

2023

Annual Report



UOW
PULSE



ABN 28 915 832 337
ACN 081 114 089

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DIRECTORS REPORT

STUDENT ENGAGEMENT

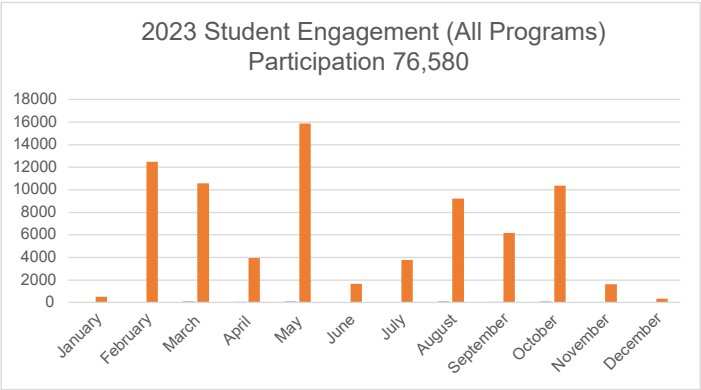
The Company's mission is to complement the University of Wollongong's ("UOW") academic activities through products and services including Student Engagement, Food & Beverage, Retail, Sports & Fitness, Catering & Events and Children's Services to enhance the social, cultural, sporting, health and recreation experiences of the University community. 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.

2023 saw the return of a full calendar year of student engagement offerings, without interruption from the COVID-19 Pandemic including compulsory online learning and reduced student foot-traffic on Wollongong campus. Staff foot-traffic continued to have an impact on operations, as much of the Wollongong campus transitioned to a hybrid work model resulting in less trade opportunities throughout campus outlets. This provided the opportunity to examine what type of experiences the students are prioritising and place higher value on in the post-COVID scenario. As such, there was a strong focus on reviewing program offerings and processes in consultation with student groups. Overall student uptake of Pulse activities, events and programs was very strong, and it was a very successful year for Pulse in terms of delivering a positive and impactful student experience at UOW.

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 detail the combined total achieved:

- 624 events across all programs (+36% compared to 2022)
- 76,580 attendees recorded at Pulse student engagement events (+35% compared to 2022)



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 or 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 Recreation Clubs

Going into 2023, Clubs & Societies at UOW experienced a decrease in the number of affiliated bodies as a direct result of the Covid-19 pandemic, ongoing lockdowns and restrictions placed upon face-to-face environments. Consequently, this impacted succession planning, community building and cultural creation – overall impacting viability, student satisfaction, sustainability, and success of Clubs & Societies at UOW. As a result, UOW Pulse and UOW's Division of Student Life facilitated a review of the program with a Student as Partners approach to ensure that the student voice was represented and that the recommendations were created in collaboration with students.

The review took place over five months with an aim to build knowledge of good practice, evidence and processes, determine how students are utilising Clubs & Societies, examine if student needs have altered since the pandemic, whether the current approach to managing Clubs & Societies is viable and where additional time/ resource investment is required. The Recommendations from the Review have been determined, and UOW Pulse have commenced rolling out significant changes to systems and processes as a result.

Concurrently to the Review, the UniClubs program continued to provide a strong offering in student experience opportunities at UOW, with the following outcomes in 2023:

- 100 affiliated Clubs (-19% compared to 2022)
- 3,140 individual club memberships (-91% compared to 2022) – note that this data was corrupted and lost in Q1, due to an issue with the web management platform
- 2,816 attendees (+40% compared to 2022) at 18 UniClub Events (-47% compared to 2022)

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

FACULTY AND NON-FACULTY CLUBS

2023 saw 66 Non-Faculty Clubs & Societies (+22% compared to 2022) and 34 Faculty Clubs & Societies (-13% compared to 2022) successfully affiliated with UniClubs. The year saw the return of many large-scale activities for the Clubs which had been impacted over recent years including but not limited to intervarsity events and attendance at both national and international competitions and conferences.

2023 ACHIEVEMENTS

- VGong's Got Talent Gala Night (50 Year Anniversary of diplomatic relations between Australia and Vietnam).
- UOW Community Gardening Club continued supporting Pulse Pantry through the provision of fresh produce.
- Critical Care Interest Group SimWars event (simulation training and competition for doctors in training).
- Sri Lankan Students Association "Awurudu" Sinhala and Tamil New Years event.
- Law Students Society "Inspire Evening" including keynote speakers and industry networking.
- Cultural Clubs Showcase on the Duck Pond Lawn for International Week.
- Intersarsity Engineering Clubs Rugby Event.

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. 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.

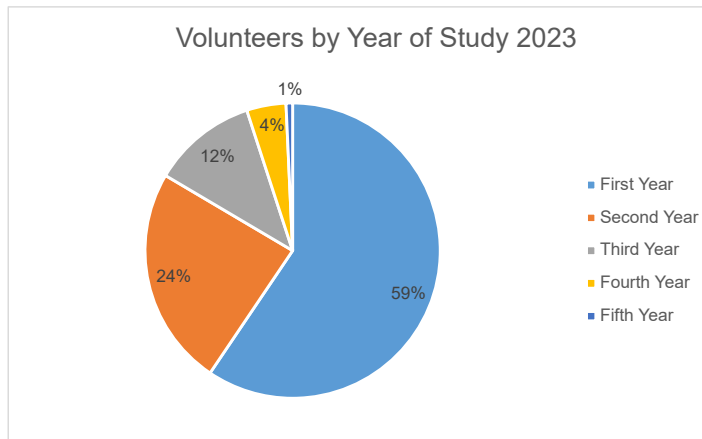
Students can engage with Pulse Volunteering through the following areas of interest:

- Feature and Regular Events support
- Environmental & Sustainability initiatives
- Health and Wellness activities
- Student Support initiatives
- Community Engagement projects
- Digital Content Creation

In 2023, there were 155 domestic students and 551 international students registered for the Volunteering program. Of the registered volunteers, 447 were post-graduate students.

