



THE UNIVERSITY OF
SYDNEY

FINANCIAL STATEMENTS FOR CONTROLLED ENTITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

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This is a supplementary volume to the University of Sydney's 2012 Annual Report. The full annual report is available at sydney.edu.au/about/publications/annual_report

Bandwidth Foundry International Pty Limited

ACN 125 105 857

Financial Statements

for the year ended 31 December 2012

Bandwidth Foundry International Pty Limited ACN 125 105 857

Financial Statements - 31 December 2012

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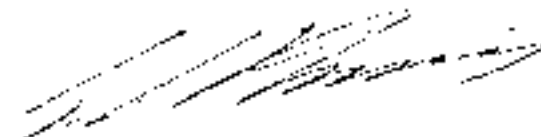
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The Directors of the Company hereby declare that:

- (a) The financial statements and notes set out on the attached pages:
 - (i) comply with Australian Accounting Standards (including the Australian Accounting Interpretations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010; and
 - (ii) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date.
- (b) At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Directors of the Board.

On behalf of the Directors


Director S.C. FLEMING

Sydney, New South Wales

Dated this 16th day of April 2013

Director

Sydney, New South Wales

Dated this _____ day of _____ 2013

The Directors of the Company hereby declare that

- (a) The financial statements and notes set out on the attached pages
 - (i) comply with Australian Accounting Standards (including the Australian Accounting Interpretations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010; and
 - (ii) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date.
- (b) At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Directors of the Board.

On behalf of the Directors

Director

Sydney, New South Wales

Dated this day of 2013

Director

Sydney, New South Wales

Dated this day of 2013



INDEPENDENT AUDITOR'S REPORT

Bandwidth Foundry International Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Bandwidth Foundry International Pty Limited (the Company) which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements

- give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

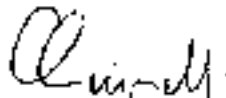
My opinion does not provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal controls
- 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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income



C. J. Gianneli
Director, Financial Audit Services

18 April 2013
SYDNEY

Bandwidth Foundry International Pty Limited
Statement of Comprehensive Income
For the year ended 31 December 2012

	2012	2011
Notes	\$	\$
Income from continuing operations		
Sales revenue	112,303	125,540
Elk grant - University of Sydney	379,500	-
Operating grant - University of Sydney	340,000	748,500
NCRIS grant - Macquario University	-	575,000
Interest	3,954	9,438
Other revenue	<u>48,858</u>	<u>17,879</u>
Total revenue from continuing operations	884,615	1,476,357
Gains/(losses) on disposal of assets	<u>2,750</u>	<u>-</u>
Total income from continuing operations	<u>887,365</u>	<u>1,476,357</u>
Employee related expenses	(355,817)	(343,500)
Consumables	(33,969)	(32,115)
Depreciation	(221,097)	(247,765)
Repairs and maintenance	(155,236)	(307,258)
Rent	(148,074)	(143,151)
Utilities	(131,656)	(91,874)
Other expenses	3 <u>(45,218)</u>	<u>(81,185)</u>
Total expenses from continuing operations	<u>(1,112,967)</u>	<u>(1,246,958)</u>
Operating result before income tax	(225,602)	229,399
Income tax income/ (expense)	2 <u>(904)</u>	<u>(35,015)</u>
Operating result after income tax for the year	<u>(225,506)</u>	<u>194,383</u>
Net operating result attributable to members of Bandwidth Foundry International Pty Limited	<u>(225,506)</u>	<u>194,383</u>
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of Bandwidth Foundry International Pty Limited	<u>(225,506)</u>	<u>194,383</u>

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

Bandwidth Foundry International Pty Limited
Statement of Financial Position
As at 31 December 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	212,876	189,129
Trade and other receivables	5	8,088	36,452
Inventories		<u>22,559</u>	<u>21,028</u>
Total current assets		<u>243,523</u>	<u>246,609</u>
Non-current assets			
Property, plant and equipment	6	261,253	482,350
Deferred tax assets	7	<u>-</u>	<u>-</u>
Total non-current assets		<u>261,253</u>	<u>482,350</u>
TOTAL ASSETS		<u>504,776</u>	<u>728,959</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	145,622	136,140
Current tax liabilities		-	35,016
Provision for long service leave		44,002	38,638
Provision for annual leave		<u>56,062</u>	<u>33,519</u>
Total current liabilities		<u>245,686</u>	<u>243,343</u>
Total non-current liabilities		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>245,686</u>	<u>243,343</u>
NET ASSETS		<u>259,090</u>	<u>485,596</u>
EQUITY			
Contributed equity	9	1	1
Retained earnings		<u>259,089</u>	<u>485,595</u>
TOTAL EQUITY		<u>259,090</u>	<u>485,596</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Bandwidth Foundry International Pty Limited
Statement of Changes in Equity
For the year ended 31 December 2012

