4 years (Chair for one year), and the Governance Committee for 6 years (Chair for 2 years). As a former student and employee of the University of Wollongong, Mary brings extensive financial and business knowledge together with an understanding of the UOW Pulse and the Environment in which it operates.

Mary is a University of Wollongong appointed Director to UOW Pulse.

Sarah Lisle

Non Executive Director
Director Since October 2015

Sarah Lisle has worked at the University of Wollongong (UOW) since 2012. Her current role is Community Engagement Coordinator within the Advancement Division; where she is responsible for key strategic programmes, utilising her extensive skills in stakeholder management, connecting communities and project management.

Sarah has worked in the not-for-profit sector in both the UK and Australia for over 15 years. With a business head and compassionate heart Sarah strives to ensure clear communication, striking harmony in the workplace and developing business opportunities. Sarah is currently undertaking her Executive Masters Business Administration (EMBA) through UOW's Sydney Business School.

Daniel Crameri

Non Executive Director
Director Since October 2015

Completing his Bachelor in 2013 Daniel has returned to UOW to study a Master of Business. Spending 6 years as an undergraduate, Daniel is well versed in all aspects of the student experience. Passionate about building community ideals, he wants to help drive Unicentre to succeed in its mission of enhancing the University experience for all students. Daniels vision for student culture is one of participation and involvement, throughout and beyond a student's time at UOW.

Murray Reid

Non Executive Director
Director Since April 2016

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

In 1998 he was appointed an initial director of the University Recreation and Aquatic Centre Ltd and in April 2016 he became an appointed director of UOW Pulse. He brings a wealth of financial and business experience to the Board.

Mike Gillmore

Executive Director, Company Secretary, General Manager
Executive Director January 2009 - December 2016

As Executive Director and General Manager, Mike's responsibility is across the direction and accountability for entity. Prior to this role Mike was General Manager for the UOW Accommodation Services Division for 4 years and before that worked in the Facilities Management Division since 1997. Mike's experience before coming to the University of Wollongong was in the Hospitality and Support Services sectors providing hospitality based services to commercial organisations, major sporting/leisure venues as well as 4 and 5 star Hotels in Sydney and the ACT.

Through UOW Pulse's membership of the Tertiary Access Group Buying Cooperative, Mike was an elected Board Director of the group, and was nominated Treasurer in November 2014.

Jo Fisher

Non Executive Director
Director August 2007 - December 2016

Jo is the instore merchandiser for the Unishop. She has been employed with Unicentre since 1993. Jo has studied in Welfare and Librarianship. She has written articles for Bookseller and Publisher magazine. Jo has 5 children, all of whom attend or have attended Kids Uni.

Jo is also a UOW Cares champion and a member of the Ally network on campus and a member of Women on Boards

Samuel Tedeschi

Non Executive Director
Director October 2014 - December 2016

Sam is an undergraduate student in the final year of a Bachelor of Arts degree. Sam moved from regional NSW to Wollongong in 2013 to attend University. He holds executive positions with several Clubs and Societies on campus and is a founding member of the UOW Music Society. Sam has been active in student representation at UOW for several years. He is currently serving as the President of the Wollongong Undergraduate Students' Association (WUSA) and is a member of the Student Representative Forum and the Student Engagement Advisory Group. In addition to his University commitments, Sam works for the NSW Parliament and teaches guitar. Sam brings enthusiasm, dedication and commitment to students' interests to the Board

Tarrant Sewell

Non Executive Director

Director October 2013 - December 2016

Tarrant is studying Bachelor of Economics and Finance / Bachelor of Laws. Throughout the course of his degree he has also been working fulltime as a Law Clerk at Stacks Heard McEwan and General Manager of Wollcom Credit Management Services. Currently, Tarrant is working towards completing his tertiary studies at the end of 2016 and being admitted by the Law Society of NSW as a Solicitor in mid-2017.

Thomas Quinn

Non Executive Director

Director October 2014 - December 2016

Thomas studying his Masters in International Business, having just completed his undergraduate degrees in Commerce and Arts at UOW. After Studying for 4 years, Tom has developed extensive experience in navigating the challenges faced by many UOW students. After participating in the organisation Alive and S4S Leadership programs, Tom increased his involvement with the organisation and now facilitates these and other programs for new and/ or current students. His most recent activities include tutoring on campus with the Faculty of Business and pursing a PHD. Complementing his on - campus activities Thomas has nine years of experience in providing high level strategic, administration and retail support in the Illawarra, ACT and Sydney.