2023 ACHIEVEMENTS

- 706 registered volunteers (+55% compared to 2022)
- 7,642 hours volunteered (+52% compared to 2022)
- 349 active volunteers (+41% compared to 2022)



PULSE PANTRY

Pulse Pantry launched in 2021 after an overwhelming response to the pantry packs distributed by UOW Pulse in 2020 during the COVID-19 Pandemic. Pulse Pantry was established to:

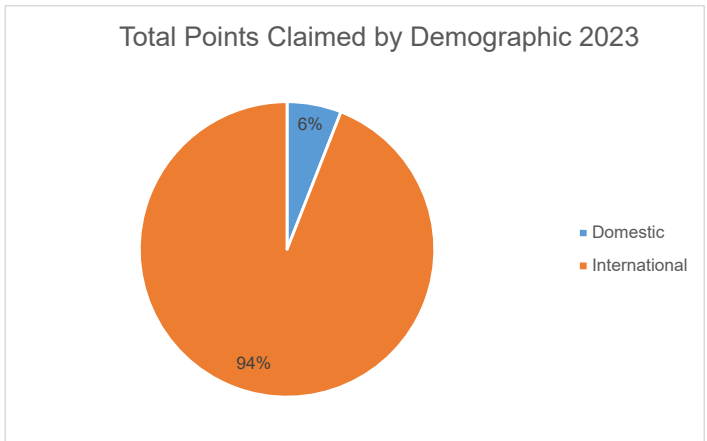
- Assist students facing hardship.
- Provide a last-minute meal to students.
- Continue supporting international students.
- Help support students wellbeing through reducing financial stress related to food.

Pulse Pantry works on a points-based system, where UOW students receive 10 points weekly which can be used to claim items. Operations of the initiative are supported by Pulse staff and volunteers, with items for the Pantry being provided by suppliers, Village Grocer, Aspire Kitchen and UOW Community Garden.

Despite the impact of lockdowns and the pandemic easing, 2023 demonstrated that there is still a strong need for the service with 6,928 visits with 85% of users being international students. Student work visa restrictions were relaxed and then removed throughout the pandemic. These restrictions were reintroduced in 2023, meaning that international students can work a maximum of 48 hours per fortnight. These restrictions alongside increased costs of living and rental prices have seen a continued need for support services such as this.

2023 ACHIEVEMENTS

- 6,928 students accessed the service (+46% compared to 2022).
- The service increased opening times to twice per week during semester, and once per week outside of semester.
- Successfully secured an arrangement with OzHarvest to receive a weekly delivery of fresh fruit and vegetables to offer to participants.
- Set-up an arrangement with Aspire Events & Catering to offer corporate clients an option to sponsor meals for students, and piloted distributing unused catering orders to students on campus via Pulse Pantry, to assist with food insecurity and reduce food wastage.



WELLNESS

In 2023, the Wellness by Pulse program delivered a program to help foster the health and happiness of students at UOW while continuing to fulfill the UN's SDG of 'Good Health and Wellbeing'. The Wellness program does this by nurturing and empowering the mind, body and spirit of students through a range of workshops, regular events and keystone events across the year.

The 2023 program included 159 events/activations on campus (Wollongong, CBD, IC), 12 online workshops available to all on-shore campuses and sent out 28 Wellness e-newsletters.

2023 ACHIEVEMENTS

- 159 face-to-face events/activations (+9% compared to 2022).
- 48,223 engagements with events/activations/workshops (+43% compared to 2022).
- 16,362 subscribers to the Wellness e-newsletter (-26% compared to 2022) with a 32% Open Rate.
- Some successful events included IDAHOBIT Day, RUOK? Day, International Day of Happiness, Mental Health Festival, and Fit + Well Festival. These events connected students and staff with various external and internal resources, stakeholders, and organisations to develop the UOW community's understanding of mental health and wellbeing, whilst reorienting health services, two central goals of the Ottawa Charter.
- RUOK? DAY saw more than 350 attendees with a supportive, comfortable environment for students to connect, reflect and converse while engaging with organisations like ACON, as well as UOW resources through the Mental Health and Wellbeing team, and Student Equity and Success.
- Introduction of free Swim for Fitness sessions at UniActive pool, as a part of the extensive Mental Health Month schedule, throughout October.
- Facilitation of a gathering at White Cedar Courtyard including Elders, Indigenous Community members, UOW students, staff and the broader Illawarra community. The event was created in collaboration with members of UOW's Indigenous Strategy Unit, Woolyungah Indigenous Centre, and Indigenous Academics to bring stakeholders together to share their ideas, thoughts, and insights to establish purpose and significance to this special space on campus. It included the creation of several collaborative art pieces which will be installed in the space, the planting of native seedlings for an edible garden and a number of interactive activities of significance to the First Nations community at UOW.

ENTERTAINMENT

The Entertainment & Events portfolio returned to a full year of programming after several years of disruptions and cancellations due to COVID-19 and extensive wet-weather events.

Pulse's Student Engagement events help to support the identity for Pulse that is fun, creative and all-inclusive, and are developed to reach as many students on campus as possible while enhancing their experience with UOW. These events include orientation week events, regular events, themed events, and cultural-focused celebrations.

2023 PROGRAM

- Orientation: the Autumn festival increased to a four-day offering (previously three), plus specialty events including Pool Party, O-Trivia, O-Comedy, Dragatondra and O-Party. The Spring offering remained as a one-day festival plus specialty events including O-Trivia and Start of Semester Party.
- Regular Events: Lunch on the Lawn, Market Alley, UniBar Trivia, Drag Queen Bingo, Table Tennis Competition.
- Themed Events: Live Art Week, Global Climate Change Week, Moonlit Markets, Breakfast After Dark, Bevs & Brushes, Oktoberfest, The Jam (student talent night), Pulse Gala Night, Op Shop Ball, End of Semester Parties, Neon Nights Party, Halloween Party.
- Cultural Celebrations: Lunar New Year, Holi Festival, Eid al-Fitr, Mid-Autumn Festival, Diwali, International Week.

2023 ACHIEVEMENTS

- 309 events/activations across the year (+63% compared to 2022).
- 48,223 attendees recorded across the year (+99% compared to 2022).
- Record attendance at both Mid-Autumn Festival and Diwali. These events are a great opportunity to showcase our diverse campus, but they are also a great educational platform to teach other students, staff and community about different cultures and cultural significance.
- Incorporating more “after hours” activities to work around students needing to take on more paid work, and attract students to bring along their families. International Week for example, featured a movie night during the week which saw 92 attendees.
- Table Tennis Competition doubled in attendance from semester 1 to semester 2. One consistent student volunteer hosted this competition throughout the year, and the team collaborated with them to create his vision of a “Champions of Champions Competition” which saw the winners from semester 1 vs the winners of semester 2 in a team battle off.