	Contributed equity \$	Retained earnings \$	Total equity \$
Balance at 1 January 2011	1	291,212	291,213
Operating result for the year	-	194,383	194,383
Other comprehensive income for the year	-	-	-
Balance at 31 December 2011	1	485,595	485,596
 Balance at 1 January 2012	 1	 485,595	 485,596
Operating result for the year	-	(226,506)	(226,506)
Other comprehensive income for the year	-	-	-
Balance at 31 December 2012	1	259,089	259,090

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

Bandwidth Foundry International Pty Limited
Statement of Cash Flows
For the year ended 31 December 2012

	2012	2011
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers	174,525	140,130
Payments to suppliers (inclusive of goods and services tax)	(493,718)	(668,358)
Payments for employee related expenses	(347,344)	(402,263)
Income tax paid	(35,920)	-
Grants received from The University of Sydney	719,500	748,500
NCRIS grant received from Macquarie University	-	575,000
Interest received	<u>3,954</u>	<u>9,438</u>
Net cash provided by/(used in) operating activities	17 <u>20,997</u>	<u>402,447</u>
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	-	(316,918)
Proceeds from sale of property, plant and equipment	<u>2,750</u>	<u>-</u>
Net cash provided by/(used in) investing activities	<u>2,750</u>	<u>(316,918)</u>
Net increase (decrease) in cash and cash equivalents	23,747	85,529
Cash and cash equivalents at the beginning of the period	<u>189,129</u>	<u>103,600</u>
Cash and cash equivalents at end of year	4 <u>212,876</u>	<u>189,129</u>

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

1 Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Public Finance and Audit Act 1993 and the Public Finance and Audit Regulation 2010 and Australian Accounting Standards (including Australian Accounting Interpretations).

The financial statements were authorised for issue by the Board on the date on which the accompanying Directors' Declaration was signed. The financial statements will not be amended and reissued as they have been audited.

(a) Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian Dollars and all values are rounded to the nearest dollar.

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 directors and management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(b) Going concern basis

The financial statements have been prepared on a going concern basis. The Directors have received a guarantee of financial support from the parent entity whereby The University of Sydney agrees for the period to 30 April 2014 to meet any liabilities incurred by the Company in accordance with an annual budget approved by the Deputy Vice-Chancellor (DVC Research) of the University. The guarantee is rescinded if the Company exceeds its approved budget, unless approved by the DVC Research.

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by charges or deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, 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 substantially enacted by the reporting date 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Property, plant and equipment

Assets include plant and equipment, computers, process equipment and low value items. These items are recorded at cost and depreciated from the point at which the asset is ready for use.

1 Summary of significant accounting policies (continued)

Depreciation is calculated on a straight line basis. The depreciation rates are based on the estimated useful lives of the various classes of assets employed. Depreciation rates applied at the date of this report range from 10% to 33.33% based on the nature of asset.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(f) Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue is measured at the fair value of the consideration received or receivable and is stated net of the amount of goods and services tax. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from the rendering of services is recognised upon the delivery of the services to the customers.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

(h) Trade and other receivables

Trade and other receivables are recognised at the amounts receivable and are generally due for settlement in no more than 30 days. The collectability of receivables is assessed at year end and specific provision is made for any doubtful accounts.

(i) Trade and other payables

Trade and other payables, including accruals not yet billed, represent liabilities for goods and services provided to the Company prior to the end of reporting period. These amounts are unsecured and are usually settled within 30 days of recognition.

(j) Employee entitlements

The total liability in respect of employee entitlements of staff has been brought to account in accordance with AASB 119. Employee entitlements comprising annual leave and long service leave have been fully provided. Liabilities for annual leave and long service leave are recognised and measured based on staff leave entitlements at reporting date and calculated at pay rates expected to be paid and payable. The provision for annual leave and long service leave is recognised as a current liability. The provision for long service leave is not expected to be settled in the ensuing year.

(k) Comparative figures

Where required by accounting standards and business requirements, comparative figures have been adjusted or reclassified to conform with the changes in presentation for the current financial period.

(l) New accounting standards and interpretations

At the reporting date, a number of new accounting standards and interpretations have been issued that are not yet operative and have not been early adopted by the Company.

The Company has elected not to early adopt any of these standards and interpretations as they are either not relevant or have no impact on the financial report for 2012. Similarly application from 2013 is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

2 Income tax expense/(income)

	2012 \$	2011 \$
(a) Income tax expense/(income)		
Income tax expense/(income) in relation to current period taxable profit	-	67,856
Prior period tax losses now brought to account	-	(32,840)
Income tax underprovided in the prior year	904	-
	<u>904</u>	<u>35,016</u>

Reconciliation of income tax expense/(income) to other comprehensive income

Operating result from continuing operations before income tax expense	<u>(225,602)</u>	229,399
Tax at the Australian tax rate of 30%	(67,681)	68,820
Origination and reversal of timing differences	-	(964)
Income tax under provided in the prior year	904	-
Tax effect of amounts not brought to account as a deferred tax asset	67,681	-
Prior period tax losses now brought to account	-	<u>(32,840)</u>
Total income tax expense	<u>904</u>	<u>35,016</u>

