THE UNIVERSITY OF NEWCASTLE

CONTROLLED ENTITIES

THE UNIVERSITY OF NEWCASTLE AUSTRALIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Newcastle Institute for Energy and Resources home to TUNRA

CONTENTS

NUSERVICES PTY LIMITED
FINANCIAL STATEMENTS

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
FINANCIAL STATEMENTS

NEWCASTLE AUSTRALIA INSTITUTE OF HIGHER EDUCATION PTE LTD (NAIHE)
FINANCIAL STATEMENTS

NEWCASTLE UNIVERSITY SPORT (NUSPORT)
FINANCIAL STATEMENTS

THE UNIVERSITY OF NEWCASTLE

NUSERVICES PTY LIMITED

ABN 59 641 266 506

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NUSERVICES PTY LTD
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Income from continuing operations			
Revenue from contracts with customers	2	**2,034,429**	866,660
Financial assistance from the parent entity		**-**	1,185,987
Interest income		**1,787**	-
Total income from continuing operations		**2,036,216**	2,052,647
Expenses from continuing operations			
Employee related expenses	3	**1,024,732**	824,478
Service fees and professional services	4	**105,188**	229,517
Repairs and maintenance		**-**	2,300
Cost of goods sold		**574,250**	308,187
Other expenses	5	**254,845**	110,828
Total expenses from continuing operations		**1,959,015**	1,475,310
Net result for the period		**77,201**	577,337
Net result attributable to members of the NUservices Pty Ltd		**77,201**	577,337
Other comprehensive income			
Net result for the period		**77,201**	577,337
Total other comprehensive income		-	-
Comprehensive result		**77,201**	577,337
Total comprehensive income attribute to members of the NUservices Pty Ltd		**77,201**	577,337

The above statement should be read in conjunction with the accompanying notes.

NUSERVICES PTY LTD

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	**291,558**	362,424
Receivables	7	**177,049**	32,355
Inventories	8	**198,832**	160,830
Total current assets		**667,439**	555,609
Total assets		**667,439**	555,609
Liabilities			
Current liabilities			
Payables	9	**274,868**	266,944
Employee benefit provisions	10	**40,982**	22,010
Other liabilities	11	**46,619**	49,352
Total current liabilities		**362,469**	338,306
Non-current liabilities			
Employee benefit provisions	10	**18,214**	7,748
Total non-current liabilities		**18,214**	7,748
Total liabilities		**380,683**	346,054
Net assets		**286,756**	209,555
Equity			
Share capital	12	**100**	100
Retained earnings		**286,656**	209,455
Total equity		**286,756**	209,555

The above statement should be read in conjunction with the accompanying notes.

NUSERVICES PTY LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Retained earnings	Total
	$	$	$
Balance at 1 January 2021	100	(367,882)	(367,782)
Net result	-	577,337	577,337
Other comprehensive income	-	-	-
Total comprehensive income	-	577,337	577,337
Balance as at 31 December 2021	100	209,455	209,555
Balance at 1 January 2022	**100**	**209,455**	**209,555**
Net result	**-**	**77,201**	**77,201**
Total comprehensive income	**-**	**77,201**	**77,201**
Balance at 31 December 2022	**100**	**286,656**	**286,756**

The above statement should be read in conjunction with the accompanying notes.

NUSERVICES PTY LTD

STATEMENT OF CASH FLOWSS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**2,093,197**	1,135,717
Financial assistance from the parent entity		**-**	625,000
Payments to suppliers and employees		**(2,041,939)**	(1,544,599)
Interest received		**1,787**	
GST recovered/(paid)		**(123,911)**	(33,174)
Net cash provided by / (used in) operating activities		**(70,866)**	182,943
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from parent entity		**-**	50,000
Net cash provided by / (used in) investing activities		**-**	50,000
Net increase / (decrease) in cash and cash equivalents		**(70,866)**	232,943
Cash and cash equivalents at beginning of the financial year		**362,424**	129,481
Cash and cash equivalents at the end of the financial year	6	**291,558**	362,424

The above statement should be read in conjunction with the accompanying notes.

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NUservices Pty Limited (the Company) is a registered company limited by shares and is a controlled entity of the University of Newcastle. The Company is a not for profit entity (as profit is not its principal objective). The Company was established and has its domicile in Australia.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated.

The registered office and principal address of the Company is:

NUservices Pty Ltd
University Drive
Callaghan NSW 2308
Australia.

(a) Basis of preparation

The general purpose financial statements are prepared on an accrual basis and comply with the Australian Accounting Standards *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* as issued by the Australian Accounting Standards Board.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Additionally, the statements have been prepared in accordance with the following statutory requirements and other authoritative pronouncements of the Australian Accounting Standards Board:

- *Government Sector Finance Act 2018*
- Government Sector Finance Regulation 2018.

Date of authorisation for issue

The financial statements were authorised for issue by the Board members of the Company on 23 March 2023.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Provision for impairment of receivables: a provision is estimated when there is objective evidence that the Company will not be able to collect all amounts due according to the original forms of the receivables as outlined in note 1(h).
- Employee benefits – long service leave: the liability for long service leave is measured at the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date as outlined in note 1(n).

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes the repayment of debts will be met as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind up the operations.

In 2022 the Company received a commitment to provide financial support from its parent entity, The University of Newcastle, if required. This commitment ensures that the Company has sufficient cash to pay all financial obligations as and when they fall due. The current commitment of financial support extends till 31 December 2023.

The Company did not require financial support from the parent entity during 2022 since it was not required.

(c) Revenue recognition

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

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed.

Revenue is accounted for in accordance with AASB 15 Revenue from Contracts with Customers where enforceable arrangements with the customer exist. This includes sale of goods, rental, trading, and other income. AASB 1058 Income for Not-for-Profit Entities is applied for other revenue where suitable enforcement arrangements are not in existence. In these instances, the Company generally recognises revenue when there is an unconditional right to receive the funds (e.g. cash). Revenue is recognised for the major business activities as follows:

(i) Financial assistance from the parent entity

Financial assistance from the parent entity is recognised when cash is received.

(ii) Rental income

Income from tenants is recognised on a straight line basis for the relevant rental period.

(iii) Trading income

Income from retail shop, food and beverage, vending is recognised as income when earned.

(d) Minor equipment

The Company recognises purchases as Property, Plant and Equipment where the expenditure exceeds the Company's capitalisation threshold of $10,000. All equipment purchases under this threshold are recognised as minor equipment through the income statement. There were no purchases that exceeded the capitalisation threshold in 2022.

As part of the service level agreement with The University of Newcastle, the parent entity is responsible for capital expenditure required for the operation of the organisation. Allocation of capital to projects will follow the University's process and business case requirements.

(e) Income tax

The Company does not provide for income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997 (ITAA).*

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets

Assets are reviewed 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand.

(h) Trade receivables

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped together based on shared credit risk characteristics and days past due. Any receivables that are known to be uncollectable are written off.

(i) Inventories

Beverage, food, and retail are stated at the lower of average cost and net realisable value. Cost comprises direct materials. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(j) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Company is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Company considers market participants use of, or purchase of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days following the end of the month they are recognised.

(m) Provisions

Provisions for legal claims is 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 can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The 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 due to the passage of time is recognised as a finance cost.

(n) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Goods and services tax (GST)

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

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

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

Commitments are disclosed net of the amount of GST recoverable from or payable to tax authorities.

(p) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(q) Initial application of Australian Accounting Standards

The Company has opted to adopt at the start of 1 January 2022 AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. Other than the change in disclosure requirements, the adoption of AASB 1060 has no material impact on the financial statements because the Company's previous financial statements complied with *Australian Accounting Standards – Reduced Disclosure Requirements.*

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The following standards have been issued but are not mandatory for 31 December 2022 reporting periods. The Company has elected not to early adopt any of these standards.

Standard	**Description**	**Application Date**
AASB17	Insurance Contracts	1 January 2023
AASB2014-10	Amendments to Australian Accounting Standards –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB 101	1 January 2023
AASB 2022-1	Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023
IFRS16	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024

For each of the above amendments, the Company will comply with additional reporting requirements but has not identified any material impact from the amendments.

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022	2021
Revenue recognised over time	**$**	**$**
Rental income	**770,398**	541,058
Less: rental relief	**(8,807)**	(214,224)
	761,591	326,834
Revenue recognised at point in time		
Sales of goods	**593,820**	218,634
Food and beverage trading income	**679,018**	321,192
	1,272,838	539,826
Total Revenue from contracts with customers	**2,034,429**	866,660

3 EMPLOYEE RELATED EXPENSES

Salaries and salary recharges	**826,226**	697,651
Superannuation	**87,583**	49,432
Payroll tax	**42,514**	24,087
Worker's compensation	**16,808**	17,535
Long service leave	**10,466**	6,554
Annual leave	**41,135**	29,219
Total employee related expenses	**1,024,732**	824,478

4 SERVICE FEES AND PROFESSIONAL SERVICES

Service fees	**60,525**	60,000
Professional services	**44,663**	169,517
Total services	**105,188**	229,517

5 OTHER EXPENSES

Advertising marketing and promotional expenses	**12,577**	4,186
General consumables	**37,949**	11,714
Insurance	**(3,936)**	5,123
Minor equipment	**22,643**	40,412
Other employee related expenses	**98,983**	41,969
Utilities	**64,363**	-
Other expenses	**22,266**	7,424
Total other expenses	**254,845**	110,828

6 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	**291,558**	362,424
Total cash and cash equivalents	**291,558**	362,424

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate between 0.00% to 2.25% (2021: 0.00%).