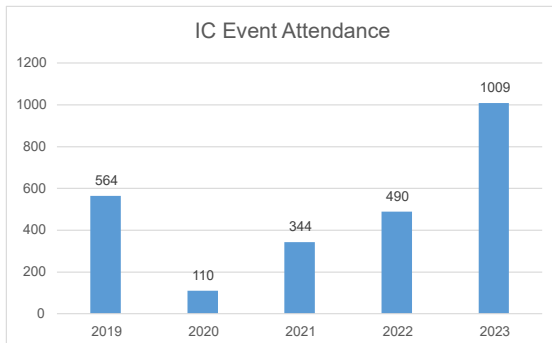
REGIONAL METRO CAMPUSES

Each on-shore campus is charged with facilitating its own campus-based activities except for Innovation Campus which UOW Pulse delivers on behalf of those students. Additionally, UOW Pulse delivers a small number of Student Engagement opportunities which are available to students at other on-shore campuses which includes online Wellness Workshops (fortnightly) and three activations per trimester at CBD Campus.

This year saw a record of 1,009 people engaging with the 21 Innovation Campus events that were delivered. The events targeted IC students as a priority, and where appropriate were then extended to the broader Sydney Business School students, encouraging networks and connection with peers who are within the same degree but studying in different locations. This approach saw positive feedback by the IC students who participated.

2023 ACHIEVEMENTS

- 21 activities delivered for the students of Innovation Campus (+50% compared to 2022).
- 1,009 people engaging with the Innovation Campus events (+105% compared to 2022).
- Innovation Campus Events: Soccer & Snags, Coffee & Chats x2, Blue Mile Guided Walk, Stress Less Care Packages x3, Blue Mountains Tour, Table Tennis Competition, UniMovies Experience, Holey Moley Social Night, Social Lunches x3, International Week activation, Mimosa & Macrame online workshop, Bootcamp & Breaky with UniActive, Taronga Zoo Tour, Mid-Autumn Festival Mooncake Packages, Whale Watching Tour.
- A key highlight was International Week at IC. The event was a free lunch which included international dishes, live music for 1.5hrs and the large outdoor games. The event saw great attendance and engagement, all students (particularly the international students) highlighting the importance of an event such as this on campus.
- Another highlight was the Mid-Autumn Festival activation, which saw 20 students receive a 4 pack of Moon cakes. Students were extremely excited to receive these gifts, indicating the importance of connecting students with their culture.



BOARD OF DIRECTORS



James Pearson

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 learning 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 senior's lifestyle and care providers. He is accountable for all aspects of Finance, Procurement, Payroll, Legal, Risk, Safety and Compliance 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.



Christine O'Toole

Deputy Chair of UOW Pulse Ltd. Board (Non-Executive Director)
Since August 2019

Christine has extensive experience in the steel manufacturing industry, having held management roles in sales, marketing, procurement, and business improvement functions. Christine has also led significant projects throughout the BlueScope Steel's Australian business divisions. In late 2021, Christine 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.



Shiva Gopalan

Chair of UOW Pulse Ltd. Audit, Risk Management and Compliance Committee (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 international 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 Treasurer (Illawarra), National Director of Member Training and Development, National Director of International Relations and 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.



Shaun Minogue

Non-Executive Director

Since February 2022

Shaun is an experienced business leader and former owner of BMS, a successful Technology Consulting firm based in Wollongong, Australia. With over 35 years of experience in the industry, Shaun has built a reputation as a skilled strategist and effective leader.

Shaun joined the ownership group of BMS in 1989, and over the years, he grew the company into a thriving business with a reputation for excellence. Under his leadership, BMS worked with a range of clients across various industries, providing strategic consulting services that helped them achieve their business goals.

Shaun's success as a business owner can be attributed to his deep understanding of the industry and his ability to develop effective growth strategies. He is known for his innovative thinking and his ability to develop leaders within his team.

After many years at the helm of BMS, Shaun made the decision to sell the company and pursue new opportunities. Today, he remains an active member of the business community, starting his latest venture, RockLife, in early 2023. He is often sought out for his insights and expertise and is passionate about mentoring young entrepreneurs and helping them achieve their goals.



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 include 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 worked 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 building construction. She is passionate about efficient operations, appropriate asset management, providing a high level of customer service and sustainability. Kathleen is currently the chair of the Tertiary Education Facilities Management Association (TEFMA) Board.



Matthew Wright

Executive Director
Since June 2019

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

Matthew's expertise extends to a wide range of areas including investments, capital and commercial 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 for 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 the University of Wollongong. Jo has had a successful career and has written articles from 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 and a member of the UOW Pro-Vice Chancellor Students Mental Health Advisory Committee. He is currently studying a Bachelor of Mechatronics Engineering (Honours) 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 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.



Lisa Kervin

Executive Director
March 2023 - November 2023

Lisa Kervin is the UOW council representative of the UOW Pulse Ltd Board. Lisa is a Professor in Education in the Faculty of the Arts, Social Sciences and Humanities at the University of Wollongong, where she is also Director of Early Start Research. In 2020 Lisa was a successful Chief Investigator in the 7-year ARC Centre of Excellence for the Digital Child where she co-leads the national “Educated Child” program of research and is academic lead for the UOW Children’s Technology Play Space. This centre includes six Australian universities (UOW is one of these) and 33 academic and industry partner organisations from Australia, Europe, Asia and America as they embark on a seven-year, transdisciplinary research program will involve experts from education, health and digital and social connectedness.

Lisa is recognised for her interdisciplinary expertise with main areas of impact being in social sciences, computer science and psychology. Her work has been cited by government agencies to inform the development of curriculum and policy (including as examples, Publications Office of the European Union, World Health Organisation and Norwegian Government and US Centres for Disease Control).

Lisa has researched her own teaching and has collaborative research partnerships with teachers and students in tertiary and primary classrooms and prior-to-school settings.

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

There were six meetings of the Board during 2023. The number of Board meetings attended by the 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 director 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 OF ATTENDANCE

	Board		ARMCC		PAC		REM	
	A	B	A	B	A	B	A	B
James Pearson	6	6	4	4	-	-	2	2
Christine O'Toole	6	6	4	4	-	-	-	-
Shiva Gopalan	4	6	3	4	-	-	2	2
Shaun Minogue	5	6	4	4	-	-	-	-
Kathleen Packer	4	6	-	-	-	-	2	2
Matthew Wright	4	6	-	-	-	-	-	-
Lisa Kervin	6	6	-	-	-	-	-	-
Jo Fisher	2	6	-	-	-	-	-	-
Keval Patel	4	6	-	-	2	3	-	-

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.