3 Other expenses

	2012 \$	2011 \$
Communications	8,912	15,852
Audit fees, bank charges, legal and insurance costs	14,545	23,902
Cost of goods sold	7,949	9,321
Travel expenses	10,399	22,265
Other expenses	3,414	9,845
	<u>45,218</u>	<u>81,185</u>

4 Cash and cash equivalents

	2012 \$	2011 \$
Cash on hand	152	185
Cash at bank	<u>212,724</u>	<u>188,944</u>
Total cash and cash equivalents	<u>212,876</u>	<u>189,129</u>

5 Trade and other receivables

	2012 \$	2011 \$
Trade debtors	7,188	22,806
GST receivable	-	12,746
Security deposit paid	900	900
	<u>8,088</u>	<u>36,452</u>

6 Non-current assets - Property, plant and equipment

Year ended 31 December 2011	NCRIS Installation \$	Computer equipment \$	Process equipment \$	Plant and fixtures \$	Other assets \$	Low value pool assets \$	Total \$
Opening net book amount	85,878	1,801	45,541	175,755	2,262	850	413,197
Additions	-	-	-	316,916	-	-	316,916
Depreciation charge for the period	(50,115)	(650)	(104,954)	(89,770)	(1,402)	(518)	(247,765)
Closing net book amount	<u>35,863</u>	<u>851</u>	<u>40,587</u>	<u>403,897</u>	<u>810</u>	<u>342</u>	<u>482,350</u>
As at 31 December 2011							
Cost	239,530	11,017	514,272	570,850	7,258	3,621	1,346,548
Accumulated depreciation	(203,667)	(10,166)	(473,685)	(566,953)	(6,448)	(3,279)	(864,198)
Net book amount	<u>35,863</u>	<u>851</u>	<u>40,587</u>	<u>403,897</u>	<u>810</u>	<u>342</u>	<u>482,350</u>
 Year ended 31 December 2012							
	NCRIS Installation \$	Computer equipment \$	Process equipment \$	Plant and fixtures \$	Other assets \$	Low value pool assets \$	Total \$
Opening net book amount	35,863	851	40,587	403,897	810	342	482,350
Additions	-	-	-	-	-	-	-
Depreciation	(33,254)	(508)	(38,778)	(147,371)	(810)	(316)	(221,027)
Closing net book amount	<u>2,609</u>	<u>283</u>	<u>1,809</u>	<u>256,526</u>	<u>-</u>	<u>26</u>	<u>261,253</u>
At 31 December 2012							
Cost	239,530	11,017	504,544	570,850	7,258	3,621	1,336,820
Accumulated depreciation	(236,921)	(10,734)	(502,735)	(314,324)	(7,258)	(3,595)	(1,075,567)
Net book amount	<u>2,609</u>	<u>283</u>	<u>1,809</u>	<u>256,526</u>	<u>-</u>	<u>26</u>	<u>261,253</u>

7 Deferred tax assets

	2012 \$	2011 \$
Total deferred tax assets	-	-
Movements of deferred tax assets not brought to account		
Opening balance	106,552	91,877
Assets not recognised during the year	67,681	47,515
Tax losses taken to account	-	(32,840)
Closing balance	174,233	106,552
 Timing differences	 25,383	 284
Tax losses	148,850	106,268
	174,233	106,552

These benefits will only be obtained if the company derives the necessary future assessable income and capital gains and there are no adverse changes in relevant income tax legislation.

8 Trade and other payables

	2012 \$	2011 \$
Inter company payables - University of Sydney	46,261	71,262
Trade payables	77,904	55,358
GST payable	8,457	-
Accrued expenses	13,000	9,520
Total trade and other payables	145,622	136,140

Trade payables above include \$62,155 due to The University of Sydney

9 Contributed equity

	2012 Shares	2011 Shares	2012 \$	2011 \$
Ordinary shares				
Fully paid	2	2	1	1
	2	2	1	1

10 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the company

	2012 \$	2011 \$
Audit services		
The Audit Office of New South Wales	8,200	7,500

11 Contingencies

The Company has no contingent liabilities as at 31 December 2012

12 Commitments

(a) Operating lease commitments

	2012 \$	2011 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	121,487	118,750

(b) Non payroll expenditure commitments

Contractual obligation for future repair and maintenance		
Within one year	43,868	45,074

Note: Commitments are GST inclusive

13 Related party transactions

(a) Parent entity

The ultimate Australian parent entity is The University of Sydney which at 31 December 2012 owns all the issued ordinary shares of Bandwidth Foundry International Pty Ltd. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

	2012 \$	2011 \$
Grants received from The University of Sydney	719,600	748,500
Sales and other income	<u>17,572</u>	<u>14,880</u>
	<u>737,072</u>	<u>763,380</u>

(b) Outstanding balances

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

Current payables (purchases of goods)		
Amount owed to The University of Sydney	45,260	71,262
Trade payables due to The University of Sydney	<u>62,155</u>	<u>16,500</u>
	<u>108,415</u>	<u>87,762</u>

14 Key management personnel

	2012 \$	2011 \$
Aggregate remuneration of directors and other key personnel	<u>153,481</u>	<u>150,457</u>

The amounts shown in this note is in respect of key management personnel. The directors receive no remuneration from the company

15 Economic dependency

The company is economically dependent on The University of Sydney. During the year ended 31 December 2012, 84% of the company's revenue was sourced from the University.