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7 RECEIVABLES

	2022	2021
	$	$
Current		
Accrued income	**87,111**	23,653
Prepayments	**4,001**	3,622
Trade receivables	**85,937**	5,080
Total current receivables	**177,049**	32,355

Fair value of trade receivables

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as their fair value.

8 INVENTORY

Retail inventory - at cost		
Retail stock on hand	**198,832**	160,830
Total inventories	**198,832**	160,830

9 PAYABLES

Current		
Trade payables	**82,248**	119,102
Other payables	**68,810**	26,786
Related party payables	**123,810**	121,056
Total current trade and other payables	**274,868**	266,944

The carrying amounts of trade and other payables are considered to be the same as the fair values, due to their short term nature.

10 EMPLOYEE PROVISIONS

Current provisions		
Annual leave	**40,982**	22,010
Total current provisions	**40,982**	22,010
Non-current provisions		
Long service leave	**18,214**	7,748
Total non-current provisions	**18,214**	7,748
Total provisions	**59,196**	29,758

The employee benefit provisions cover the company's liabilities for long service leave and annual leave which are classified as either current or non-current provisions, as explained in note 1(n).

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 OTHER LIABILITIES

	2022	2021
	$	$
Income received in advance	**46,619**	49,352
Total other liabilities	**46,619**	49,352

12 SHARE CAPITAL

(a) Share Capital

10 fully paid ordinary shares	**100**	100
Total share capital	**100**	100

(b) Capital Management

20% of NUservices revenue is sourced directly from The University of Newcastle and the Company relies on the provision of in kind facilities and services to operate as a going concern. In 2022 the Company did not require any additional financial support in the form of cash injections from the parent entity (2021: $1.185,987).

As a controlled entity of the University of Newcastle, NUservices relies on cash flow support from the parent entity to maintain the positive net asset position of the company should the capital in the company not be sufficient to meet operating needs or strategic objectives. A letter of financial support has been provided by the University for the period to 31 December 2023. The Company does not have external borrowings.

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 KEY MANAGEMENT PERSONNEL DISCLOSURES

	2022	2021
	$	$
Short - term employee benefits	**183,426**	150,188
Total key management personnel compensation	**183,426**	150,188

14 REMUNERATION OF AUDITORS

	2022	2021
	$	$
Audit of the Financial Statements	**28,750** #1	4,600
Total remuneration of auditors	**28,750**	4,600

#1 Of the total $28,750 remuneration paid to auditors, $4,750 relates to the year ended 31 December 2021.

15 CONTINGENCIES

NUservices Pty Ltd did not have any contingent assets or contingent liabilities at 31 December 2022 (2021: Nil).

16 COMMITMENTS

NUservices Pty Ltd did not have any commitments at 31 December 2022 (2021: Nil).

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

17 RELATED PARTIES

(a) Parent entities

The ultimate parent entity is The University of Newcastle by virtue of its full ownership of the Company's issued share capital.

The Company is incorporated and domiciled in Australia.

(b) Transactions with related parties

The following transactions occurred with related parties:

	2022	2021
	$	$
i) Parent entity:		
Sale of goods and services	**384,187**	-
Financial assistance from parent entity	**-**	1,185,987
Salary cost recovery	**20,861**	16,107
Total sale of goods, services and financial assistance	**405,048**	1,202,094
Purchase of goods and services:		
Service fees	**60,000**	60,000
Salary cost recovery	**159,141**	230,888
Inventory	**-**	105,168
Consumables and cost recovery	**222,694**	87,873
Total purchase of goods and services	**441,835**	483,929

(c) Loans to / (from) related parties

	2022	2021
i) Parent entity:		
Beginning of the year	**-**	299,900
Loans advanced	**-**	50,000
Loans written off	**-**	(349,900)
Issued share capital	**-**	-
End of year	**-**	-

(d) Outstanding balances

	2022	2021
Current payables		
Parent entity	**123,810**	121,056
End of year	**123,810**	121,056

No loss allowances have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(e) Terms and conditions

All transactions with related parties occurred on the basis of normal commercial terms and conditions, with the exception of inventory transferred from the parent entity to the Company which is being repaid over a period longer than normal commercial terms.

NUSERVICES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18 EVENTS OCCURRING AFTER REPORTING DATE

The Directors have not noted any events 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.

NUSERVICES PTY LTD

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company declare that:

1. The financial statements:

   a. comply with the Australian Accounting Standards Simplified Disclosure Requirements which include the Australian Accounting Interpretations;

   b. comply with the *Government Sector Finance Act 2018* and the Government Sector Finance Regulation 2018; and

   c. present fairly the financial position of NUservices Pty Ltd as at 31 December 2022, and the financial performance and cash flows for the year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration has been made pursuant to section 7.6 (4) of the *Government Sector Finance Act 2018* in accordance with a resolution of the Board of Directors dated 23 March 2023.

Professor Alex Zelinsky
Director

Mr David Toll
Director

Dated 23 March 2023

NUSERVICES PTY LTD
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT

NUservices Pty Ltd

To Members of the New South Wales Parliament and Members of NUservices Pty Ltd

Opinion

I have audited the accompanying financial statements of NUservices Pty Ltd (the Company), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information and the Directors' Declaration.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

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

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

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act and GSF Regulation. The directors' responsibility also includes such internal control as the directors determine is necessary

NUSERVICES PTY LTD

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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

Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 March 2023
SYDNEY

THE UNIVERSITY OF NEWCASTLE

RESEARCH ASSOCIATES LIMITED (TUNRA)

ABN 97 000 710 074

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Income from continuing operations			
Revenue from contract with customers	2	**10,587,676**	9,342,714
Other revenue		**49,592**	41,769
Interest income		**84,280**	90,130
Total income from continuing operations		**10,721,548**	9,474,613
Expenses from continuing operations			
Employee related expenses	3	**6,145,421**	5,143,701
Depreciation and amortisation		**36,838**	50,931
Repairs and maintenance		**147,782**	89,317
Other investment losses/(gains)		**225,693**	(48,678)
Impairment expense/(reversal) of financial assets	4	**(6,148)**	46,040
Other expenses	5	**3,362,971**	3,147,312
Total expenses from continuing operations		**9,912,557**	8,428,623
Net result for the period		**808,991**	1,045,990
Net result attributable to members of The University of Newcastle Research Associates Limited		**808,991**	1,045,990
Other comprehensive income			
Net result for the period		**808,991**	1,045,990
Total other comprehensive income		**0**	0
Total comprehensive result		**808,991**	1,045,990
Total comprehensive income attributable to members of the University of Newcastle Research Associates Limited		**808,991**	1,045,990

The above statement should be read in conjunction with the accompanying notes.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	**1,266,397**	1,961,342
Trade and other receivables	7	**6,500,192**	6,077,334
Non-current assets held for sale		**-**	106,376
Total current assets		**7,766,589**	8,145,052
Non-current assets			
Other financial assets	8	**-**	50
Plant and equipment	9	**167,182**	113,758
Intangible assets	10	**-**	-
Total non-current assets		**167,182**	113,808
Total assets		**7,933,771**	8,258,860
Liabilities			
Current liabilities			
Trade and other payables	11	**562,468**	1,119,161
Employee benefit provisions	12	**1,333,859**	1,811,501
Contract liability		**35,000**	63,652
Total current liabilities		**1,931,327**	2,994,314
Non-current liabilities			
Employee benefit provisions	12	**92,118**	163,211
Total non-current liabilities		**92,118**	163,211
Total liabilities		**2,023,445**	3,157,525
Net assets		**5,910,326**	5,101,335
Equity			
Retained earnings		**5,910,326**	5,101,335
Total equity		**5,910,326**	5,101,335

The above statement should be read in conjunction with the accompanying notes.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Retained earnings
	$
Balance at 1 January 2021	4,055,345
Net result	1,045,990
Other comprehensive income	0
Total comprehensive income	5,101,335
Balance as at 31 December 2021	5,101,335
Balance at 1 January 2022	**5,101,335**
Net result	**808,991**
Total comprehensive income	**5,910,326**
Balance at 31 December 2022	**5,910,326**

The above statement should be read in conjunction with the accompanying notes.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**11,324,077**	10,288,672
Payments to suppliers and employees (inclusive of GST)		**(9,170,099)**	(5,867,468)
Interest received		**-**	34
Lease payments for short-term and low value leases		**(22,070)**	(21,754)
GST paid		**(731,816)**	(618,793)
Net cash provided by / (used in) operating activities		**1,400,092**	3,780,691
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and equipment		**(90,262)**	(16,950)
Loans to related parties		**(2,000,000)**	(2,500,000)
Payments for investments held on behalf of third parties		**(4,775)**	-
Net cash provided by / (used in) investing activities		**(2,095,037)**	(2,516,950)
Net increase / (decrease) in cash and cash equivalents		**(694,945)**	1,263,741
Cash and cash equivalents at beginning of the financial year		**1,961,342**	697,601
Cash and cash equivalents at the end of the financial year	6	**1,266,397**	1,961,342

The above statement should be read in conjunction with the accompanying notes.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The University of Newcastle Research Associates Limited (the Company) is a registered company limited by guarantee and is a controlled entity of the University of Newcastle. The Company is a not for profit entity (as profit is not its principal objective) and it has one identified cash generating unit. The Company was established and has its domicile in Australia.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated.