PAC = Pulse Advisory Committee.

REM = Remuneration Committee.

FINANCIAL PERFORMANCE

	2023 \$	2022 \$
Revenue	24,814,400	20,739,276
Operating result for the year	192,075	(3,024,553)
Retained earnings at the beginning of the financial year	6,976,070	10,000,623
Retailed earnings at the end of the financial year	7,168,145	6,976,070

PRINCIPLE ACTIVITIES

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

OUR VALUES

- Support
- Community
- Agility
- Quality
- Play

AUDIT PROCESS

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

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 Delegations of Authority Policy 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 is revised 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 and 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 and 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 and Compliance Committee
- Remuneration Committee
- Pulse Advisory Committee (PAC)

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 18.



James Pearson

Chair
UOW Pulse Ltd. Board
13 March 2024



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 directors' declaration of the Company, the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023, the Statement of Financial Position as at 31 December 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), and the Government Sector Finance Regulation 2018 (GSF Regulation); and
- presents fairly the Company's financial position as at 31 December 2023, and financial performance and cash flows for the year then ended.

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 2023 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 Directors' Report and the Directors' Declaration.

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, and GSF Regulations. 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

18 March 2024
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 2023, 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.

A handwritten signature in black ink, appearing to read "M. Kharzoo".

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

18 March 2024
SYDNEY

#9421333v1

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

DIRECTORS' 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 Government Sector Finance Act 2018 and the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the financial position of the Company as at 31 December 2023 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 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.

Dated at Wollongong, 13 March 2024.

Signed in accordance with a resolution of the Directors.

SIGNATURES:



James Pearson Chair
UOW Pulse Ltd. Board



Alf Maccioni
Chief Executive Officer
UOW Pulse Ltd.

UOW Pulse Limited

ABN: 28 915 832 337

Financial Statements

For the Year Ended 31 December 2023

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

		2023	2022
	Note	\$	\$
Revenue from continuing operations	3	20,190,140	18,184,203
Other income	3	4,624,260	2,555,073
Gain/(loss) on disposal of assets		(1,831)	66,243
Raw materials and consumables used		(2,752,047)	(2,633,051)
Employee benefits expense	5	(14,549,806)	(13,959,936)
Depreciation and amortisation expense	6	(2,151,616)	(2,316,480)
Borrowing costs	7	(770,101)	(806,839)
Other operating expenses	8	(4,396,924)	(4,113,766)
Profit / (Loss) before income tax		192,075	(3,024,553)
Income tax expense	2(a)	-	-
Profit / (Loss) from continuing operations		192,075	(3,024,553)
Profit / (Loss) for the year		192,075	(3,024,553)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		192,075	(3,024,553)

The accompanying notes form part of these financial statements.

Statement of Financial Position

31 December 2023

		2023	2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	5,866,485	5,514,810
Trade and other receivables	10	809,745	1,473,948
Inventories	11	806,832	507,344
Other financial assets	12	120,000	120,000
Other assets	15	59,094	25,179
TOTAL CURRENT ASSETS		7,662,156	7,641,281
NON-CURRENT ASSETS			
Property, plant and equipment	13	24,101,803	26,112,658
Intangible assets	14	32,410	41,980
TOTAL NON-CURRENT ASSETS		24,134,213	26,154,638
TOTAL ASSETS		31,796,369	33,795,919
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	1,880,576	2,813,079
Lease Liabilities	17	1,109,514	1,806,254
Provisions	19	1,511,508	1,674,804
Other financial liabilities	20	184,662	360,800
TOTAL CURRENT LIABILITIES		4,686,260	6,654,937
NON-CURRENT LIABILITIES			
Lease liabilities	17	19,577,502	19,985,620
Long-term provisions	19	364,462	179,292
TOTAL NON-CURRENT LIABILITIES		19,941,964	20,164,912
TOTAL LIABILITIES		24,628,224	26,819,849
NET ASSETS		7,168,145	6,976,070
EQUITY			
Retained earnings	21	7,168,145	6,976,070
TOTAL EQUITY		7,168,145	6,976,070

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2023

2023

	Retained Earnings
	\$
Balance at 1 January 2023	6,976,070
Surplus for the period	192,075
Other comprehensive income	-
Balance at 31 December 2023	7,168,145

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2022

	Retained Earnings
	\$
Balance at 1 January 2022	10,000,623
Deficit for the period	(3,024,553)
Other comprehensive income	-
Balance at 31 December 2022	6,976,070

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The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	26,461,021	20,607,720
Payments to suppliers and employees	(24,257,853)	(19,765,169)
Interest received	208,274	78,141
Interest paid	(770,101)	(806,839)
Lease payments for leases of low-value assets	(53,618)	(70,319)
Net cash provided by/(used in) operating activities	30 <u>1,587,723</u>	<u>43,534</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	144,546
Purchase of property, plant and equipment	(131,190)	(97,492)
Net cash provided by/(used in) investing activities	<u>(131,190)</u>	<u>47,054</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(1,104,858)	(1,068,119)
Net cash provided by/(used in) financing activities	<u>(1,104,858)</u>	<u>(1,068,119)</u>
Net increase/(decrease) in cash and cash equivalents held	351,675	(977,531)
Cash and cash equivalents at beginning of year	5,514,810	6,492,341
Cash and cash equivalents at end of financial year	9 <u>5,866,485</u>	<u>5,514,810</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2023

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 2023.

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.

The functional and presentation currency of UOW Pulse Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 13 March 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 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*.

Compliance with Australian Charities and Not-for-profit Commission

The financial statements 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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

1 Basis of Preparation

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, and believe that such financial support will continue to be 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.