16 Financial risk management

The company's principal financial instruments comprise trade and other receivables and trade and other payables.

Risk exposures

The company's activities expose it to relatively few financial risks: credit risk and liquidity risk. The company's overall risk management program focuses on the identification and analysis of the risks faced by the company to monitor risks and set controls to minimise potential adverse effects on the financial performance of the company.

The company is not exposed to any interest risk.

(a) Credit risk

The credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises only from the company's trade receivables.

The company does not have any significant risk exposure to any single counterparty.

The carrying amount of financial assets recorded in the balance sheet represents the company's maximum risk exposure to credit risk.

The company does not hold any securities or guarantees.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company has a 'letter of comfort' from The University of Sydney guaranteeing the payment of its budgeted liabilities. Accordingly, there is minimal liquidity risk.

The following tables summarise the maturity profile of the company's financial assets and financial liabilities.

At 31 December 2012

	Average interest	Variable interest	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	%	%	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	4.00	-	212,876	-	-	212,876
Receivables	-	-	7,188	-	-	7,188
Total financial assets	4.00	-	220,064	-	-	220,064
Financial Liabilities						
Payables	-	-	137,166	-	-	137,166
Total financial liabilities	-	-	137,166	-	-	137,166

16 Financial risk management (continued)

At 31 December 2011

	Average Interest	Variable interest	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	%	%	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	4.25	-	189,129	-	-	189,129
Receivables	-	-	22,806	-	-	22,806
Total financial assets	<u>4.25</u>	<u>-</u>	<u>211,935</u>	<u>-</u>	<u>-</u>	<u>211,935</u>
Financial Liabilities						
Payables	-	-	136,142	-	-	136,142
Total financial liabilities	<u>-</u>	<u>-</u>	<u>136,142</u>	<u>-</u>	<u>-</u>	<u>136,142</u>

(c) Fair value

Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying amount is equivalent to fair value. The Company has no other financial instruments measured at fair value.

17 Reconciliation of operating result for the period to net cash inflow from operating activities

	2012	2011
	\$	\$
Net operating result	(226,506)	194,383
Depreciation	221,097	247,765
Change in operating assets and liabilities :		
(Increase)/decrease in trade debtors and other receivables	28,364	(3,289)
(Increase)/decrease in inventories	(1,551)	(7,773)
Increase/(decrease) in trade and other payables	17,885	(80,086)
Increase/(decrease) in employee related provisions	18,474	16,430
(Gain)/loss on disposal of assets	(2,750)	-
Increase/(decrease) in current tax liability	<u>(35,018)</u>	<u>35,016</u>
Net cash inflow/(outflow) from operating activities	<u>20,997</u>	<u>402,447</u>

18 Company details

Bandwidth Foundry International Pty Limited is incorporated in Australia. The registered office of the company is level 3, Margaret Telfer Building, 71-79 Arundel Street, Glebe NSW 2037.

The principal place of business is Australian Technology Park, Suite G03, 1 Central Avenue Eveleigh, NSW 2015.

(End of Audited Financial Statements)

Sydney Talent Pty Limited

ACN 128 997 673

Financial Statements for the year ended 31 December 2012

Sydney Talent Pty Limited ACN 128 987 073
Financial Statements - 31 December 2012

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Directors' Report

Sydney Talent Pty Limited is an Australian Proprietary Limited Company incorporated on 16 January 2008.

The directors present their report together with the financial statements for the year ended 31 December 2012.

Directors

Armstrong, Derrick Jennison

Qualifications and experience

BA, MA, PhD Deputy Vice Chancellor (Education) and Registrar at the University of Sydney.