Walter Immoos

Non Executive Director

Director August 2010 - April 2016

Walter commenced his career in 1969 as an apprentice chef. He worked in various hotels through Europe in the kitchen until 1978. Walter attended hotel school in Lausanne, Switzerland & completed his hotel management diploma. Walter has worked for nearly all major hotel brands including the Hilton, Westin, Sun International and Holiday Inn. He came to Australia in 1989 to open Peppers on Sea Terrigal. Walter then converted this property to the very first Crown Plaza brand in Australia. In 1994 he then transferred to the Holiday Inn Menzies, which he converted to All Seasons Premier Menzies in 1996. In 2000 ACCOR bought the All Seasons group and hence, Walter commenced his career with ACCOR. During that year the Menzies was the official family hotel for the Olympic Games. At the end of 2005 Walter transferred to the Novotel Wollongong Northbeach as General Manager, he then resigned from this position at the end of 2014.

Walter's interests include art, history, tennis and golf.

BOARD OF DIRECTORS

The following corporate governance practices were in place throughout the financial year.

There were six meetings of the Board during 2016. 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		Audit & Risk Management		Services	
	A	B	A	B	A	B
Melva Crouch	6	6	-	-	-	-
Sue Chapman	2	2	-	-	-	-
Mike Gillmore	5	5	4	4	4	5
Jo-Ann Fisher	5	6	-	-	1	5
Mary Youssif	6	6	4	4	-	-
Walter Immoos	2	2	-	-	2	2
Murray Reid	4	4	1	1	3	3
Samuel Tedeschi	6	6	4	4	4	5
Tarrant Sewell	2	6	2	4	-	-
Thomas Quinn	4	6	2	2	1	3
Sarah Lisle	6	6	2	4	-	-
Daniel Crameri	6	6	4	4	2	5

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

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 $35,200 per S300 (1)g, 300(8) and 300(9). The liabilities insured include costs and expenses that may be brought against the directors and officers in their capacity as directors and officers of the company.

FINANCIAL PERFORMANCE

	2016 $	2015 $
Revenue	20,597,158	19,873,643
Operating result for the year	(385,756)	(242,753)
Retained earnings at the beginning of the financial year	9,039,930	9,282,683
Retained earnings at the end of the financial year	8,654,174	9,039,930

PRINCIPLE ACTIVITIES

The Company's principal activities are the operation of commercial activities on the University of Wollongong Campuses including Food, Beverage and Coffee Services, Functions & Events, UniBar, UniShop, Child Care, Post Office, to support non-commercial Student Engagement activities and provide high level social experiences within modern facilities.

AUDIT PROCESS

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

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

INTERNAL CONTROL FRAMEWORK

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

DELEGATION OF AUTHORITY

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

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

RISK MANAGEMENT

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

- 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:

- Services Committee
- Audit and Risk Management Committee
- Children's Services Consultative Committee
- Student Engagement Advisory Group

DIVIDENDS

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

STATE OF AFFAIRS

There were no significant changes to the scope of operating activities of UOW Pulse Ltd during 2016.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to the balance date.

LIKELY DEVELOPMENTS

On 1 January 2017, UOW Pulse Ltd will receive the net assets of the University of Wollongong Recreation and Aquatic Centre Limited less the debt forgiven by the parent entity.

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 12.

FINANCIAL OUTCOMES

The financial result for 2016 was an operating deficit of $385,756. Revenue increased to $20,597,158, which represents an increase of 3.6%. This growth represents a healthy campus market which provides opportunity for improved financial return.

The operating result was underpinned by deficits to the newly opened IGA Supermarket on the main campus and The Terrace Restaurant. Other trading units that did not meet financial expectations include UniShop, Eleven and Tenancy. Events & Venues improved their result materially from the previous year with revenue increasing by 18%. Child Care, UniBar and Cafes continued to perform well.

The Centre for Student Engagement unit continued to provide programs across the various UOW campuses with 368 events involving 52,521 participants.

General overheads were within financial expectations and budget despite the organisation increasing the services provided to the campus with increased retail outlets.

Increased campus population and revenue combined with business maturity of trading units will provide the basis for an improved financial return in the new year.

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

UOW Pulse Ltd

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

Opinion

I have audited the accompanying financial statements of UOW Pulse Ltd (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

The PF&A Act further 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, but precluding the provision of non-audit services.