2 Summary of Significant Accounting Policies

(a) Income tax

The Company is exempt from income tax under Division 50 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.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) New accounting standards and interpretations issued but not yet effective

The following standards, amendments and interpretations have been issued but are not mandatory for 31 December 2023 reporting periods. UOW Pulse Limited has elected not to early adopt any of these standards, amendments and/or interpretations. UOW Pulse Limited's assessment of the impact of these new standards, amendments and interpretations is set out below:

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(c) New accounting standards and interpretations issued but not yet effective

Standard	Amendment	Application date*	Implications
AAB17	Insurance Contracts	1 January 2027	There is no material impact on UOW Pulse
AASB2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2027	There is no material impact on UOW Pulse
AASB2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 January 2027	There is no material impact on UOW Pulse
AASB2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025 (Note 2)	There is no material impact on UOW Pulse
AASB2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB101	1 January 2024	There is no material impact on UOW Pulse
AASB2022-5	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16	1 January 2024	There is no material impact on UOW Pulse
AASB2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024	There is no material impact on UOW Pulse
AASB2022-6	Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants	1 January 2024	There is no material impact on UOW Pulse
AASB2023-1	Amendments to Australian Accounting Standards - Supplier Finance Arrangements	1 January 2024	There is no material impact on UOW Pulse

*The application date mentioned above refers to the date when UOW Pulse Limited would apply relevant standards, amendments and interpretations and this may not be the actual application date of the standards/amendments and interpretations.

Notes to the Financial Statements

For the Year Ended 31 December 2023

3 Revenue and Income

Revenue from continuing operations

	2023	2022
	\$	\$
Sales revenue		
- Sale of goods	6,267,125	5,805,547
- Provision of services	13,923,015	12,378,656
	<u>20,190,140</u>	<u>18,184,203</u>
Other income		
- UOW contribution	2,731,511	2,500,685
- Rental income	1,499,475	1,053,640
- Kids Uni Grant from UOW	185,000	185,000
- Interest	208,274	78,141
- JobKeeper/JobSaver Payment Federal Government	-	(1,262,393)
	<u>4,624,260</u>	<u>2,555,073</u>
Total Revenue	<u>24,814,400</u>	<u>20,739,276</u>

4 Disaggregation of sales revenue from contracts with customers

Basis for disaggregation

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.

The disaggregation of income does not include interest income, sale of goods and wage recharge which are included as part of note 3.

Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Disaggregation of sales revenue from contracts with customers

(a) Disaggregation

The Company derives revenue and income from:

Revenue and Income Streams	Event Management	Sport and Leisure	Sources of funding				UOW	Total
			Tenancy	Childcare	Grants			
	\$	\$	\$	\$	\$	\$	\$	
Fees and charges								
Event sales	1,786,068	-	-	-	-	-	1,786,068	
Rent	-	-	1,499,475	-	-	-	1,499,475	
Childcare fees	-	-	-	8,774,590	-	-	8,774,590	
Childcare grant	-	-	-	-	185,000	-	185,000	
Gym membership fees	-	3,096,560	-	-	-	-	3,096,560	
Contribution	-	-	-	-	-	2,731,511	2,731,511	
Other funding	-	-	-	-	-	100,000	100,000	
Total fees and charges	1,786,068	3,096,560	1,499,475	8,774,590	185,000	2,831,511	18,173,204	

For year ended 31 December 2023

Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Disaggregation of sales revenue from contracts with customers

(a) Disaggregation

Revenue and Income Streams	Event Management \$	Sport and Leisure \$	Sources of funding				UOW \$	Total \$
			Tenancy \$	Child Care \$	Grants \$			
Fees and charges								
Event sales	1,583,470	-	-	-	-	-	1,583,470	
Rent	-	-	1,053,640	-	-	-	1,053,640	
Child care fees	-	-	-	7,746,580	-	-	7,746,580	
Child care grant	-	-	-	-	185,000	-	185,000	
Gym membership fees	-	3,233,304	-	-	-	-	3,233,304	
Contribution	-	-	-	-	-	2,500,685	2,500,685	
Other funding	-	-	-	-	-	150,899	150,899	
Total fees and charges	1,583,470	3,233,304	1,053,640	7,746,580	185,000	2,651,584	16,453,578	

Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Disaggregation of sales revenue from contracts with customers

Revenue from contracts with customers

(b) Accounting policies and significant accounting judgements and estimates

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Disaggregation of sales revenue from contracts with customers

(b) Accounting policies and significant accounting judgements and estimates

Interest income is recognised in the statement of profit and loss 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.

(v) Volunteer Services

UOW Pulse had made an assessment of AASB 1058 and elected to not recognise volunteer services received as income and there is no reliable measure of the fair value of volunteer services and given that volunteer services would not have been purchased if not donated. UOW Pulse has elected not to recognise a value of these services.

5 Employee Related Expenses

	2023	2022
	\$	\$
Salaries	11,836,909	11,292,105
Contributions to superannuation		
- Funded	1,340,007	1,161,768
Annual Leave, long service leave & workers insurance expense	1,341,389	1,470,315
Other employee benefits	31,501	35,748
Total employee related expenses	14,549,806	13,959,936

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 5. The Company does not contribute to, or have any connection with, any defined benefit superannuation funds.

Notes to the Financial Statements

For the Year Ended 31 December 2023

6 Depreciation and Amortisation

	2023	2022
	\$	\$
Depreciation		
Building improvements	156,875	255,716
Right of use assets	1,366,116	1,366,116
Leasehold improvements	531,892	531,892
Plant and equipment	82,676	120,525
Motor vehicles	3,605	-
Computer equipment	882	16,591
Total depreciation	2,142,046	2,290,840
Amortisation		
Computer software	9,570	25,640
Total depreciation and amortisation	2,151,616	2,316,480

Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Borrowing Costs

	2023	2022
	\$	\$
Interest expense on financial liabilities	10,452	14,980
Interest expense on lease liabilities	759,649	791,859
Total borrowing costs expensed	770,101	806,839

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

8 Other Expenses

	2023	2022
	\$	\$
Waste disposal	138,597	131,583
Evening Entertainment	256,563	257,960
Computer software	92,539	113,993
Staff training	89,296	94,241
Bad debt expenses	5,376	7,843
Printing	30,848	37,486
Rental external	82,354	80,552
Subscriptions	125,163	114,421
Cleaning	72,344	49,085
Lunch Entertainment	518,439	482,176
Advertising, marketing and promotional expenses	63,090	104,541
Bank charges	70,192	56,819
Computer expenses	87,243	86,440
Consulting and professional fees	145,256	280,318
Activity Expenses	404,280	360,070
Customer transaction fee	181,600	116,306
Minimum lease payments on operating leases	472,139	419,056
Auditing or reviewing the financial report	96,325	90,750
Kids Uni Catering	148,186	112,284
Laundry	78,998	69,911
Nappy Services	80,325	54,999
Security costs	110,612	119,572
Legal expenses	100,781	163,946
Evening Sound	4,800	3,850
UniLife Promotion	-	7,476
Travel, staff development and entertainment	196,998	125,612
Utilities	299,786	263,711
Miscellaneous	444,794	308,765
Total other expenses	4,396,924	4,113,766

Notes to the Financial Statements

For the Year Ended 31 December 2023

9 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	<u>5,866,485</u>	5,514,810
	<u>5,866,485</u>	<u>5,514,810</u>

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.