The registered office and principal address of the Company is:

Newcastle Institute for Energy & Resources - NIER Block A
70 Vale Street
Shortland NSW 2307
Australia.

(a) Basis of preparation

The general purpose financial statements are prepared on an accrual basis and comply with the Australian Accounting Standards AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities as issued by the Australian Accounting Standards Board.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Additionally, the statements have been prepared in accordance with the following statutory requirements and other authoritative pronouncements of the Australian Accounting Standards Board:

- *Government Sector Finance Act 2018*
- Government Sector Finance Regulation 2018.

Date of authorisation for issue

The financial statements were authorised for issue by the Board members of the Company on 22 March 2023.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Provision for impairment of receivables: a provision is estimated when there is objective evidence that the Company will not be able to collect all amounts due according to the original forms of the receivables as outlined in note 1(f).
- Impairment of investments and other financial assets: the Company assesses at each reporting date whether there is effective evidence that a financial asset or group of financial assets is impaired as outlined in note 1(d).

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- Employee benefits – long service leave: the liability for long service leave is measured at the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date as outlined in note 1(n).
- Useful lives of plant and equipment: depreciation of plant and equipment is calculated over the assets estimated useful life as outlined in note 1(i).
- Useful lives of intangible assets: amortisation of intangible assets is calculated over the assets estimated useful life as outlined in note 1(k).

(b) Revenue recognition

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

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. 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) Royalties, trademarks and licences

Revenue from royalties, trademarks and licences is recognised as income when earned.

(ii) Consultancy and research contracts

The Company assesses contracts applying AASB 15 and AASB 1058. The Company first determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Company applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Company considers whether AASB 1058 applies.

(iii) Interest

Interest income is recognised as it is earned.

(iv) Other revenue

Other income represents miscellaneous income which is not derived from core operations and is recognised as income by applying AASB 15 and AASB 1058 depending on the existence of 'sufficiently specific' obligations.

(c) Income tax

The Company does not provide for income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997 (ITAA).*

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of assets

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 reviewed 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Receivables

(i) Trade receivables

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped together based on shared credit risk characteristics and days past due. Any receivables that are known to be uncollectable are written off.

The COVID-19 pandemic and the slowing down in the global economy due to high inflation and political tension worldwide have resulted in continued challenges to the economy with governments increasing the interest rates rapidly to combat the inflation. As the high inflation is predicted to be ongoing in 2023, the Company has considered these ongoing challenges and uncertainty and the impact of these events on the modelling of expected credit losses which are the subject of higher scrutiny during this period.

(ii) Related receivables - investments

Related receivables – investments reflect cash transferred to the parent entity that are invested in the consolidated long term investment pool, the receivable is fully exposed to the risk of capital gains and losses in the underlying investment balance. The Company records the annual performance of the investment pool, representing the return generated by the investment pool over a specific period, whether positive or negative, as reported by the parent entity's fund manager, as 'other investment losses / (gains)', in the Income Statement. The receivable becomes payable from the parent entity on the contracted maturity date, or earlier, as allowable under the terms of the agreement with the parent entity, at the market value on the day of withdrawal. Short term pool interest receivables reflect excess cash balances held by the parent entity on behalf of the Company.

The long term investment pool is classified as a financial asset at fair value through profit or loss (FVPL) and the short term pool is classified as a financial asset at amortised cost.

(g) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Fair value measurement (continued)

liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Company is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Company considers market participants use of, or purchase of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(h) Other financial assets

(i) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI.
- Equity investments that are held for trading.
- Equity investments for which the Company has not elected to recognise fair value gains and losses through OCI.

Information about the methods and assumptions used in determining fair value are provided in note 8. Changes in fair values of other financial assets at fair value through profit or loss are recorded in other investment losses / (gains) in the income statement.

(i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Plant and equipment (continued)

Depreciation on plant and equipment is calculated using the straight-line method to allocate its cost, net of its residual values, over its estimated useful lives, as follows:

	2022	2021
Plant and equipment	4 – 10 years	4 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(j) Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

(k) Intangible assets

(i) Intellectual property

Expenditure on intellectual property, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other intellectual property expenditure is recognised in the income statement as an expense when it is incurred. Trademarks, patents and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of intellectual property over their estimated useful lives, which vary from 2 to 20 years.

(ii) Computer software

Expenditure on software, being software that is not an integral part of the related hardware, is capitalised. Capitalised expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, to a maximum of 5 years.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days following the end of the month they are recognised.

(m) Provisions

Provisions for legal claims and service warranties 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 can be reliably estimated.

Provisions are not recognised for future operating losses.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The 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 due to the passage of time is recognised as a finance cost.

(n) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Company recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* that involves the payment of termination benefits. The expense and liability are recognised when the Company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Goods and services tax (GST)

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

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

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

Commitments are disclosed net of the amount of GST recoverable from or payable to tax authorities.

(p) Initial application of Australian Accounting Standards

The Company has opted to adopt at the start of 1 January 2022 AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. Other than the change in disclosure requirements, the adoption of AASB 1060 has no material impact on the financial statements because the Company's previous financial statements complied with Australian Accounting Standards – Reduced Disclosure Requirements.

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

The following standards have been issued but are not mandatory for 31 December 2022 reporting periods. The Company has elected not to early adopt any of these standards.

Standard	Description	Application Date
AASB17	Insurance Contracts	1 January 2023
AASB2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
AASB2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB 101	1 January 2023
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB2022-1	Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023
AASB2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS16	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024

For each of the above amendments, the Company will comply with additional reporting requirements but has not identified any material impact from the amendments.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022 $	2021 $
Revenue recognised overtime		
Industry research	**8,847,943**	8,033,854
Royalties and licence fees	**436,224**	930,834
Consultancy	**1,303,509**	378,026
Total revenue from contracts with customer	**10,587,676**	9,342,714

3 EMPLOYEE RELATED EXPENSES

	2022 $	2021 $
Salaries	**5,091,809**	3,928,578
Superannuation	**226,128**	476,138
Payroll tax	**282,491**	256,140
Worker's compensation	**19,827**	12,618
Long service leave	**62,885**	86,273
Annual leave	**459,396**	380,957
Terminations	**2,885**	2,997
Total employee related expenses	**6,145,421**	5,143,701

In 2022, the Company released a provision of $0.3 million related to superannuation liabilities and a provision of $0.027 million related to payroll tax liabilities that were identified as potentially payable as at 31 December 2021.

4 IMPAIRMENT EXPENSE/(REVERSAL) OF FINANCIAL ASSETS

	2022 $	2021 $
Trade receivables	**(6,148)**	46,040
Total impairment of assets	**(6,148)**	46,040

5 OTHER EXPENSES

	2022 $	2021 $
Advertising, marketing and promotions	**34,328**	36,044
General consumables	**529,869**	416,591
Insurance	**92,148**	95,136
Minor equipment	**502,989**	472,282
Professional services	**716,891**	701,862
Scholarships, grants and prizes	**231,500**	262,500
Service fees	**500,000**	500,000
Telecommunications	**19,153**	16,451
Travel, staff development and entertainment	**169,756**	123,483
Other expenses	**566,337**	522,963
Total other expenses	**3,362,971**	3,147,312

6 CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank and on hand	**1,266,397**	1,961,342
Total cash and cash equivalents	**1,266,397**	1,961,342

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate of 0.00% (2021: 0.00%).

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 RECEIVABLES

	2022 $	2021 $
Current		
Trade receivables	**691,934**	727,166
Less: allowance for expected credit losses	**(15,889)**	(69,456)
	676,045	657,710
Prepayments	**120,365**	97,796
Related party receivables	**4,320,501**	4,239,617
Contract asset	**1,383,281**	1,082,211
Total current receivables	**6,500,192**	6,077,334

Fair value of trade receivables

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

8 OTHER FINANCIAL ASSETS

	2022 $	2021 $
Non-current		
Other financial assets at fair value through profit and loss	**-**	50
Total non-current other financial assets	**-**	50

See note 1(h) for the relevant accounting policies.