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I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of UOW Pulse Ltd on 4 April 2017, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

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

S Stanton

Scott Stanton
Assistant Auditor-General

13 April 2017
SYDNEY

AUDITOR-GENERAL NEW SOUTH WALES

To the Directors
UOW Pulse Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UOW Pulse Ltd for the year ended 31 December 2016, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

Scott Stanton
Assistant Auditor-General

4 April 2017
SYDNEY

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DIRECTOR'S DECLARATION

In the opinion of the Directors of UOW Pulse Limited ("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 2016 and of their performance, as represented by the results of its operations and their cash flows, for the year ended on that date; and

   (b) Complying with Australian Accounting Standards and the Corporations Regulations 2001;

   and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Wollongong, 11 April 2017.

Signed in accordance with a resolution of the Directors.

SIGNATURES

Sue Chapman
Chair of the Board

Alf Maccioni
Chief Executive Officer

Statement of Comprehensive Income
For the Year Ended 31 December 2016

	Note	2016 $	2015 $
Revenue from continuing operations	3	**20,597,158**	19,873,643
Gain/(loss) on disposal of assets	4	**(72,652)**	(2,424)
Raw materials and consumables used		**(6,472,859)**	(6,456,318)
Employee related expenses	5(a)	**(10,714,861)**	(9,735,447)
Depreciation and amortisation expense	5(b)	**(959,424)**	(1,024,245)
Other expenses	5(c)	**(2,761,518)**	(2,876,062)
Finance costs		**(1,600)**	(21,900)
Operating Result before income tax		**(385,756)**	(242,753)
Income tax expense	1(d)	**-**	-
Operating Result for the year		**(385,756)**	(242,753)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(385,756)**	(242,753)

Statement of Financial Position
As at 31 December 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**2,140,414**	2,382,694
Trade and other receivables	7	**1,240,425**	725,542
Inventories	8	**2,069,036**	2,019,364
Other non-financial assets	9	**203,256**	41,931
Total current assets		**5,653,131**	5,169,531
Non current assets			
Other non-financial assets	9	**5,556**	38,889
Property, plant and equipment	10	**1,938,895**	2,336,937
Intangible assets	11	**5,057,549**	5,385,029
Total non current assets		**7,002,000**	7,760,855
Total assets		**12,655,131**	12,930,386
LIABILITIES			
Current liabilities			
Trade and other payables	12	**2,675,823**	2,477,397
Borrowings	13	**-**	126,672
Provisions	14	**840,784**	895,083
Other liabilities	15	**304,977**	214,234
Total current liabilities		**3,821,584**	3,713,386
Non current liabilities			
Provisions	14	**179,373**	169,570
Other liabilities	15	**-**	7,500
Total non current liabilities		**179,373**	177,070
Total liabilities		**4,000,957**	3,890,456
Net assets		**8,654,174**	9,039,930
EQUITY			
Retained earnings	16	**8,654,174**	9,039,930
Total equity		**8,654,174**	9,039,930

Statement of Changes in Equity

For the Year Ended 31 December 2016

2015

	Note	Retained Earnings $
Balance at 1 January 2015		9,282,683
Total comprehensive income for the year	16	(242,753)
Balance at 31 December 2015		9,039,930

2016

	Note	Retained Earnings $
Balance at 1 January 2016		**9,039,930**
Total comprehensive income for the year	16	**(385,756)**
Balance at 31 December 2016		**8,654,174**

Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**21,364,944**	20,952,138
Payments to suppliers and employees		**(21,225,934)**	(19,953,026)
Interest received		**71,536**	79,737
Interest paid		**(1,600)**	(21,900)
Net cash flows from operating activities	24	**208,946**	1,056,949
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		**(295,254)**	(647,351)
Payments for intangibles		**(11,300)**	(85,806)
Net cash used in investing activities		**(306,554)**	(733,157)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(144,672)**	(458,000)
Net cash used in financing activities		**(144,672)**	(458,000)
Net increase/(decrease) in cash and cash equivalents held		**(242,280)**	(134,208)
Cash and cash equivalents at beginning of year		**2,382,694**	2,516,902
Cash and cash equivalents at the end of the year	6	**2,140,414**	2,382,694

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 financial statement covers UOW Pulse Limited for the year ended 31 December 2016.

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 services.