10 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	913,390	1,572,217
Provision for impairment	(a) <u>(103,645)</u>	<u>(98,269)</u>
	<u>809,745</u>	<u>1,473,948</u>
Total current trade and other receivables	<u>809,745</u>	<u>1,473,948</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2023

10 Trade and Other Receivables

(a) Impairment of receivables

The Company applies the simplified approach to expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2023 is determined as follows, the expected credit losses incorporate forward looking information.

	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
31 December 2023				
Expected loss rate (%)	0.63	4.75	73.62	
Gross carrying amount (\$)	194,957	68,593	134,690	398,240
ECL provision	1,224	3,257	99,164	103,645
	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
31 December 2022				
Expected loss rate (%)	0.63	4.75	59.57	
Gross carrying amount (\$)	625,084	54,601	154,019	833,704
ECL provision	3,926	2,592	91,751	98,269

Classification and measurement

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.

Impairment

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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

11 Inventories

	2023	2022
	\$	\$
CURRENT		
At cost:		
Inventories at cost	<u>806,832</u>	507,344
	<u>806,832</u>	507,344

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.

12 Other Financial Assets

	2023	2022
	\$	\$
Current		
Held-to-maturity	<u>120,000</u>	120,000
Total current other financial assets	<u>120,000</u>	120,000

Financial assets

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.

Initial recognition and measurement

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)

Notes to the Financial Statements

For the Year Ended 31 December 2023

12 Other Financial Assets

- 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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 debt instruments other than receivables

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

12 Other Financial Assets

receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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

Notes to the Financial Statements For the Year Ended 31 December 2023

13 Property, Plant and Equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Subtotal									
	Capital Works in Progress	Building Improvements	Plant and Equipment*	Motor Vehicles	Computer Equipment	Leasehold Improvements	Right of Use Assets (ROA)	Property, plant and equipment (owned)†	Subtotal Right of use assets**‡	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2022	-	4,258,943	2,728,045	41,677	198,886	17,290,265	24,934,707	24,517,816	24,934,707	49,452,523
- Cost	-	(3,423,037)	(2,488,300)	(41,677)	(180,527)	(12,234,685)	(2,765,858)	(18,368,226)	(2,765,858)	(21,134,084)
Accumulated depreciation and impairment	-	835,906	239,745	-	18,359	5,055,580	22,168,849	6,149,590	22,168,849	28,318,439
Net book amount	-	835,906	239,745	-	18,359	5,055,580	22,168,849	6,149,590	22,168,849	28,318,439
Year ended 31 December 2022	-	835,906	239,745	-	18,359	5,055,580	22,168,849	6,149,590	22,168,849	28,318,439
Opening net book amount	24,324	26,075	47,092	-	-	-	-	97,491	-	97,491
Additions	-	-	(12,432)	-	-	-	-	(12,432)	-	(12,432)
Disposals - written down value	-	(255,716)	(120,525)	-	(16,591)	(531,893)	(1,366,115)	(924,725)	(1,366,115)	(2,290,840)
Depreciation charge	-	606,265	153,880	-	1,768	4,523,687	20,802,734	5,309,924	20,802,734	26,112,658
Closing net book amount	24,324	4,202,845	2,644,311	20,762	198,886	17,290,265	24,909,327	24,381,393	24,909,327	49,290,720
At 31 December 2023	-	(3,596,580)	(2,490,431)	(20,762)	(197,118)	(12,766,578)	(4,106,593)	(19,071,469)	(4,106,593)	(23,178,062)
- Cost	24,324	606,265	153,880	-	1,768	4,523,687	20,802,734	5,309,924	20,802,734	26,112,658
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-
Net book amount	24,324	606,265	153,880	-	1,768	4,523,687	20,802,734	5,309,924	20,802,734	26,112,658

Notes to the Financial Statements For the Year Ended 31 December 2023

13 Property, Plant and Equipment

	Capital Works in Progress	Building Improvements	Plant and Equipment*	Motor Vehicles	Computer Equipment	Leasehold Improvements	Right of Use Assets (ROA)	Subtotal Property, plant and equipment (owned)#	Subtotal Right of use assets**	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2023										
Opening net book amount	24,324	606,265	153,880	-	1,768	4,523,687	20,802,734	5,309,924	20,802,734	26,112,658
Additions	44,450	68,990	22,411	19,664	-	-	-	155,515	-	155,515
Transfer to Plant & Equipment	(22,411)	-	-	-	-	-	-	(22,411)	-	(22,411)
Transfer to P&L	(1,913)	-	-	-	-	-	-	(1,913)	-	(1,913)
Depreciation charge	-	(156,875)	(82,676)	(3,605)	(882)	(531,892)	(1,366,116)	(775,930)	(1,366,116)	(2,142,046)
Closing net book amount	44,450	516,380	93,615	16,059	886	3,991,795	19,436,618	4,665,185	19,436,618	24,101,803
At 31 December 2023										
- Cost	44,450	4,271,835	2,666,722	40,426	198,886	17,290,265	24,909,238	24,512,495	24,909,327	49,421,822
Accumulated depreciation and impairment	-	(3,753,455)	(2,573,107)	(24,367)	(198,000)	(13,298,470)	(5,472,620)	(19,847,310)	(5,472,709)	(25,320,019)
Net book amount	44,450	516,380	93,615	16,059	886	3,991,795	19,436,618	4,665,185	19,436,618	24,101,803

* Plant and equipment includes all operational assets.

** Disclosure per each class of right-of-use asset is included in note 13(b).

Subtotals for right-of-use assets are excluded from the subtotal 'Sub total property, plant and equipment (owned)' and disclosed separately.