Resigned 4 April 2012

Austin, Jordi Anne

Qualifications and experience

BA (Hons) M.Psych (Clin) MAPS Clin Coll Director Student Support Services at the University of Sydney

Resigned 10 May 2012

Cartin, Tyrone Michael

Qualifications and experience

BCom LLB (Hons), MCom (Hons), LLM, PhD, Grad DipFin S A, CA, FCPA, & Fin

Pro-Vice Chancellor (Education Operations) and Deputy Dean of the University Business School

Appointed 20 March 2012

Easdown, William Matheson

Qualifications and experience

BBus, CA

Deputy Chief Financial Officer & Director Corporate Finance at the University of Sydney

Appointed 20 March 2012

Good, Michael Alan

Qualifications and experience

BQA, F Fin, MAICD

Director of Commercial Subsidiaries, Investments & Capital Management at the University of Sydney

Chairman Bandwidth Forestry International Pty Limited, Director Sport Knowledge Australia Pty Limited, Nuflores P/L

Alternate Director, resigned 12 August 2012

Oakeshott, Jane Catherine

Qualifications and experience

BA, LLB, Dip Ed

Senior Advisor, Government Relations at the University of Sydney

Appointed 20 March 2012

Streater, Colin David

Qualifications and experience

BCom, GradC&BusAd, GAICD

Director of Human Resources University of Sydney

Resigned 27 June 2012

Company secretary

Keane, Moira

Qualifications and experience

BSc (Hons), MComm CPA with experience in senior accounting and financial roles

Resigned 23 February 2012

From 23 February 2012 the company secretarial role is being performed by a university employee who has been seconded to the company.

Meetings of directors

	No. of Board Meetings	
	Eligible	Attended
Armstrong, Derrick Jennison	1	1
Austin, Jordy Anne	2	2
Carroll, Tyrone Michael	5	5
Easdown, William Matheson	5	5
Good, Michael Alan	0	0
Oakeshott, Jane Catherine	5	5
Streeter, Colin David	2	2

Operating result for the year

The operating result for the year was a surplus of \$211,572 (2011: Deficit \$ 214,928)

Review of Operations

A review of the company operations during the year and the results of those operations are as follows

The company's operations during the period performed as expected in the opinion of the directors

Significant changes in the state of affairs

There were no significant changes in the state of affairs of Sydney Talent Pty Limited that occurred during the financial year other than as set out in this Directors' report

Principal activities

The principal activities of the company during the course of the year were to promote the advancement of the education of students of the University of Sydney through the provision of employment opportunities. This will assist students to pursue their studies whilst enhancing their experience as students of the University

There have been no significant changes in the nature of these activities during the year

Subsequent Events

Unless otherwise disclosed, there are no other matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the company

Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company

Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory

Dividends

There were no dividends or distributions paid or proposed during the year and up to the date of this report

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year. Furthermore, there were no options outstanding at the date of this report

Indemnification of officers

The company has obtained appropriate insurance in respect of all Directors and senior executives against all liabilities to other persons that may arise from their positions as Directors or executives, except where the liability arises out of conduct involving a lack of good faith. This insurance is made as part of the total insurance cover the company has with the University of Sydney.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

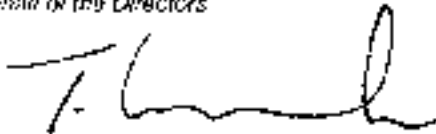
The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

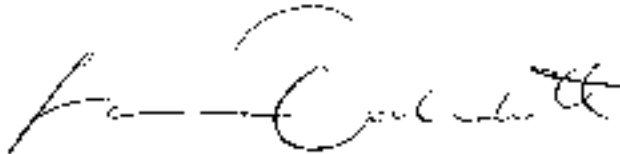
The auditor's independence declaration for the year ended 31 December 2012 as required under section 307C of the Corporations Act 2001 is attached.

This report is signed in accordance with a resolution of the Directors of the Board.

On behalf of the Directors



Director



Director

Sydney, New South Wales

Dated this 4th day of April 2013



To the Directors
Sydney Talent Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Sydney Talent Pty Limited for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of

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

A handwritten signature in black ink, appearing to read "C J Giumelli".

C J Giumelli
Director, Financial Audit Services


4 April 2013
SYDNEY

The Directors of the Company hereby declare that:

- (a) The financial statements and notes set out on the attached pages are in accordance with the *Corporations Act 2001* and
 - (i) comply with Australian Accounting Standards (including Australian Accounting Interpretations), the Corporations Regulations 2001, *Public Finance and Audit Act 1953* and Public Finance and Audit Regulation 2010; and
 - (ii) give a true and fair view of the company's financial position as at 31 December 2012 and of the performance for the year ended on that date.
- (b) 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.
- (c) At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Directors of the Board.

On behalf of the Directors



Director



Director

Sydney, New South Wales

Dated this 4th day of April 2013



INDEPENDENT AUDITOR'S REPORT

Sydney Talent Pty Limited

To Members of the New South Wales Parliament and Members of Sydney Talent Pty Limited

I have audited the accompanying financial statements of Sydney Talent Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2012 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1993* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance:

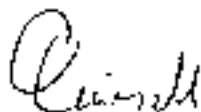
- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Sydney Talent Pty Limited on 4 April 2013, would be in the same terms if provided to the directors as at the time of this auditor's report.