The University Council on the 22 April 2016 approved the restructure of University of Wollongong Recreation & Aquatic Centre Limited and Wollongong Unicentre Limited into a single entity UOW Pulse Limited effective from the 1 January 2017. The Council approved the transfer of URAC's existing activities and operations into UOW Pulse Limited on this restructure. On the 19 August 2016 the University Council approved a revised constitution of Unicentre in order to expand the objectives covering the range of services and activities offered by URAC. Wollongong Unicentre Limited changed its business name to UOW Pulse Limited on the 23 August 2016.

On 1 January 2017 UOW Pulse will receive the net assets of the University of Wollongong Recreation and Aquatic Centre Limited less the debt forgiven by the parent entity.

(a) Basis of preparation

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

These statements were authorised for issue on the 11th of April, 2017.

The financial statements are presented in Australian dollars.

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

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

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

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

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

1 Summary of Significant Accounting Policies

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.

(b) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

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

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

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

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

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

(c) Interest costs

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

(d) Income tax

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

The operations of the Company are exempt from payroll tax under Sections 48(2) of the *Payroll Tax Act 2007.*

1 Summary of Significant Accounting Policies

(e) Leases

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

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

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

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

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(g) Cash and cash equivalents

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

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

(h) Trade and other receivables

Trade and other receivables are recognised at the original invoice amount as this is not materially different to amortised cost, given the short term nature of these receivables. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the statement of comprehensive income.

Debt forgiveness is recognised as the amount receivable as at the time the debt is forgiven.

(i) Inventories

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

1 Summary of Significant Accounting Policies

(j) Investments and other financial assets

Classification
Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after reporting date which are classified as non current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held to maturity investments
Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

(iv) Available for sale financial assets
Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of reporting date.

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement
Available for sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Company's right to receive payment is established.

Fair value
The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

1 Summary of Significant Accounting Policies

Impairment
The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income in a subsequent period.

(k) Property, plant and equipment

(i) Owned Assets
Property, plant and equipment is stated at historical cost less depreciation.

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

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

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

	2016	2015
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

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.

(l) Intangible assets

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

Impairment losses recognised for goodwill are not subsequently reversed.

1 Summary of Significant Accounting Policies

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

(iii) Occupancy Contribution
The Company contributes to the cost of construction of buildings, their improvements and landscaping on land over which it has no security or tenure. These amounts are accounted for in the statement of financial position as Occupancy Contribution, pursuant to an agreement reached with the University of Wollongong. The Company has the right to occupy these buildings for the life of the asset.

	2016	2015
Occupancy Contribution	30 - 40 Years	30 - 40 Years

(m) Trade and other payables

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

(n) Borrowings

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

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

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

(o) Provisions

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

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

(p) Employee benefits

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

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

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

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

The provision is calculated using estimated future increases in wage and salary rates including related on costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government securities at reporting date which most closely match the terms of maturity of the related liabilities. Leave is charged to the provision at the time leave is taken. The provision for long service leave for the year ended 31 December 2016 was assessed by management in accordance with guidelines recommended by PricewaterhouseCoopers. The assumptions used to calculate the long service leave provision include:

- Salary inflation rate per annum 3% (2015: 3%)
- Discount rate 2.24% (2015: 2.6%)
- Proportion of leave taken in service 18% (2015: 18%)

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

(q) Goods and Services Tax (GST)

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

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

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

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 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.

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 and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports to the Board on its activities.

(a) **Credit risk**

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

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

The weighted average interest rate on interest earned by the Company is 1.48% (2015: 1.86%).

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.

2 Financial risk management objectives and policies

31 December 2016

	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate	Non Interest	Less than 1 Year	1 to 5 Years	5+ Years	Total
	%	$	$	$	$	$	$	$
Financial assets								
Cash and cash equivalents	1.48	2,140,414	-	-	2,140,414	-	-	2,140,414
Receivables	-	-	-	1,240,425	1,240,425	-	-	1,240,425
Other financial assets	2.65	-	120,000	-	120,000	-	-	120,000
Total Financial assets		2,140,414	120,000	1,240,425	3,500,839	-	-	3,500,839
Financial liabilities								
Payables	-	-	-	-	2,675,823	-	-	2,675,823
Borrowings- Department of Social Services	-	-	-	7,500	7,500	-	-	7,500
Total financial liabilities	-	-	-	7,500	2,683,323	-	-	2,683,323

31 December 2015

	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate	Non Interest	Less than 1 Year	1 to 5 Years	5+ Years	Total
	%	$	$	$	$	$	$	$
Financial assets								
Cash and cash equivalents	1.86	2,382,694	-	-	2,382,694	-	-	2,382,694
Receivables	-	-	-	725,542	725,542	-	-	725,542
Total Financial assets		2,382,694	-	725,542	3,108,236	-	-	3,108,236
Financial liabilities								
Payables	-	-	-	-	2,477,397	-	-	2,477,397
Borrowings- Uni of Wollongong	6.00	-	126,672	-	126,672	-	-	126,672
Borrowings- Department of Social Services	-	-	-	25,500	18,000	7,500	-	25,500
Total Financial libilities		-	126,672	25,500	2,622,069	7,500	-	2,629,569

(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.