Notes to the Financial Statements

For the Year Ended 31 December 2023

13 Property, Plant and Equipment

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:

	2023	2022
Building improvements	5 - 10 years	5 - 10 years
Plant and equipment	3 - 10 years	3 - 10 years
Computer equipment	3 - 5 years	3 - 5 years
Motor vehicles	5 - 10 years	5 - 10 years

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

13 Property, Plant and Equipment

(b) Right-of-use assets

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

	2023	2022
	\$	\$
Right-of-use assets		
Buildings		
At 1 January 2023	20,342,598	21,542,510
Depreciation charge	<u>(1,199,912)</u>	<u>(1,199,912)</u>
At 31 December 2023	<u>19,142,686</u>	<u>20,342,598</u>
	2023	2022
	\$	\$
Right-of-use assets		
Plant and Equipment		
At 1 January 2023	460,136	626,338
Depreciation charge	<u>(166,204)</u>	<u>(166,202)</u>
At 31 December 2023	<u>293,932</u>	<u>460,136</u>
	2023	2022
	\$	\$
Total right-of-use assets	<u>19,436,618</u>	<u>20,802,734</u>

Accounting for leases - UOW Pulse Limited as lessee

In contracts where UOW Pulse Limited is a lessee, UOW Pulse Limited recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

Right-of-use asset

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:

	2023	2022
Buildings	20 years	20 years
Leased finance assets	4 years	4 years

Notes to the Financial Statements

For the Year Ended 31 December 2023

14 Intangible Assets

	Computer software	Goodwill	Total
	\$	\$	\$
Parent			
At 1 January 2022			
Cost	200,939	216,792	417,731
Accumulated amortisation and impairment	(83,780)	(200,460)	(284,240)
Net book amount	117,159	16,332	133,491
Year ended 31 December 2022			
Opening net book amount	117,159	16,332	133,491
Disposals	(65,871)	-	(65,871)
Amortisation	(25,640)	-	(25,640)
Closing net book amount	25,648	16,332	41,980
At 31 December 2022			
Cost	120,281	216,792	337,073
Accumulated amortisation and impairment	(94,633)	(200,460)	(295,093)
Net book amount	25,648	16,332	41,980
Year ended 31 December 2023			
Opening net book amount	25,648	16,332	41,980
Amortisation	(2,289)	(7,281)	(9,570)
Closing net book amount	23,359	9,051	32,410
At 31 December 2023			
Cost	120,281	216,792	337,073
Accumulated amortisation and impairment	(96,922)	(207,741)	(304,663)
Net book amount	23,359	9,051	32,410

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives

Notes to the Financial Statements

For the Year Ended 31 December 2023

14 Intangible Assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite lives

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Disposal

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(i) 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.

(ii) Goodwill

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

14 Intangible Assets

(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.

	2023	2022
Leasehold	30 - 40	30 - 40
Improvements	Years	years

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

SaaS arrangements are arrangements in which UOW Pulse Limited 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 UOW Pulse Limited 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 and accounted for prospectively.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide UOW Pulse Limited 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 UOW Pulse Limited'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 financial statements.

- Determining whether cloud computing arrangements contain a software licence intangible asset.
 - UOW Pulse Limited evaluates cloud computing arrangements to determine if it provides a resource that UOW Pulse Limited can control. UOW Pulse Limited 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:
 - UOW Pulse Limited has the contractual right to take possession of the software during

Notes to the Financial Statements

For the Year Ended 31 December 2023

14 Intangible Assets

the hosting period 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 UOW Pulse Limited in other arrangements, UOW Pulse Limited applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB138.

15 Other Non-Financial Assets

	2023	2022
	\$	\$
Current		
Prepayments	59,094	25,179

16 Trade and Other Payables

	2023	2022
	Note	
	\$	\$
CURRENT		
Trade payables	409,562	275,907
GST payable	356,658	282,040
Accrued expenses	1,114,356	2,255,132
	<u>1,880,576</u>	<u>2,813,079</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 31 December 2023

17 Lease Liabilities

Current Lease Liabilities

	2023	2022
	\$	\$
Finance lease liabilities	1,109,514	1,806,254
Total current lease liabilities	1,109,514	1,806,254

Non-current Lease Liabilities

	2023	2022
	\$	\$
Finance lease liabilities	19,577,502	19,985,620
Total non-current lease liabilities	19,577,502	19,985,620

Lease liabilities are initially recognised at fair value, net of transaction costs incurred. Lease liabilities 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 profit or loss over the period of the lease liabilities 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.

Lease liabilities 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.

Lease liabilities 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 end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2023

18 UOW Pulse Limited as Lessee

Amounts recognised in the statement of profit or loss

	2023	2022
	\$	\$
NAB loan interest	(10,542)	(14,980)
Interest on lease liabilities	(759,649)	(791,859)
Income from sub-leasing right of use assets	1,499,475	1,060,279
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	(53,618)	(70,319)
Depreciation of right-of-use assets	(1,366,116)	(1,366,116)
	(690,450)	(1,182,995)

Maturity analysis - undiscounted contractual cash flows

	2023	2022
	\$	\$
Less than one year	1,869,163	1,864,507
One to five years	6,912,593	7,089,614
More than 5 years	18,592,891	20,292,041
Total undiscounted lease payments receivable	27,374,647	29,246,162
Lease liabilities recognised in the statement of financial position	20,687,016	21,791,874
Current	1,109,514	1,806,254
Non-current	19,577,502	19,985,620

Amounts recognised in statement of cash flows

	2023	2022
	\$	\$
Total cash outflow for leases	1,928,577	1,945,278

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

18 UOW Pulse Limited as Lessee

(a) 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.

(b) 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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

19 Provisions

	2023	2022
	\$	\$
CURRENT		
Employee benefits - long service leave	730,328	910,648
Employee benefits - annual leave	781,180	764,156
Total current provisions	1,511,508	1,674,804
	2023	2022
	\$	\$
NON-CURRENT		
Employee benefits - long service leave	364,462	179,292
Total non-current provisions	364,462	179,292

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.

(a) Employee Benefits

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.

	2023	2022
	\$	\$
Long service leave obligation expected to be settled after 12 months	585,781	827,577

Notes to the Financial Statements

For the Year Ended 31 December 2023

19 Provisions

(a) Employee Benefits

	2023	2022
	\$	\$
Annual leave obligation expected to be settled after 12 months	129,666	165,974

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 5.

(b) 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.

(c) 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% (2022: 2.5%)

Notes to the Financial Statements

For the Year Ended 31 December 2023

19 Provisions

(c) **Long service leave**

- Discount rate: 4.2% (2022: 3.51%)

- Proportion of leave taken in service: 65% (2022: 52%)

(d) **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.