C J Gurnell
Director, Financial Audit Services

5 April 2013
SYDNEY

Sydney Talent Pty Limited
Statement of Comprehensive Income
For the year ended 31 December 2012

		2012	2011
	Notes	\$	\$
Revenue from continuing operations			
Sale of services	2	2,761,578	2,868,162
Other income		<u>58,569</u>	<u>0</u>
Total revenue from continuing operations		<u>2,840,147</u>	<u>2,868,162</u>
Employee related expenses	3	(2,520,236)	(2,933,725)
Amortisation expenses	4	-	(37,374)
Contractors and consultants		-	(413)
Sales and marketing expenses		(579)	(720)
Travel expenses		(332)	(2,269)
Other expenses	5	<u>(85,965)</u>	<u>(126,585)</u>
Total expenses from continuing operations		<u>(2,617,112)</u>	<u>(3,103,096)</u>
Operating result before income tax		223,035	(214,928)
Income tax expense	6	<u>(11,463)</u>	-
Operating result after income tax for the year		<u>211,572</u>	<u>(214,928)</u>
Operating result attributable to members of Sydney Talent Pty Limited		<u>211,572</u>	(214,928)
Other Comprehensive income for the year	6	<u>-</u>	-
Total comprehensive income attributable to members of Sydney Talent Pty Limited		<u>211,572</u>	<u>(214,928)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Sydney Talent Pty Limited
Statement of Financial Position
As at 31 December 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	1	1
Trade and other receivables	8	<u>429,545</u>	<u>795,780</u>
Total current assets		<u>429,545</u>	<u>795,781</u>
Non-current assets			
Intangible assets	10	<u>-</u>	<u>-</u>
Total non-current assets		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>429,545</u>	<u>795,781</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	113,627	669,324
Provisions - Annual leave		<u>8,977</u>	<u>12,550</u>
Total current liabilities		<u>122,604</u>	<u>681,874</u>
Non-current liabilities			
Deferred tax liabilities	12	<u>11,463</u>	<u>-</u>
TOTAL LIABILITIES		<u>134,067</u>	<u>681,874</u>
NET ASSETS		<u>295,479</u>	<u>83,907</u>
EQUITY			
Contributed equity	13	1	1
Retained Earnings	14	<u>295,478</u>	<u>83,906</u>
TOTAL EQUITY		<u>295,479</u>	<u>83,907</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Sydney Talent Pty Limited
Statement of Changes in Equity
For the year ended 31 December 2012

	Notes	Contributed equity \$	Retained earnings \$	Total \$
Balance at 1 January 2011		1	298,834	298,835
Operating results for the year		-	(214,928)	(214,928)
Other comprehensive income for the year		-	-	-
Balance at 31 December 2011		1	83,906	83,907
Balance at 1 January 2012		1	83,906	83,907
Operating results for the year		-	211,572	211,572
Other comprehensive income for the year		-	-	-
Balance at 31 December 2012		1	295,478	295,479

The above statement of changes in equity should be read in conjunction with the accompanying notes

Sydney Talent Pty Limited
Statement of Cash Flows
For the year ended 31 December 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,143,888	3,284,647
Payments to employees		(2,518,508)	(2,883,955)
Payments to suppliers (inclusive of GST)		<u>(463,622)</u>	<u>(288,305)</u>
Net cash (outflow) inflow from operating activities	22	<u>161,757</u>	<u>112,387</u>
Net cash (outflow) inflow from investing activities		<u>0</u>	<u>-</u>
Cash flows from financing activities			
Net movement on intercompany payables		<u>(161,757)</u>	<u>(12,587)</u>
Net cash inflow (outflow) from financing activities		<u>(161,757)</u>	<u>(12,587)</u>
Net increase/ (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of year		<u>1</u>	<u>1</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

1 Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Public Finance and Audit 1983, the Public Finance and Audit Regulation 2010, Australian Accounting Standards (including Australian Accounting Interpretations), and the Corporations Act 2001.

The financial statements were authorised for issue by the Board on the date on which the accompanying Directors' Declaration was signed. The statements will not be amended and reissued as they have been audited.

Basis of preparation

These financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

These financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

Critical accounting estimates and judgments

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 judgment in the process of applying the Company's accounting policies.

The Directors and management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained internally and externally.

(a) Going concern basis

These financial statements have been prepared on a going concern basis. The Directors have received a guarantee of financial support from the parent entity, whereby the University of Sydney agrees for the period to 30 April 2014 to meet any liabilities incurred by the company in accordance with an annual budget approved by the Chief Financial Officer (CFO) of the University. The guarantee is rescinded if the company exceeds its approved budget, unless approved by the CFO.

(b) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, 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 reporting date 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(c) Intangible assets

Intangible assets include major information technology (IT) systems that have been purchased. These items are recorded at historical cost and amortised from the point at which the asset is ready for use.