(i) Investments held on behalf of third parties

As at 31 December 2022 investments held by the Company on behalf of third parties is nil. The investments were included as part of non-current asset held for sale in 2021. The underlying shares were sold in May 2022 and the proceeds have been distributed to third parties in accordance with their portions.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9 PLANT AND EQUIPMENT

	Capital Works in Progress $	Plant and equipment $	Total $
As at 31 December 2021			
Cost	38,478	745,962	784,440
Accumulated depreciation and impairment	-	(670,682)	(670,682)
Net book amount	38,478	75,280	113,758
Year ended 31 December 2022			
Opening net book amount	**38,478**	**75,280**	**113,758**
Additions	**90,259**	**-**	**90,259**
Transfers	**(128,737)**	**128,740**	**3**
Disposals	**-**		**-**
Depreciation charge	**-**	**(36,838)**	**(36,838)**
Closing net book amount	**-**	**167,182**	**167,182**
At 31 December 2022			
Cost	**-**	**801,875**	**801,875**
Accumulated depreciation and impairment	**-**	**(634,693)**	**(634,693)**
Net book amount	**-**	**167,182**	**167,182**

10 INTANGIBLE ASSETS

	Computer software $	Intellectual property $	Total $
As at 31 December 2021			
Cost	63,063	383,850	446,913
Accumulated amortisation and impairment	(63,063)	(383,850)	(446,913)
Net book amount	-	-	-
Year ended 31 December 2022			
Opening net book amount	**-**	**-**	**-**
Additions	**-**	**-**	**-**
Disposal	**-**	**-**	**-**
Amortisation charge	**-**	**-**	**-**
Closing net book amount	**-**	**-**	**-**
At 31 December 2022			
Cost	**63,063**	**215,170**	**278,233**
Accumulated amortisation and impairment	**(63,063)**	**(215,170)**	**(278,233)**
Net book amount	**-**	**-**	**-**

Movement in the closing cost and accumulated depreciation balances reflect disposal of assets fully written down as at 31 December 2022.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11 TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Current		
Trade payables	**503,473**	1,032,091
Investments held on behalf of third parties	**-**	23,327
Other payables	**58,995**	63,743
Total current trade and other payables	**562,468**	1,119,161

The carrying amounts of trade and other payables are considered to be the same as the fair values, due to their short term nature.

12 PROVISIONS

	2022	2021
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	**396,594**	410,059
Long service leave	**74,978**	138,787
Other employee provisions	**69,023**	674,332
Terminations	**38,654**	35,769
	579,249	1,258,947
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Annual leave	**251,851**	197,859
Long service leave	**502,759**	354,695
	754,610	552,554
Total current provisions	**1,333,859**	1,811,501
Non-current provisions		
Employee benefits		
Long service leave	**92,118**	163,211
Total non-current provisions	**92,118**	163,211
Total provisions	**1,425,977**	1,974,712

The employee benefit provisions cover the company's liabilities for long service leave and annual leave which are classified as either current or non-current provisions, as explained in note 1(n).

13 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

Certain key management personnel receive remuneration for their services to the Company details of amounts paid in the current and prior year are as follows:

	2022	2021
Total key management personnel compensation	**257,562**	233,091

14 REMUNERATION OF AUDITORS

	2022	2021
Audit of the Financial Statements	**42,400**	38,750

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15 CONTINGENCIES AND COMMITMENTS

In the opinion of the Directors, the Company did not have any contingent assets, contingent liabilities or commitments at 31 December 2022 (2021: Nil).

16 RELATED PARTIES

(a) Parent entities

The ultimate parent entity is The University of Newcastle by virtue of its sole membership of the Company.

(b) Key management personnel

Disclosures relating to directors and specified executives are set out in note 13.

(c) Transactions with related parties

The following transactions occurred with related parties:

	2022 $	2021 $
i) Parent entity:		
Sale of goods and services:		
Consultancy and contracts	**154,988**	80,329
Purchase of goods and services:		
Service fees	**500,000**	500,000
Consultancy, consumables and others	**1,339,258**	863,853
Other transactions:		
Interest income	**84,280**	90,095

(d) Loans to / (from) related parties

	2022	2021
i) Parent entity:		
Beginning of the year	**4,239,617**	3,372,067
Inter-entity transactions	**(2,083,617)**	(1,635,945)
Loans advanced	**2,000,000**	2,500,000
Interest received	**164,501**	3,495
End of year	**4,320,501**	4,239,617

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

16 RELATED PARTIES (CONTINUED)

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to the transactions with related parties:

	2022 $	2021 $
Current receivables (sale of goods and services)		
Parent entity	**36,338**	3,500
Current receivables (other transactions)		
Parent entity	**-**	106,067
Total current receivables	**36,338**	109,567
Current payables (purchase of goods and services)		
Parent entity	**33,411**	104,575
Current payables (investments held on behalf of)		
Parent entity	**-**	12,724
Total current payables	**33,411**	117,299

No loss allowances have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Terms and conditions

All transactions with related parties occurred on the basis of normal commercial terms and conditions.

17 EVENTS OCCURRING AFTER REPORTING DATE

The Directors have not noted any events 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.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company declare that:

1. The financial statements:

   a. comply with the Australian Accounting Standards Simplified Disclosure Requirements which include the Australian Accounting Interpretations;

   b. comply with the *Government Sector Finance Act 2018* and the Government Sector Finance Regulation 2018, and

   c. present fairly the financial position of the Company as at 31 December 2022, and the financial performance and cash flows for the year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration has been made pursuant to section 7.6 (4) of the *Government Sector Finance Act 2018* in accordance with a resolution of the Board of Directors dated 22 March 2023.

AR Broadfoot.
Professor Alan Broadfoot
Director

Professor Zee Upton
Director

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR’S REPORT

The University of Newcastle Research Associates Limited

To Members of the New South Wales Parliament and Members of The University of Newcastle Research Associates Limited

Opinion

I have audited the accompanying financial statements of The University of Newcastle Research Associates Limited (the Company), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information and the Directors' Declaration.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants (including Independence Standards)’ (APES 110).

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

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

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES (TUNRA)
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Directors' are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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

Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 March 2023
SYDNEY

NEWCASTLE AUSTRALIA INSTITUTE OF HIGHER EDUCATION PTE LTD (NAIHE)

FORMERLY TRADING AS UON SINGAPORE PTE LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PREPARED UNDER THE GOVERNMENT SECTOR FINANCE ACT 2018, IN AUSTRALIA

NAIHE
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Income from continuing operations			
Revenue from contracts with customers	2	**10,177,060**	8,903,548
Other investment gains		**3,449**	-
Interest income		**-**	141
Other revenue	3	**81,333**	90,316
Total income from continuing operations		**10,261,842**	8,994,005
Expenses from continuing operations			
Employee related expenses	4	**3,911,083**	3,404,063
Depreciation	9	**531,568**	390,514
Repairs and maintenance		**20,706**	20,736
Service fees	18(c)	**2,261,346**	2,387,439
Other expenses	5	**1,772,118**	742,895
Total expenses from continuing operations		**8,496,821**	6,945,647
Net result before income tax from continuing operations		**1,765,021**	2,048,358
Income tax expense	6	**315,414**	197,599
Net result after income tax for the period		**1,449,607**	1,850,759
Net result attributable to:			
Members of Newcastle Australia Institute of Higher Education Pte Ltd		**1,449,607**	1,850,759
Net result for the period		**1,449,607**	1,850,759
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		168,175	132,127
Total other comprehensive income, net of tax		**168,175**	132,127
Comprehensive result		**1,617,782**	1,982,886
Total comprehensive income attributable to:			
Members of Newcastle Australia Institute of Higher Education Pte Ltd		**1,617,782**	1,982,886

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

NAIHE

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	7	**4,490,511**	6,816,322
Trade and other receivables	8	**248,387**	176,683
Total current assets		**4,738,898**	6,993,005
Non-current assets			
Trade and other receivables	8	**4,191,704**	142,146
Property, Plant and equipment	9	**2,370,096**	2,705,840
Total non-current assets		**6,561,800**	2,847,986
Total assets		**11,300,698**	9,840,991
Liabilities			
Current liabilities			
Trade and other payables	10	**1,700,486**	1,748,241
Borrowings	11	**426,144**	383,544
Income tax payable		**309,076**	177,713
Employee benefit provisions	12	**77,329**	76,527
Total current liabilities		**2,513,035**	2,386,025
Non-current liabilities			
Borrowings	11	**1,409,375**	1,694,460
Total non-current liabilities		**1,409,375**	1,694,460
Total liabilities		**3,922,410**	4,080,485
Net assets		**7,378,288**	5,760,506
Equity			
Issued capital	13	**86,036**	86,036
Foreign currency translation reserve		**1,196,271**	1,028,096
Retained earnings		**6,095,981**	4,646,374
Total equity		**7,378,288**	5,760,506

The above Statement of Financial Position should be read in conjunction with the accompanying notes

NAIHE

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Issued capital $	Retained earnings $	Foreign currency translation reserve $	Total $
Balance at 1 January 2021		86,036	2,795,615	895,969	3,777,620
Net result		-	1,850,759	-	1,850,759
Other comprehensive income		-	-	132,127	132,127
Total comprehensive result		-	1,850,759	132,127	1,982,886
Balance as at 31 December 2021	13	86,036	4,646,374	1,028,096	5,760,506
Balance at 1 January 2022		**86,036**	**4,646,374**	**1,028,096**	**5,760,506**
Net result		**-**	**1,449,607**	**-**	**1,449,607**
Other comprehensive income		-	-	**168,175**	**168,175**
Total comprehensive result		**-**	**1,449,607**	**168,175**	**1,617,782**
Balance at 31 December 2022	13	**86,036**	**6,095,981**	**1,196,271**	**7,378,288**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