20 Other Financial Liabilities

	2023	2022
	\$	\$
CURRENT		
Deposits held	21,594	21,594
Income in Advance	163,068	339,206
Total	184,662	360,800

Notes to the Financial Statements

For the Year Ended 31 December 2023

21 Retained Earnings

	2023	2022
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	6,976,070	10,000,623
Net profit attributable to beneficiaries of the trust	192,075	(3,024,553)
Retained earnings at end of the financial year	<u>7,168,145</u>	<u>6,976,070</u>

22 Key Management Personnel Remuneration

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

(a) Chair

James Pearson

(b) Executive Directors

Jo Fisher

Kathleen Packer

Matthew Wright

Keval Patel

Lisa Kervin (Commenced 01/03/2023) (Concluded 30/11/2023)

(c) Non-executive Directors

Shiva Gopalan

Christine O'Toole

Shaun Minogue

Aside from the remuneration for services rendered as an employee of the Company as disclosed in this note 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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

22 Key Management Personnel Remuneration

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

	2023	2022
	\$	\$
Short-term employee benefits	518,112	518,481
Post-employment benefits	59,839	55,896
	<u>577,951</u>	<u>574,377</u>

23 Auditors' Remuneration

	2023	2022
	\$	\$
Audit Office of NSW - Auditor's remuneration	85,575	90,750
Total	<u>85,575</u>	<u>90,750</u>

24 Commitments

Capital commitments

The Company has nil contractual obligation to purchase within the next 12 months of plant and equipment at reporting date (2022: nil).

25 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 22 no Director has entered into any other material contract with the Company since the end of the previous financial year.

(b) Transactions with related parties

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

- The University of Wollongong (Ultimate Controlling Entity)

Notes to the Financial Statements

For the Year Ended 31 December 2023

25 Related Parties

(b) Transactions with related parties

- 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:

	2023	2022
Sales of goods and services	\$	\$
Sales	4,693,740	5,016,527
Commissions	25,435	25,339
Grants for specific purposes	185,000	185,000
Total	4,904,175	5,226,866

	2023	2022
Purchases of goods	\$	\$
Goods and services	2,830,157	2,771,438

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

Current receivables (sales of goods and services)	2023	2022
	\$	\$
Trade receivables	127,252	817,924

Current payables (purchases of goods)	2023	2022
	\$	\$
Trade creditors	284,225	373,260

26 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 2023

27 Events After the End of the Reporting Period

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

28 Financial Risk Management

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) Market risk

(i) Foreign exchange 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 may be 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 (2022: \$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 2023

28 Financial Risk Management

(a) Market risk

(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 2023 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 tables summarise the sensitivity of the Company's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2023

Carrying amount	Interest rate risk				Price risk				
	-1%		+1%		-1%		+1%		
	Result	Equity	Result	Equity	Result	Equity	Result	Equity	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets									
Cash and Cash Equivalents - at bank	5,866,485	(58,665)	(58,665)	58,665	58,665	-	-	-	-
Receivables	809,745	-	-	-	-	-	-	-	-
Financial liabilities									
Payables	1,523,916	-	-	-	-	-	-	-	-
Current Lease Liabilities	170,013	-	-	-	-	-	-	-	-
Non Current Lease Liabilities	115,993	-	-	-	-	-	-	-	-
Other financial liabilities	21,594	-	-	-	-	-	-	-	-
Total increase/(decrease)		(58,665)	(58,665)	58,665	58,665	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2023

28 Financial Risk Management

(a) Market risk

31 December 2022

Financial assets

Cash and Cash Equivalents -
at bank
Receivables

Financial liabilities

Payables
Current Lease Liabilities
Non Current Lease Liabilities
Other financial liabilities
Total increase/(decrease)

Carrying amount	Interest rate risk				Price risk			
	-1%		+1%		-1%		+1%	
	Result	Equity	Result	Equity	Result	Equity	Result	Equity
\$	\$	\$	\$	\$	\$	\$	\$	\$
5,514,810	(55,148)	(55,148)	55,148	55,148	-	-	-	-
1,473,948	-	-	-	-	-	-	-	-
2,700,955	-	-	-	-	-	-	-	-
165,357	-	-	-	-	-	-	-	-
286,006	-	-	-	-	-	-	-	-
21,594	-	-	-	-	-	-	-	-
	(55,148)	(55,148)	55,148	55,148	-	-	-	-

(b) 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 10.

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 4.01% (2022: 2.45%).

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 10.

Notes to the Financial Statements

For the Year Ended 31 December 2023

28 Financial Risk Management

(c) 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 2023

28 Financial Risk Management

(c) Liquidity risk

The following tables summarise the maturity of the Company's financial assets and financial liabilities:

	Average interest rate		Variable interest rate		Less than 1 year		1 to 5 years		5+ years		Non-interest Bearing		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:														
Cash and cash equivalents	4.01	2.45	5,866,485	5,514,810	-	-	-	-	-	-	-	-	5,866,485	5,514,810
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	809,746	1,473,948
Other financial assets	5.55	3.65	120,000	120,000	-	-	-	-	-	-	-	-	120,000	120,000
Total Financial Assets			5,986,485	5,634,810	-	-	-	-	-	-	809,746	1,473,948	6,796,231	7,108,758
Financial Liabilities:														
Payables	-	-	-	-	-	-	-	-	-	-	-	-	1,523,916	2,700,955
Lease Liabilities	2.78	2.78	-	-	170,013	165,357	115,993	286,006	-	-	-	-	286,006	451,363
Total Financial Liabilities			-	-	170,013	165,357	115,993	286,006	-	-	1,523,916	2,700,955	1,809,922	3,152,318

Notes to the Financial Statements

For the Year Ended 31 December 2023

29 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (31 December 2022: None).

30 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Operating result for the year	192,075	(3,024,553)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	9,569	25,640
- depreciation	2,142,047	2,290,840
- net gain on disposal of property, plant and equipment	1,831	(66,243)
- impairment of receivables	5,376	7,843
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	658,827	(1,145,783)
- (increase)/decrease in prepayments	(33,915)	111,748
- (increase)/decrease in inventories	(299,488)	(50,441)
- increase/(decrease) in income in advance	(176,138)	(154,868)
- increase/(decrease) in trade and other payables	(934,335)	1,794,755
- increase/(decrease) in other operating liabilities	-	9,204
- increase/(decrease) in provisions	21,874	245,393
Cashflows from operations	1,587,723	43,535

END OF AUDITED FINANCIAL REPORT

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