Amortisation is calculated on a straight-line basis. The amortisation rates are based on the estimated useful lives of the various classes of assets employed. Pro-rata amortisation is charged in the year of purchase and disposal. The amortisation rate applied at the date of this report is as follows:

1 Summary of significant accounting policies (continued)

Intangibles - Information Technology (IT) systems : 40 percent per annum

(d) Cash and cash equivalents

The Company uses the bank account of the University of Sydney to receive income and disburse expenses. The Company recognises a receivable in respect of amounts held by the University on behalf of the Company and a payable in respect of amounts owed to the University by the Company.

(e) Revenue recognition

Revenue from the rendering of services is recognised upon the delivery of the services to the customers. Revenue is measured at the fair value of the consideration received or receivable and is stated net of the amount of goods and services tax (GST). Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

(g) Trade and other receivables

Trade and other receivables are recognised at the amounts receivable and are generally due for settlement in no more than 7 days. The collectability of receivables is assessed at year end and specific provision is made for any doubtful accounts.

(h) Trade and other payables

Trade and other payables, including accruals not yet billed, represent liabilities for goods and services provided to the Company prior to the end of the reporting period. These amounts are unsecured and are usually settled within 30 days of recognition.

(i) Employee entitlements

The total liability in respect of employee entitlements of staff has been brought to account in accordance with AASB 119. Liabilities for annual leave are recognised and measured based on staff leave entitlements at reporting date and calculated at pay rates expected to be paid and payable. The provision for annual leave is recognised as a current liability.

No provision is recognised for long service leave as yet since the employees of the Company do not have any long service leave entitlements at the end of the year.

(j) Comparative figures

Where required by accounting standards and business requirements, comparative figures have been adjusted or reclassified to conform with changes in presentation for the current financial year.

(k) New accounting standards and interpretations

At the reporting date, a number of new accounting standards and interpretations have been issued that are not yet operative and have not been early adopted by the Company.

The Company has elected not to early adopt any of these standards and interpretations as they are either not relevant or have no impact on the financial report for 2012 financial year. Similarly, application from 2013 financial year is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

2 Revenue from continuing operations

	2012 \$	2011 \$
<i>Revenue from student/employee placements</i>		
University generated revenue	2,026,890	1,553,460
Industry generated revenue	<u>754,688</u>	<u>1,224,702</u>
Total revenue from continuing operations	<u>2,781,578</u>	<u>2,688,162</u>
Waived Information Communication Technology charges from University of Sydney	<u>58,569</u>	0
	<u>2,840,147</u>	<u>2,688,162</u>

3 Employee related expenses

Salaries and on-costs - general	237,147	545,931
Salaries and on-costs - casual	<u>2,283,089</u>	<u>2,287,794</u>
	<u>2,520,236</u>	<u>2,933,725</u>

4 Amortisation expense

Amortisation charge - Software	<u>-</u>	37,374
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5 Other expenses

Software and licences	54,275	63,633
Minor equipment, lease and repair expenses	6,886	11,738
Printing, stationery and office supplies	690	1,505
Provision for impaired receivables	1,128	(3,785)
Telecommunications	-	5,303
Legal and audit expenses	8,200	12,864
Memberships and subscriptions costs	300	2,784
Sundry expenses	<u>24,485</u>	<u>34,561</u>
	<u>95,965</u>	<u>128,589</u>

6 Income tax expense

(a) Income tax expense/ (income)

Income tax expense/ (income) in relation to current period results	55,447	-
Recognition and reversal of temporary differences	11,463	-
Recognition of prior period tax credits now brought to account	<u>(55,447)</u>	-
	<u>11,463</u>	<u>-</u>

6 Income tax expense (continued)

	2012 \$	2011 \$
Reconciliation of income tax expense/ (income) charged to other comprehensive income		
Operating result before income tax expense	<u>223,035</u>	<u>(214,920)</u>
Tax at the Australian tax rate of 30%	66,910	(64,478)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Recognition of prior period tax credits now brought to account	(55,447)	0
Tax effect of amounts not brought to account as a deferred tax asset	<u>11,463</u>	<u>64,478</u>
Income tax expense	<u>11,463</u>	<u>11,463</u>

7 Cash and cash equivalents

Cash on hand	<u>1</u>	<u>1</u>
Total cash and cash equivalents	<u>1</u>	<u>1</u>

8 Trade and other receivables

Trade debtors	259,666	298,749
Provision for impairment of receivables	<u>(5,510)</u>	<u>(4,382)</u>
Net trade receivables	254,156	294,367
Intercompany receivables - University of Sydney	174,345	459,759
Accrued income	-	41,654
Prepaid expenses	<u>1,044</u>	<u>-</u>
Total trade and other receivables	<u>429,545</u>	<u>795,780</u>

Impaired trade receivables

As at 31 December 2012 current receivables with a nominal value of \$5,510 (2011 \$4,382) were impaired.

The amount of the provision that relates to specific provisions was \$5,510 (2011 \$4,382). No general provision was raised for receivables over 90 days.

3 to 6 months	-	1,000
Over 6 months	<u>5,510</u>	<u>3,382</u>
	<u>5,510</u>	<u>4,382</u>

As at 31 December 2012, trade receivables of \$254,156 (2011 \$294,367) were past due but not impaired. These relate to a number of independent customers on which there is no recent history of defaults.