2 Financial risk management objectives and policies

(ii) Price risk
The Company and the parent entity maybe exposed to equity securities price risk. This arises from investments that may be held by the Company and classified on the statement of financial position as fair value through profit or loss. At reporting date, the value of the securities was nil (2015: $nil). The Company is not exposed to commodity price risk.

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

(iii) Cash flow and fair value interest rate risk
Interest Rate Risk is limited to interest on the balance of the National Australia Bank accounts, shown as cash and cash equivalents in Note 6. The forecast at the end of 2016 is an increase or decrease of 1% based on the current Reserve Bank of Australia cash rate of 1.5%. 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 2016		**Interest rate risk**				**Price risk**			
		-1%		**+1%**		**-1.304%**		**+1.304%**	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets									
Cash and Cash Equivalents	2,140,414	(21,404)	(21,404)	21,404	21,404	-	-	-	-
Accounts receivable	1,240,425	-	-	-	-	-	-	-	-
Financial asset - Lease Incentive	33,333	-	-	-	-	-	-	-	-
Other financial assets	120,000	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	2,675,823	-	-	-	-	-	-	-	-
Other financial liabilities	22,248	-	-	-	-	-	-	-	-
Total increase/(decrease)		(21,404)	(21,404)	21,404	21,404	-	-	-	-

31 December 2015	Carrying amount	Interest rate risk -1% Profit	Interest rate risk -1% Equity	Interest rate risk +1% Profit	Interest rate risk +1% Equity	Price risk -1.304% Profit	Price risk -1.304% Equity	Price risk +1.304% Profit	Price risk +1.304% Equity
	$	$	$	$	$	$	$	$	$
Financial assets									
Cash and Cash Equivalents	2,382,694	(23,827)	(23,827)	23,827	23,827	-	-	-	-
Accounts receivable	725,542	-	-	-	-	-	-	-	-
Financial asset - Lease Incentive	33,333	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	2,477,397	-	-	-	-	-	-	-	-
Current borrowings	126,672	-	-	-	-	-	-	-	-
Other financial liabilities	38,620	-	-	-	-	-	-	-	-
Total increase/(decrease)		(23,827)	(23,827)	23,827	23,827	-	-	-	-

3 Revenue

From continuing operations

	2016	2015
	$	$
Sales revenue		
- Sale of goods	**12,879,043**	12,324,792
- Provision of services	**6,171,767**	5,854,689
	19,050,810	18,179,481
Other revenue		
- Interest	**71,536**	79,737
- Rental income	**1,288,034**	1,254,425
- Grants received - related parties	**185,000**	185,000
- Other income	**1,778**	175,000
	1,546,348	1,694,162
	20,597,158	19,873,643

4 Gain/(loss) on disposal of assets

	2016	2015
	$	$
Gain/(loss) on disposal of assets	**(72,652)**	(2,424)
	(72,652)	(2,424)

5 Expenses

(a) Employee benefits expense

	2016	2015
	$	$
Wages and salaries	**8,974,462**	8,076,762
Annual leave expense	**555,701**	586,957
Long service leave expense	**110,813**	105,531
Superannuation expense	**812,957**	772,169
Workers compensation expense	**178,710**	119,957
Other employee benefits	**82,218**	74,071
	10,714,861	9,735,447

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

	2016	2015
	$	$
Depreciation		
Building improvements	**350,864**	416,860
Plant and equipment	**240,297**	250,197
Computer equipment	**29,483**	26,004
Total Depreciation	**620,644**	693,061
Amortisation		
Occupancy contribution	**308,784**	308,784
Establishment costs	**2,968**	2,686
Computer software	**27,028**	19,714
Total amortisation	**338,780**	331,184
Total depreciation and amortisation	**959,424**	1,024,245