NAIHE

STATEMENT OF CASH FLOWSS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from student fees and other customers		**11,040,247**	9,428,022
Interest received		**-**	749
Payments to suppliers and employees		**(8,404,340)**	(6,521,310)
Income taxes paid		**(203,488)**	-
GST paid		**(525,155)**	(498,839)
Interest and other costs of finance		**(39,858)**	(7,178)
Net cash provided by operating activities		**1,867,406**	2,401,444
Cash flows from investing activities			
Proceeds from sale of other financial asset		**-**	1,497,450
Payments for plant and equipment		**-**	(400,193)
Payments to parent entity for investing activity		**(4,035,105)**	-
Net cash (used in) / provided by investing activities		**(4,035,105)**	1,097,257
Cash flows from financing activities			
Repayment of lease liabilities		**(397,186)**	(376,020)
Net cash (used in) financing activities		**(397,186)**	(376,020)
Net cash increase / (decrease) in cash and cash equivalents		**(2,564,885)**	3,122,681
Cash and cash equivalents at beginning of financial year		**6,816,322**	3,473,113
Effects of exchange rate changes on cash and cash equivalents		**239,074**	220,528
Cash and cash equivalents at the end of financial year	7	**4,490,511**	6,816,322

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

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Newcastle Australia Institute of Higher Education Pte Ltd ('the Company') is a company limited by shares incorporated in Singapore. It is a controlled entity of the University of Newcastle.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The amounts presented are in Australian Dollars. The Company is a for profit entity that was established and has its domicile in Singapore. The financial statements are prepared in Australia to meet the reporting obligations under the *Government Sector Finance Act 2018*.

The principal place of business of Newcastle Australia Institute of Higher Education Pte Ltd is:

100 Victoria Street
#13-01/02, National Library Building,
Singapore 188064.

The principal activities of the Company are creating, developing, and delivering educational programs in business, management and related fields on behalf of the University of Newcastle.

(a) Basis of preparation

The general-purpose financial statements of Newcastle Australia Institute of Higher Education Pte Ltd, have been prepared on an accrual's basis in accordance with Australian Accounting Standards – AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The Company applies Tier 2 reporting requirements. The Company is a for-profit private company limited by shares.

Additionally, the statements have been prepared in accordance with following statutory requirements:

- *Government Sector Finance Act 2018;* and
- Government Sector Finance Regulation 2018.

Date of authorisation for issue

The financial statements were authorised for issue by the members of Newcastle Australia Institute of Higher Education Pte Ltd on 27 March 2023.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain classes of financial assets and liabilities that are measured at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

Areas of critical assumptions requiring judgement, including fair value of financial assets, impairment of financial assets and employee benefits, are detailed in this note.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment (Singaporean) in which the entity operates ('the functional currency').

The Company's financial statements are presented in Australian dollars, which is the University of Newcastle's functional and presentation currency.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit or loss, translation gains or losses are also recognised in profit or loss.

(c) Revenue recognition

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

The Company recognises revenue when the performance obligations are satisfied, either at a point in time or over time.

Revenue is recognised for the major business activities as follows:

(i) Revenue from contracts with customers

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) are treated as contract liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(ii) Consultancy and contracts

The Company assess contracts applying AASB 15. The Company determines whether an enforceable agreement exists and whether the promises to transfer goods or services to customer are ‘sufficiently specific’.

(iii) Interest income

The Company recognises interest income using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in investment income in the income statement.

(iv) Other fees and charges

The Company recognises sales of tickets and minimis assets as income by applying AASB 15 depending on the existence of ‘sufficiently specific’ obligations.

(v) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(vi) Other revenue

Other revenue represents miscellaneous income which is not derived from core operations.

(d) Income tax

The Company is subject to income tax under Singaporean Legislation.

NAIHE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income tax (continued)

The income tax expense or revenue for the period is the tax payable/receivable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided if material to the Company, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously. Current and deferred tax balances attributable to amounts recognised outside profit or loss are also recognised outside profit or loss.

The Company is exempt from income tax in Australia.

(e) Impairment of assets

Assets are reviewed 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 of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with other institutions, other short-term, highly liquid investments with original maturities 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, and bank overdrafts.

(g) Receivables

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance (expected credit losses). Trade receivables are due for settlement no more than 30 days from the date of recognition and therefore classified as current.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Receivables (continued)

(ii) Non-current related receivables - investments

Non-current related receivables – investments reflect cash transferred to the parent entity that are invested in the consolidated long term investment pool, the receivable is fully exposed to the risk of capital gains and losses in the underlying investment balance and are recognised as financial asset at fair value through profit and loss. The Company records the annual performance of the investment pool, representing the return generated by the investment pool over a specific period, whether positive or negative, as reported by the parent entity's fund manager, as 'other investment losses / (gains)', in the Income Statement. The receivable becomes payable from the parent entity on the contracted maturity date, or earlier, as allowable under the terms of the agreement with the parent entity, at the market value on the day of withdrawal.

(h) Other financial assets

The Company classifies fixed-interest deposits as financial assets at amortised cost.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(i) Fair value measurement

The fair value of financial assets and financial liabilities must be measured for recognition and disclosure purposes.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and other securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Company is the most representative of fair value in the circumstances within the bid-ask spread.

Additional fair value measurements are considered for assets or liabilities where measurement cannot be aligned to quoted market prices but are observable (level 2) and those that are unobservable (level 3).

The carrying value of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(j) Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

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.

Depreciation on plant and equipment is calculated using the straight-line method to allocate its cost, net of its residual values, over its estimated useful lives, as follows:

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Plant and equipment (continued)

	2022	2021
Plant and equipment	2 - 10 years	2 - 10 years
Leasehold improvement	6 years	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

All non-current tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts might not be recoverable.

(k) Leases

The Company recognises a lease liability measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g., payments varying on account of changes in CPI);
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within Plant and Equipment note 9.

Short-term leases and leases of low-value-assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e., leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is $10,000 or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days following the end of the month they are recognised.

(n) Provisions

Provisions for legal claims and service warranties 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 can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 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 due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits is those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits are annual leave liabilities not expected to be settled within 12 months of balance date.

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Company recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* that involves the payment of termination benefits. The expense and liability are recognised when the Company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits (continued)

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

(p) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

(q) Goods and services tax (GST) in Singapore

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

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

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

There are no transactions in Australia requiring GST reporting to the Australian Taxation Office.

(r) New accounting standards and interpretations

The Company has adopted all standards which became effective for the first time for the financial year beginning 1 January 2022. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(s) Adoption of new and revised accounting standards

The Company has opted to adopt at the start of 1 January 2022 AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. Where necessary, the comparative information has been reclassified to be consistent with the current reporting period. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Company's previous financial statements complied with Australian Accounting Standards – Reduced Disclosure Requirements.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Adoption of new and revised accounting standards (continued)

The following standards have been issued but are not mandatory for 31 December 2022 reporting periods. The Company has elected not to early adopt any of these standards.

Standard	**Description**	**Application Date**
AASB2014-10	Amendments to Australian Accounting Standards –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current-Amendments to AASB 101	1 January 2023
AASB2022-1	Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023
AASB2022-5	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024

For each of the above amendments, the Company will comply with additional reporting requirements but has not identified any material impact from the amendments.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022	2021
	$	$
Revenue recognised over time		
Fee-paying Singapore students	**9,899,184**	8,733,627
Course and conference fees	**194,891**	152,795
Revenue recognised at point in time		
Other fees and charges	**82,985**	17,126
Total revenue from contracts with customers	**10,177,060**	8,903,548

3 OTHER REVENUE

Government grant	**39,601**	28,328
Foreign exchange gain	**39,403**	-
Other revenue	**2,329**	61,988
Total other revenue	**81,333**	90,316

4 EMPLOYEE RELATED EXPENSES

Academic		
Salaries	**2,590,639**	2,286,189
Contribution to funded superannuation	**192,693**	210,977
Annual leave	**118,373**	76,872
Total academic	**2,901,705**	2,574,038
Professional		
Salaries	**834,778**	699,190
Contribution to funded superannuation	**120,940**	102,926
Annual leave	**53,660**	27,909
Total professional	**1,009,378**	830,025
Total employee related expenses	**3,911,083**	3,404,063

5 OTHER EXPENSES

Advertising, marketing and promotions	**457,864**	68,092
General consumables	**52,072**	6,153
Insurance	**21,212**	24,853
Minor equipment	**57,918**	131,959
Equipment leasing	**13,933**	18,899
Professional services	**286,161**	136,937
Scholarships, grants and prizes	**133,474**	99,889
Rent outgoings	**161,054**	91,512
Telecommunications	**19,805**	16,129
Travel, staff development and entertainment	**184,642**	67,023
Utilities	**6,818**	3,642
Foreign exchange loss	**-**	8,778
Lease interest	**39,858**	7,317
Graduation expenses	**79,020**	-
Sponsorship expenses	**135,007**	4,038
Other expenses	**123,280**	57,674
Total other expenses	**1,772,118**	742,895

In relation to the short-term leases, there are no contingent liabilities or commitments.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6 INCOME TAX

	2022 $	2021 $
(a) Income tax expense		
Current income tax	**277,966**	175,815
Deferred tax		
- Under / (over) provision in prior years	**37,448**	21,784
Aggregate income tax expense	**315,414**	197,599

(b) Numerical reconciliation of income tax expense to prima facia tax payable

	2022	2021
Net result from continuing operations before income tax expense	**1,765,021**	2,048,358
Tax at the Singaporean tax rate of 17% (2021: 17%)	**307,510**	348,221
Tax effect of amounts which are not deductible in calculating taxable income	**(11,282)**	(4,346)
Tax effect of exemption and rebates in calculating taxable income	**(18,199)**	(66,637)
Deferred tax as a result of overprovision in prior year	**37,448**	(22,669)
Unutilised tax credit from prior period	**-**	(73,599)
Movement in foreign exchange on net result before income tax expense	**(63)**	16,629
Income tax expense / (benefit) from continuing operations	**315,414**	197,599

7 CASH AND CASH EQUIVALENTS

	2022	2021
Cash at bank and on hand	**4,490,511**	6,816,322
Total cash and cash equivalents	**4,490,511**	6,816,322

(a) Cash at bank and on hand

Cash on hand is non-interest bearing.

8 RECEIVABLES

	2022	2021
Current		
Trade and accrued receivables	**113,441**	81,461
Other assets	**127,145**	79,914
Refundable deposits	**7,801**	15,308
Total current receivables	**248,387**	176,683
Non-current		
Related parties receivables - investments #	**4,038,555**	-
Refundable deposits	**153,149**	142,146
Total non-current receivables	**4,191,704**	142,146

In June 2022 the Company agreed with the parent entity for funds to be invested on behalf of the Company. An amount of SDG $4.0m was originally transferred and this amount is included under 'Non-current related parties' receivables – investments' represents the fair value of the asset as at 31 December 2022, as disclosed under Note 1(g) (ii).

NAIHE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9 PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2021

	Leasehold Improvement	Plant and Equipment	Right of Use Asset #	Total
	$	$	$	$
As at 31 December 2021				
Opening net book amount	-	16,255	277,295	293,550
Additions	550,284	77,530	2,142,851	2,770,665
Depreciation charge	(4,973)	(9,620)	(375,921)	(390,514)
AASB16 Lease modification	-	-	8,937	8,937
Exchange difference	(54)	542	22,714	23,202
Net book amount	545,257	84,707	2,075,876	2,705,840
Year ended 31 December 2022				
Opening net book amount	**545,257**	**84,707**	**2,075,876**	**2,705,840**
Additions	**-**	**-**	**26,359**	**26,359**
Depreciation charge	**(92,329)**	**(25,990)**	**(413,249)**	**(531,568)**
AASB16 Lease modification	**-**	**-**	**(11,039)**	**(11,039)**
Exchange difference	**26,264**	**15,857**	**138,383**	**180,504**
Closing net book amount	**479,192**	**74,574**	**1,816,330**	**2,370,096**

The Company has lease contracts for building spaces and other equipment used in its operations. Leases of the building spaces are for a period between 2 to 6 years while leased equipment have lease terms between 2 to 3 years. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments. These options are negotiated by management to provide flexibility in managing the leased assets and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised. Lease modifications in the periods presented relate to change in optional lease terms.

10 TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Current		
Trade payables	**673,725**	865,624
Related party payables	**758,642**	719,630
Other payables	**268,119**	162,987
Total current trade and other payables	**1,700,486**	1,748,241

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

11 BORROWINGS

Current		
Lease liability	**426,144**	383,544
Total current borrowings	**426,144**	383,544
Non-current		
Lease liability	**1,409,375**	1,694,460
Total non-current borrowings	**1,409,375**	1,694,460

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 BORROWINGS (CONTINUED)

11.1 NEWCASTLE AUSTRALIA INSTITUTE OF HIGHER EDUCATION AS LESSEE

	2022 $	2021 $
Amounts recognised in the income statement		
Interest on lease liabilities	**39,858**	7,317
Expenses relating to short-term leases	**-**	75,720
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	**13,933**	18,899
	53,791	101,936
Maturity analysis - undiscounted contractual cash flows		
Less than one year	**627,716**	477,894
One to five years	**2,021,885**	745,909
Total undiscounted contractual cash flows	**2,649,601**	1,223,803
Current	**426,144**	383,544
Non-current	**1,409,375**	1,694,460
Lease liabilities recognised in the statement of financial position	**1,835,519**	2,078,004

12 EMPLOYEE BENEFIT PROVISIONS

	2022	2021
Current employee benefit provisions		
Annual leave	**77,329**	76,527
Total current employee benefit provisions	**77,329**	76,527

13 ISSUED CAPITAL AND RESERVES

(a) Issued capital

	2022 $	2021 $
2 fully paid ordinary shares	**86,036**	86,036

In accordance with the Constitution of the Company, ordinary shares which are 100% owned by the University of Newcastle, participate in dividends and the proceeds on winding up of the Company.

The Company is incorporated and domiciled in Singapore.

(b) Capital management

The key objectives of the Company when managing capital is to ensure the entity continues as a going concern and to maintain an optimal structure for sustainable growth.

As a controlled entity of the University of Newcastle, the Company relies on cash flow support from the parent entity to maintain the positive net asset position of the Company should the capital in the Company not be sufficient to meet operating or strategic objectives. No such support was required in 2022 (2021: Nil).

(c) Dividends

No dividends were paid during the year ended 31 December 2022 (2021: Nil).

(d) Foreign currency translation reserves

Exchange differences arising on translation of the functional currency to the presentation currency and are recognised in other comprehensive income and accumulated in a separate reserve within equity.

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14 KEY MANAGEMENT PERSONNEL DISCLOSURES

	2022	2021
	$	$
Short-term employee benefits	**512,746**	412,512

15 REMUNERATION OF AUDITORS

	2022	2021
	$	$
Remuneration of auditors - AONSW	**35,500**	32,450
Remuneration of auditors - BDO	**17,579**	14,544
Total remuneration of auditors	**53,079**	46,994

16 CONTINGENCIES

In the opinion of the Directors, Newcastle Australia Institute of Higher Education Pte Ltd did not have any contingent assets or contingent liabilities at 31 December 2022 (2021: Nil).

17 COMMITMENTS

As per AASB 16 Leases, the Company uses exemptions for low value and short-term leases. As at 31 December 2021 and 2020. the Company has no contingent liabilities, lease commitments or capital commitments..

NAIHE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18 RELATED PARTIES

(a) Parent entities

The ultimate parent entity is The University of Newcastle by virtue of its full ownership of the Company's issued share capital.

(b) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in note 14.

(c) Transactions with related parties

The following transactions occurred with related parties:

	2022	2021
	$	$
(i) Parent entity:		
Sale of goods and services:		
Consumables and other cost recovery	**63,270**	11,002
Consulting fees	**148,500**	132,000
Total sale of goods and services	**211,770**	143,002
Purchase of goods and services:		
Service fees	**2,261,346**	2,387,439
Consumables and other cost recovery	**34,450**	38,025
Total purchase of goods and services	**2,295,796**	2,425,464

(d) Loans to/from related parties

	2022	2021
(i) Parent entity:		
Beginning of the year	**-**	-
Loans advanced	**4,035,105**	-
Unrealised investment gain	**3,450**	-
End of year	**4,038,555**	-

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to the transactions with related parties:

	2022	2021
Current payables		
Parent entity	**758,642**	719,630
Total current payables	**758,642**	719,630

(f) Terms and conditions

All transactions with related parties were conducted under normal terms and conditions.

19 EVENTS OCCURRING AFTER THE REPORTING DATE

No other matters or events have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company.

NAIHE

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company declare that:

The financial statements and notes:

a. comply with the Australian Accounting Standards – Simplified Disclosures requirements which include the Australian Accounting Interpretations;

b. comply with the *Government Sector Finance Act 2018* and Government Sector Finance Regulation 2018; and

c. present fairly the financial position of the Company as at 31 December 2022, and the financial performance and cash flows for the year ended on that date.

We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 7.6 (4) of the *Government Sector Finance Act 2018*.