(c) Other Expenses

	2016	2015
	$	$
Consultant fees	**216,911**	268,341
Maintenance	**276,729**	316,041
Advertising & Promotional	**85,723**	78,539
Computer rental	**66,836**	62,844
Auditor's remuneration - audit of financial statements	**59,900**	57,200
Security	**77,971**	62,949
Activity Expenses	**133,942**	86,782

5 Expenses

(c) Other Expenses continued

	2016 $	2015 $
Cleaning	**73,722**	72,023
Kids Uni Catering	**110,322**	109,319
Bank charges	**127,921**	132,146
Laundry	**66,569**	62,754
Nappy Services	**49,362**	52,529
Waste disposal	**140,049**	133,389
Leasing cost	**47,014**	52,418
Small Equipment	**55,229**	57,356
Legal expenses	**28,206**	86,217
Materials and Consumables	**48,210**	61,453
Evening Entertainment	**65,921**	65,467
Lunch Entertainment	**69,942**	62,095
Other	**961,039**	996,200
	2,761,518	2,876,062

6 Current assets - Cash and cash equivalents

	2016 $	2015 $
Cash at bank and on hand	**2,140,414**	2,382,694

7 Current assets - Trade and other receivables

		2016 $	2015 $
Trade receivables		**1,246,162**	734,295
Provision for impairment	(a)	**(5,737)**	(8,753)
Sub - Total		**1,240,425**	725,542
Total current trade and other receivables		**1,240,425**	725,542

(a) **Impaired trade receivables**

As at 31 December 2016 current trade receivables of the Company with a nominal value of $854,615 (2015: $324,610) were past due. Of this past due amount, $5,737 (2015: $8,753) was considered impaired and provided for. The individually impaired receivables mainly relate to marketing and sponsorship customers, which are in unexpectedly difficult economic situations.

7 Current assets - Trade and other receivables continued

(a) **Impaired trade receivables continued**

The ageing of these receivables is as follows:

	2016 $	2015 $
Over 6 months	**5,737**	8,753

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

	2016 $	2015 $
At 1 January	**(8,753)**	(5,795)
Provision for impairment recognised during the year	**(4,228)**	(2,958)
Receivables written off during the year as uncollectible	**7,244**	-
At 31 December	**(5,737)**	(8,753)

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.

As of 31 December 2016, trade receivables of $848,878 (2015: $315,857) 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:

	2016 $	2015 $
1 to 3 months	**577,882**	71,997
3 to 6 months	**40,366**	22,319
Over 6 months	**230,630**	221,541
At 31 December	**848,878**	315,857

8 Current assets - Inventories

	2016	2015
	$	$
Inventories - at cost	**2,069,036**	2,019,364
	2,069,036	2,019,364

Write downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2016 amounted to $80,920 (2015: $18,291). The expense has been included in 'raw materials and consumables used' in profit or loss.

9 Other non-financial assets

	2016	2015
	$	$
CURRENT		
Bank Guarantee	**120,000**	-
Lease Incentive	**33,333**	33,333
Prepayments	**49,923**	8,598
Total current assets	**203,256**	41,931

	2016	2015
	$	$
NON-CURRENT		
Lease Incentive	**5,556**	38,889
Total non-current assets	**5,556**	38,889

10 Non current assets - Property, plant and equipment

	2016	2015
	$	$
Building improvements		
Cost or fair value	**3,507,188**	4,676,192
Accumulated depreciation	**(2,458,014)**	(3,304,478)
Total building improvements	**1,049,174**	1,371,714
Plant and equipment		
Cost or fair value	**2,323,962**	2,730,107
Accumulated depreciation	**(1,506,522)**	(1,844,695)
Total plant and equipment	**817,440**	885,412

10 Non current assets - Property, plant and equipment continued

	2016	2015
	$	$
Computer equipment		
Cost or fair value	**181,587**	159,635
Accumulated depreciation	**(109,306)**	(79,824)
Total computer equipment	**72,281**	79,811
Total property, plant and equipment	**1,938,895**	2,336,937

(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	Total
	$	$	$	$
Year ended at 31 December 2016				
Balance at the beginning of year	**1,371,714**	**885,412**	**79,811**	**2,336,937**
Additions	**85,026**	**188,275**	**21,953**	**295,252**
Disposals - written down value	**(56,702)**	**(15,950)**	**-**	**(72,652)**
Depreciation expense	**(350,864)**	**(240,297)**	**(29,483)**	**(620,644)**
Year ended at 31 December 2016	**1,049,174**	**817,440**	**72,281**	**1,938,895**
Year ended at 31 December 2015				
Balance at the beginning of year	1,463,839	848,520	72,712	2,385,071
Additions	326,777	287,471	33,104	647,352
Disposals - written down value	(2,042)	(382)	-	(2,424)
Depreciation expense	(416,860)	(250,197)	(26,004)	(693,061)
Year ended at 31 December 2015	1,371,714	885,412	79,811	2,336,937

11 Non current assets - Intangible Assets

	2016	2015
	$	$
Computer software		
Cost	**127,461**	116,161
Accumulated amortisation and impairment	**(76,570)**	(49,542)
Net carrying value	**50,891**	66,619

11 Non current assets - Intangible Assets continued

	2016	2015
Goodwill		
Cost	**225,225**	231,731
Accumulated amortisation and impairment	**(115,847)**	(119,385)
Net carrying value	**109,378**	112,346
Occupancy contribution		
Cost	**9,821,137**	9,821,137
Accumulated amortisation and impairment	**(4,923,857)**	(4,615,073)
Net carrying value	**4,897,280**	5,206,064
Total Intangibles	**5,057,549**	**5,385,029**

(a) **Movements in Carrying Amounts**

	Computer software $	Goodwill $	Occupancy contribution $	Total $
Year ended 31 December 2016				
Net carrying amount at start of year	**66,619**	**112,346**	**5,206,064**	**5,385,029**
Additions	**11,300**	**-**	-	**11,300**
Amortisation	**(27,028)**	**(2,968)**	**(308,784)**	**(338,780)**
Closing value at 31 December 2016	**50,891**	**109,378**	**4,897,280**	**5,057,549**
Year ended 31 December 2015				
Net carrying amount at start of year	45,560	69,999	5,514,848	5,630,407
Additions	40,773	45,033	**-**	85,806
Amortisation	(19,714)	(2,686)	(308,784)	(331,184)
Closing value at 31 December 2015	66,619	112,346	5,206,064	5,385,029

12 Current liabilities - Trade and other payables

	2016 $	2015 $
Sundry creditors	**165,381**	611,694
GST payable	**26,738**	36,690
Accrued expenses	**2,483,704**	1,829,013
Total Trade and other payables	**2,675,823**	2,477,397

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

13 Borrowings

(a) Current liabilities

	2016 $	2015 $
Unsecured		
Loans from related parties	**-**	126,672
Total current borrowings	**-**	126,672
Total borrowings	**-**	126,672

14 Provisions

(a) Current liabilities

	2016 $	2015 $
Employee benefits - long service leave	**397,726**	402,243
Employee benefits - annual leave	**443,058**	492,840
Total current provisions	**840,784**	895,083

(b) Non current liabilities

	2016 $	2015 $
Employee benefits - long service leave	**179,373**	169,570
Total Non current provisions	**179,373**	169,570

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.

	2016	2015
	$	$
Long service leave obligation expected to be settled after 12 months	**292,941**	289,511
Annual leave obligation expected to be settled after 12 months	**58,603**	69,562

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 liabilities

	2016	2015
	$	$
CURRENT		
Department of Social Services Loan	**7,500**	18,000
Deposits held	**14,748**	13,120
Income in advance	**282,729**	183,114
Total current liabilities	**304,977**	214,234

	2016	2015
	$	$
NON-CURRENT		
Department of Social Services Loan	**-**	7,500
Total non-current liabilities	**-**	7,500

The Company has responsibility for repayment of a loan, made by the Department of Social Services to the University of Wollongong, to finance, in part, extensions to the Children's Services Centre.

16 Retained Earnings

	2016	2015
	$	$
Balance 1 January	**9,039,930**	9,282,683
Operating Result for the year	**(385,756)**	(242,753)
Retained earnings at 31 December	**8,654,174**	9,039,930

17 Key Management Personnel Disclosures

(a) **Directors**

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

(i) Executive Chair

Melva Crouch (Concluded: 1/10/2016)

(ii) Chair

Sue Chapman (Commenced: 1/10/2016)

(iii) Executive Director

Michael Gillmore (Concluded: 2/12/2016)
Melva Crouch (Commenced: 1/10/2016)

(iv) Non executive Directors

Daniel Crameri
Jo Ann Fisher (Concluded: 6/12/2016)
Walter Immoos (Concluded: 19/4/2016)
Sarah Lisle
Thomas Quinn (Concluded: 23/8/2016)
Tarrant Sewell (Concluded: 6/12/2016)
Samuel Tedeschi (Concluded: 6/12/2016)
Mary Youssif
Murray Reid (Commenced: 22/4/2016)

Apart from the details disclosed in note 20, no Director has entered into a material contract with UOW Pulse Limited since the end of the previous financial year. All contracts involving a Director are conducted at arm's length.