Mr. Chua Teck Huat Bill

Director

Professor Tony Travaglione

Director

Dated 27 March 2023

NAIHE

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT

Newcastle Australia Institute of Higher Education Pte Ltd

To Members of the New South Wales Parliament and members of Newcastle Australia Institute of Higher Education Pte Ltd

Opinion

I have audited the accompanying financial statements of Newcastle Australia Institute of Higher Education Pte Ltd (the Company), which comprise the Income Statement and the Statement of Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information and the Directors' Declaration.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

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

NAIHE

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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

Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 March 2023
SYDNEY

THE UNIVERSITY OF NEWCASTLE

NEWCASTLE UNIVERSITY SPORT (NUSPORT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NUSPORT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Income from continuing operations			
Revenue from contracts with customers	3	**4,942,439**	2,924,670
Other revenue	4	**1,005,322**	1,362,696
Total income from continuing operations		**5,947,761**	4,287,366
Expenses from continuing operations			
Finance costs	5	**14,689**	48,944
Depreciation expense	6	**783,182**	799,548
Cost of goods sold		**43,755**	38,015
Consultancy and professional fees		**277,708**	96,434
Employee benefits expenses		**3,562,519**	2,818,354
Occupation expenses		**727,791**	619,972
Marketing expenses		**44,981**	139,764
Other expenses		**436,151**	327,408
Total expenses from continuing operations		**5,890,776**	4,888,439
Net result for the period		**56,985**	(601,073)
Net results attributable to members of Newcastle University Sport Pty Ltd		**56,985**	(601,073)
Other comprehensive income			
Net result for the period		**56,985**	(601,073)
Total other comprehensive income		**-**	-
Comprehensive result		**56,985**	(601,073)
Total comprehensive income attributable to members of Newcastle University Sport Pty Ltd		**56,985**	(601,073)

NUSPORT

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	7	**817,595**	596,392
Trade and other receivables	8	**423,853**	309,533
Inventories	9	**16,955**	26,066
Financial assets	10	**1,300,000**	1,300,000
Prepayments	11	**23,219**	19,731
Total current assets		**2,581,622**	2,251,722
Non-current assets			
Property, plant and equipment	12	**7,282,288**	7,792,721
Right-of-use assets	13	**1,515,986**	1,677,436
Total non-current assets		**8,798,274**	9,470,157
Total assets		**11,379,896**	11,721,879
Liabilities			
Current liabilities			
Trade and other payables	14	**684,969**	831,766
Borrowings	15	**-**	110,504
Lease liabilities	16	**61,928**	196,238
Employee benefits provisions	17	**327,431**	247,524
Other liabilities	18	**114,084**	154,212
Total current liabilities		**1,188,412**	1,540,244
Non-current liabilities			
Lease liabilities	19	**18,667**	70,339
Employee benefits provisions	20	**27,160**	22,624
Total non-current liabilities		**45,827**	92,963
Total liabilities		**1,234,239**	1,633,207
Net assets		**10,145,657**	10,088,672
Equity			
Retained earnings	21	**10,145,657**	10,088,672
Total equity		**10,145,657**	10,088,672

NUSPORT

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Retained earnings $	Total equity $
Balance at 1 January 2021	10,689,745	10,689,745
Net result for the period	(601,073)	(601,073)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(601,073)	(601,073)
Balance as at 31 December 2021	10,088,672	10,088,672

	Retained earnings $	Total equity $
Balance at 1 January 2022	**10,088,672**	**10,088,672**
Net result for the period	56,985	56,985
Total comprehensive income for the year	**56,985**	**56,985**
Balance at 31 December 2022	**10,145,657**	**10,145,657**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NUSPORT

STATEMENT OF CASH FLOWSS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers and SLA (inclusive of GST)		5,831,149	3,913,017
Payments to suppliers and employees (inclusive of GST)		(5,189,764)	(3,843,450)
		641,385	69,567
Interest received		2,292	7,025
Government Stimulus		-	312,325
Interest and other finance costs paid		(14,689)	(48,944)
Net cash provided by / (used in) operating activities		**628,988**	**339,973**
Cash flows from investing activities			
Payment for right of use assets		(11,577)	-
Payments for property, plant and equipment	12	(99,722)	(134,563)
Proceeds from the sale of property, plant and equipment		-	1,271
Net cash from / (used in) investing activities		**(111,299)**	**(133,292)**
Cash flows from financing activities			
Repayment of lease liabilities		(185,982)	(187,850)
Repayment of borrowings		(110,504)	(95,458)
Net cash from / (used in) financing activities		**(296,486)**	**(283,308)**
Net increase/(decrease) in cash and cash equivalents		**221,203**	**(76,627)**
Cash and cash equivalents at the beginning of the financial year		596,392	673,019
Cash and cash equivalents at the end of the financial year	**7**	**817,595**	**596,392**

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

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies

Newcastle University Sport (the Company) is a registered company limited by guarantee and became a controlled entity of the University of Newcastle at 25th May 2021. The Company is a not-for-profit entity (as profit is not its principal objective). The Company was established and has its domicile in Australia.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated.

The registered office and principal address of the Company is:

The Forum
University Drive
Callaghan
NSW, 2308, Australia.

(a) Basis of preparation

The general purpose financial statements are prepared on an accrual basis and comply with the Australian Accounting Standards AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities as issued by the Australian Accounting Standards Board.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Additionally, the statements have been prepared in accordance with the following statutory requirements and other authoritative pronouncements of the Australian Accounting Standards Board:

- Government Sector Finance Act 2018
- Government Sector Finance Regulation 2018.

Date of authorisation for issue

The financial statements were authorised for issue by the Board members of the Company on 27 March 2023.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

(b) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Revenue from contracts with customers includes membership fees, personal training revenue, merchandise sales and facility and venue hire.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised at the point the customer obtains control of the goods, which is generally at the time of delivery.

(ii) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

(iii) Interest

Interest income is recognised as it is earned.

(iv) Other revenue

Other income represents miscellaneous income which is not derived from core operations and is recognised as income by applying AASB 15 and AASB 1058 depending on the existence of ‘sufficiently specific’ obligations.

(c) Income tax

The Company does not provide for income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997 (ITAA).*

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

(d) Trade and other receivables

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade receivables are generally due for settlement within 30 days.

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped together based on shared credit risk characteristics and days past due. Any receivables that are known to be uncollectable are written off.

The COVID-19 pandemic and the slowing down in the global economy due to high inflation and political tension worldwide have resulted in continued challenges to the economy with governments increasing the interest rates rapidly to combat the inflation. As the high inflation is predicted to be ongoing in 2023, the Company has considered these ongoing challenges and uncertainty and the impact of these events on the modelling of expected credit losses which are the subject of higher scrutiny during this period.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(e) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Company is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Company considers market participants use of, or purchase of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

(f) Financial assets

Financial assets included fixed interest investments are measured at amortised cost.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(g) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate its cost, net of its residual values, over its estimated useful lives, as follows:

	2022	**2021**
Leasehold Improvements	5 – 40 years	3 – 40 years
Plant and equipment	2 – 30 years	2 – 30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

All non-current tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts might not be recoverable.

(h) Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days following the end of the month they are recognised.

(j) Provisions

Provisions for legal claims and service warranties 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 can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The 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 due to the passage of time is recognised as a finance cost.

(k) Employee benefits provisions

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits is those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Company recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* that involves the payment of termination benefits. The expense and liability are recognised when the Company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

(iv) Superannuation benefits

Contributions to superannuation plans are expensed in the period in which they are incurred.

(l) Goods and services tax (GST)

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

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

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

Commitments are disclosed net of the amount of GST recoverable from or payable to tax authorities.

(m) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

(o) Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NUSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

(p) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-tine basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(q) Impairment of non-financial assets

Non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-.in- use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(r) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(s) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to Income Statement if the carrying amount of the right-of-use asset is fully written down.

(t) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(u) Initial application of Australian Accounting Standards

The Company has opted to adopt at the start of 1 January 2022 AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. Other than the change in disclosure requirements, the adoption of AASB 1060 has no material impact on the financial statements because the Company’s previous financial statements complied with Australian Accounting Standards – Reduced Disclosure Requirements.

NUSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

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

The following standards have been issued but are not mandatory for 31 December 2022 reporting periods. The Company has elected not to early adopt any of these standards.

Standard	Description	Application Date
AASB17	Insurance Contracts	1 January 2023
IFRS16	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
AASB2014-10	Amendments to Australian Accounting Standards –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB 101	1 January 2023
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2022-1	Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023
AASB2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

For each of the above amendments, the Company will comply with additional reporting requirements but has not identified any material impact from the amendments.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent assets and contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(a) Allowance for expected credit losses

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

(b) Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

(c) Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(d) Depreciation on leasehold improvements

The Company depreciates leasehold improvements by either the operating lease term, or the expected life of the improvement whichever is the shortest. The lease of The Forum facilities on the Callaghan campus was due to expire in December 2023, however the lease has been extended on the same terms and conditions by another 15 years and the Company is depreciating leasehold improvements over the extended period.

(e) Impairment of properly, plant and equipment

The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(f) Employee benefits provision

As outlined in note 1(k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(g) Accruals

The Company estimates and accrue, where deemed necessary, utility accruals based on historical usage and invoiced data.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 2. Critical accounting judgements, estimates and assumptions (continued)

(h) Government Stimulus Measures

The continued challenges of Covid-19 continue to influence operations for the Company, however, there has been significant recovery and growth of the business in some areas of operation, including the aquatic swim academy which has exceeded pre-pandemic revenue. Given the nature of Covid-19, it may continue to influence operations in 2023.

The Company did not receive any government stimulus in 2022 (2021: $312K).

(i) Economic dependency on the University of Newcastle

The continued operation of Newcastle University Sport is dependent on the Student Services and Amenities Fee (SSAF) funding and subsidies received from the University of Newcastle.

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 3. Revenue from contracts with customers

	2022 $	2021[#1] $
Revenue recognised overtime[#1]		
Membership fees	1,044,337	646,593
Rental income and facility hire	531,799	402,985
Swim academy revenue	1,319,042	591,565
Membership and hire fees	1,763,204	1,142,869
	4,658,382	2,784,012
Revenue recognised at point in time[#1]		
Merchandise sales	50,514	40,841
Casual entry revenue	215,108	82,579
Personal training revenue	18,435	17,238
	284,057	140,658
Total revenue from contracts with customer	4,942,439	2,924,670

[#1] The entity reclassified revenue to comply with AASB 1060 157-159. The comparisons are shown in the reclassified amounts.

Note 4. Other revenue

	2022 $	2021 $
Net gain/(loss) on disposal of assets	-	1,271
Wage reimbursement	12,201	47,727
Interest revenue	2,292	7,025
SSAF - service level agreement[#2]	850,000	850,000
Government stimulus: COVID-19	-	312,325
Other revenue	140,829	144,348
Other revenue	1,005,322	1,362,696

[#2] SSAF – service level agreement revenue has been relocated to other revenue from revenue from contracts with customers during 2022.

Note 5. Finance costs

	2022 $	2021 $
Interest expense	3,918	9,822
Interest - lease liability (AASB 16)	10,771	39,122
	14,689	48,944

Note 6. Depreciation expense

	2022 $	2021 $
Depreciation of property plant and equipment	600,656	603,700
Depreciation of right-of-use asset	182,526	195,848
	783,182	799,548

NUSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 7. Current assets - cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	817,595	596,392

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate of 0.00% - 1.05% (2021: 0.00%).

Note 8. Current assets - trade and other receivables

Trade receivables	423,853	309,533

Note 9. Current assets - inventories

Stock on hand - at cost	16,955	26,066

Note 10. Current assets - financial assets

Term deposits	1,300,000	1,300,000

Note 11. Current assets - prepayments

Prepayments	23,219	19,731

Note 12. Non-current assets - property, plant and equipment

Leasehold improvements - at cost	16,981,999	16,881,971
Less: Accumulated depreciation	(10,037,783)	(9,593,696)
	6,944,216	7,288,275
Plant and equipment - at cost	1,614,028	1,622,383
Less: Accumulated depreciation	(1,390,878)	(1,235,639)
	223,150	386,744
Capital works in process	114,922	117,702
	7,282,288	7,792,721

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 2. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold Improvements $	Plant & equipment $	Capital Works in Progress $	Total $
Balance at 1 January 2022	7,288,275	386,744	117,702	7,792,721
Additions	95,248	2,474	2,000	99,722
Transfer to right-of-use assets	23,201	(27,920)	(4,780)	(9,499)
Depreciation expense	(462,508)	(138,148)	-	(600,656)
Balance at 31 December 2022	6,944,216	223,150	114,922	7,282,288

Note 13. Non-current assets - right-of-use assets

	2022 $	2021 $
Land and buildings - right-of-use	1,539,526	1,539,526
Less: Accumulated depreciation	(84,704)	(65,703)
	1,454,822	1,473,823
Plant and equipment - right-of-use	709,177	697,600
Less: Accumulated depreciation	(648,013)	(493,987)
	61,164	203,613
	1,515,986	1,677,436

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & buildings $	Plant & equipment $	Total $
Balance at 1 January 2022	1,473,823	203,613	1,677,436
Additions	-	11,577	11,577
Reallocation	580	(580)	-
Transfer from Property, plant and equipment	-	9,499	9,499
Depreciation expense	(19,581)	(162,945)	(182,526)
Balance at 31 December 2022	1,454,822	61,164	1,515,986

Note 14. Current liabilities - trade and other payables

	2022 $	2021 $
Trade payables	408,166	453,586
Deposits collected	28,345	49,330
Accrued expenses	248,458	328,850
	684,969	831,766

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 15. Current liabilities - borrowings

	2022 $	2021[#3] $
Loan from the University of Newcastle	-	110,504

Note 16. Current liabilities - lease liabilities

Lease liability	61,928	196,238

Note 17. Current liabilities - employee benefits

Annual leave	220,601	140,396
Long service leave[#3]	106,830	107,128
	327,431	247,524

[#3] Current and non-current components of long service leave liabilities have been reclassified during 2022.

Note 18. Current liabilities - other liabilities

Unexpired term memberships	114,084	154,212

Note 19. Non-current liabilities - lease liabilities

Lease liability	18,667	70,339

Note 20. Non-current liabilities - employee benefits

Long service leave[#3]	27,160	22,624

[#3] Current and non-current components of long service leave liabilities have been reclassified during 2022.

Note 21. Equity - retained earnings

Retained earnings at the beginning of the financial year	10,088,672	10,689,745
Net result for the year	56,985	(601,073)
Retained earnings at the end of the financial year	10,145,657	10,088,672

NUSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 22. Leases

	2022 $	2021 $
Amounts recognised in the Statement of Financial Position		
Right-of-use Assets		
Balance 1 January	1,677,436	1,873,284
Addition	11,577	-
Transfer from property, plant and equipment	9,499	-
Depreciation for the period	(182,526)	(195,848)
Net carrying value at 31 December	1,515,986	1,677,436
Lease liabilities		
Current	61,928	196,238
Non-current	18,667	70,339
	80,595	266,577
Amounts recognised in the Income Statement		
Depreciation charge of right-of-use assets	182,526	195,848
Interest expense	10,771	39,122
Total recognised in the Income Statement	193,297	234,970

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payables are not permitted to be recognised as lease liabilities and are expensed as incurred.

Concessionary lease

The Company has concessionary (below market value) leases with University of Newcastle and Honeysuckle Development Corporation in relation to the sporting facilities and buildings utilised by the Company.

- The Newcastle University lease agreement commenced 1 January 2003 and expires on 31 December 2038 following a 15 year extension of the lease, approved by the Board in 2021, with annual rent of $1.
- The Honeysuckle Development Corporation lease agreement commenced on 1 July 2015 and expires on 4 September 2101, with annual rent of $1.

The Company may only utilise the sporting facilities and buildings for the purpose of recreation, sporting, educational and aquatic activities.

Note 23. Key management personnel disclosures

Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022 $	2021 $
Aggregate compensation	332,254	299,250

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 24. Remuneration of auditors

	2022[#4] $	2021 $
Audit of the Financial Statements	67,500	35,000

[#4] Of the total $67,500 remuneration of auditors, $16,500 relates to 2021 audit.

Note 25. Contingencies and commitments

In the opinion of the Directors, the Company did not have any contingent assets, contingent liabilities or commitments at 31 December 2022 (2021: Nil).

Note 26. Related parties

(a) Parent entities

The ultimate parent entity is The University of Newcastle by virtue of its full ownership of the Company's issued share capital.

The Company is incorporated and domiciled in Australia.

(b) Transactions with related parties

The following transactions occurred with related parties:

	2022 $	2021 $
Parent entity		
SSAF Funding	850,000	850,000
Revenue from hire of facilities	62,614	10,556
Other Revenue	101,996	147,471
Payment for utilities	311,360	164,329
SLA Accrued Charges	80,000	-
Interest Expense	3,550	9,821
Other Expense	1,727	64,533

(c) Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Current borrowings:		
Parent entity	-	110,504

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Current receivables		
Parent entity	191,132	208,572
Total current receivables	191,132	208,572
Current trade payables		
Parent entity	(89,218)	(155,657)
Total current trade payables	(89,218)	(155,657)

NUSPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note 27. Events after the reporting period

The Directors have not noted any events 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.

NUSPORT

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company declare that:

1. The financial statements:

   a. comply with the Australian Accounting Standards Simplified Disclosures for which include the Australian Accounting Interpretations;

   b. comply with the *Government Sector Finance Act 2018* and the Government Sector Finance Regulation 2018, and

   c. present fairly the financial position of the Company as at 31 December 2022, and the financial performance and cash flows for the year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration has been made pursuant to s.7.6 (4) of the *Government Sector Finance Act 2018* in accordance with a resolution of the Board of Directors dated 27 March 2023.

N. Towney

Mr Nathan Towney
Director

Mr Joshua Williams
Director

NUSPORT

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT

Newcastle University Sport

To Members of the New South Wales Parliament and Members of the Newcastle University Sport

Opinion

I have audited the accompanying financial statements of Newcastle University Sport (the Company), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising significant accounting policies and other explanatory information and the Directors' Declaration.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

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

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

Directors' Responsibilities for the Financial Statements

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

NUSPORT

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

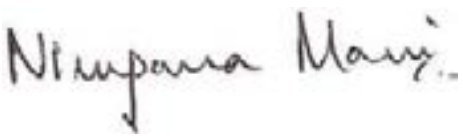
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate,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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor’s report.

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

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



Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 March 2023
SYDNEY

THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

2023 1002 I CRICOS Provider 00109J

NEWCASTLE.EDU.AU