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

(b) **Remuneration of Executive Officers**

	2016	2015
	$	$
Remuneration payments made to Executive Officers		
Short term employee benefits	**262,061**	221,503
Post employment benefits	**28,471**	31,874
Total Remuneration	**290,532**	253,377

18 Remuneration of Auditors

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

	2016	2015
	$	$
Audit Office of NSW		
Audit of financial statements	**59,900**	57,200

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 2016 is $11,277 (2015: $7,390)

	2016	2015
	$	$
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	**58,974**	48,513
Later than one year but not later than five years	**65,266**	32,776
Total Operating lease commitments	**124,240**	81,289

(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 are/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:

19 Commitments

(ii) Operating lease commitments receivable

	2016	2015
	$	$
Receivable - minimum lease payments:		
Within one year	**638,515**	668,778
Later than one year but not later than five years	**729,415**	552,325
Total Operating lease commitments receivable	**1,367,930**	1,221,103

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of $385,103 including GST (2015: $421,078) was received by the Company in the period. The total GST component of operating lease commitments receivable for the year 2016 is $124,484 (2015: $111,009)

(iii) Hire purchase commitments

The Commercial Hire Purchase Liability is an umbrella facility of up to $500,000 that the Company can draw on for the purchase of equipment. It is renewable every 12 months. Interest is payable on each drawdown within the facility at the market rate prevailing at the time of the drawdown. As at 31 December 2016 the unused portion of the facility was $500,000 (2015: $500,000) and the portion of the facility in use was $0 (2015: nil).

(b) **Capital commitments**

The Company has a contractual obligation to purchase within the next 12 months, $256,661 of plant and equipment at reporting date (2015: 16,511). The capital plan for 2017 totals $511,000.

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.

(b) **Transactions with related parties**

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

The University of Wollongong (Ultimate Controlling Entity)
UOWD Ltd and its controlled entities (UOWC Ltd and the Community College of City University Ltd)
University of Wollongong Recreation and Aquatic Centre

20 Related Parties

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

	2016 $	2015 $
Sales of goods and services		
- Sales	**1,944,218**	1,807,031
- Rent received	**169,264**	165,572
- Commissions	**62,850**	68,915
- Grants for specific purposes	**185,000**	185,000
Total	**2,361,332**	2,226,518

	2016 $	2015 $
Purchases of goods		
- Goods and services	**797,394**	994,918
- Contribution to General Manager's salary	**122,609**	113,189
Total	**920,003**	1,108,107

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

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

	2016	2015
Current receivables (sales of goods and services)		
Trade receivables	**859,700**	369,752
Current payables (purchases of goods)		
Trade creditors	**119,180**	141,599
Payables (loans)		
Current portion loan from University of Wollongong	**-**	126,672

21 Economic dependency

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

Notes to the Financial Statements
For the Year Ended 31 December 2016

22 Events Occurring After the Reporting Date

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

23 Contingencies

There were no known contingent assets or liabilities existing at reporting date (nil at 31/12/2015).

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

	2016 $	2015 $
Operating result for the year	**(385,756)**	(242,753)
Non-cash flows in profit:		
Amortisation	**338,780**	331,184
Depreciation	**620,644**	693,061
Net (gain)/loss on sale of non current assets	**72,652**	2,424
Changes in assets and liabilities		
(Increase)/decrease in trade/term debtors	**(598,534)**	(158,999)
Decrease/(increase) in prepayments/other debtors	**(41,325)**	55,953
(Increase)/decrease in inventories	**(49,672)**	46,828
(Increase)/decrease in bad debts allowance	**(3,016)**	2,958
(Decrease)/increase in income in advance	**99,615**	(601)
Increase/(decrease) in trade creditors/accruals	**198,426**	328,523
Increase/(decrease) in other operating liabilities	**1,628**	(452)
Increase/(decrease) in other provisions	**(44,496)**	(1,177)
Net cash inflow/(outflow) from operating activities	**208,946**	1,056,949

END OF AUDITED FINANCIAL REPORT.