8 Trade and other receivables (continued)

The ageing of these receivables is as follows:

	2012	2011
	\$	\$
Under 3 months	241,553	214,834
3 to 6 months	9,883	25,843
Over 6 months	<u>2,920</u>	<u>56,035</u>
	<u>254,356</u>	<u>296,712</u>

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

At 1 January	(4,382)	(49,007)
Provision for impairment recognised during the year	(2,148)	(4,382)
Receivables written off during the year as uncollectible	20	44,008
Unused amount reversed	<u>1,000</u>	<u>4,099</u>
	<u>(5,510)</u>	<u>(4,382)</u>

9 Deferred tax assets

Movements:

Opening balance	-	-
Prior period tax credits now brought to account	55,447	-
Less offset against income tax payable	<u>(55,447)</u>	<u>-</u>
Closing balance	-	-

Deferred tax asset not brought to account \$420,855 (2011: \$476,302)

Tax benefits will only be obtained if the company derives the necessary future assessable income and there are no adverse changes in relevant income tax legislation

10 Non-current assets - Intangible assets

	Computer software
	\$
Year ended 31 December 2011	
Opening net book amount	37,374
Amortisation charge	<u>(37,374)</u>
Closing net book amount	<u>-</u>
At 31 December 2011	
Cost	121,338
Accumulated amortisation	<u>(121,338)</u>
Net book amount	<u>-</u>

10 Non-current assets - Intangible assets (continued)

At 31 December 2012

Cost	121,336
Accumulated amortisation	(121,336)
Net Book Amount	-

11 Trade and other payables

	2012 \$	2011 \$
Intercompany payables - University of Sydney	-	447,173
Taxes payable*	25,251	2,358
Accrued expenses	75,665	237,082
Prepaid income	12,711	12,711
Total trade and other payables	113,627	699,324

* Taxes payable comprise PAYG and the Net GST liability

12 Deferred tax liabilities

Assessable temporary differences	11,463	-
Movements:		
Opening balance	-	-
Accrued expenditure	2,460	-
Accounts receivable	(338)	-
Intangible assets and	8,802	-
Property, plant and equipment	539	-
Closing balance at 31 December	11,463	-

13 Contributed equity

	2012 Shares	2011 Shares	2012 \$	2011 \$
Ordinary shares				
Fully paid	1	1	1	1
	1	1	1	1

14 Retained earnings

Movements in retained earnings were as follows

Opening balance	83,906	288,834
Operating result for the year	211,572	(214,928)
Closing balance	295,478	83,906

15 Key management personnel disclosures

None of the directors receive any remuneration/benefits from the company. None of the staff members are considered to be key management personnel.

	2012 \$	2011 \$
Aggregate remuneration of directors and other key personnel	<u>0</u>	<u>0</u>

16 Remuneration of auditors

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

<i>Audit services</i>		
The Audit Office of New South Wales	<u>6,200</u>	<u>9,300</u>

17 Commitments

Within one year	2,372	5,443
Later than one year but not later than five years	<u>3,144</u>	<u>5,518</u>
	<u>5,516</u>	<u>10,959</u>

18 Contingencies

The Company has no known contingent liabilities as at 31 December 2012.

19 Related party transactions

(a) Parent entity

The ultimate Australian parent entity is the University of Sydney which at 31 December 2012 owns all the issued ordinary shares of Sydney Talent Pty Limited. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

<i>Sales of goods and services</i>		
Student employee placements	<u>2,026,890</u>	<u>1,603,483</u>
<i>Purchases of goods</i>		
Supply of various services	<u>125,863</u>	<u>221,140</u>
<i>Other transactions</i>		
Sales of goods and services - The Warron Centre for Advanced Engineering Limited	72,158	59,597

(b) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with the parent entity, University of Sydney:

19 Related party transactions (continued)

Current receivables (sales of goods and services):
Outstanding balances arising from supply of services
Intercompany receivables

155,447	129,348
<u>174,345</u>	<u>459,759</u>
<u>329,792</u>	<u>589,107</u>

Current payables (purchases of goods):
Intercompany payables
Outstanding balances arising from supply of services

-	447,172
<u>55,285</u>	<u>62,714</u>
<u>55,285</u>	<u>509,886</u>

* The University has applied netting off of the intercompany payables and receivables for the first time 2012.

20 Economic dependency

The company depends on the University of Sydney for the majority of its revenue. During the year ended 31 December 2012, 73% (2011: 58%) of the company's revenue was sourced from the University.

21 Financial risk management

The company's principal financial instruments comprise trade and other receivables and trade and other payables.

Risk exposures

The company's activities expose it to relatively few financial risks: credit risk and liquidity risk. The company's overall risk management program focuses on the identification and analysis of the risks faced by the company to monitor risks and set controls to minimise potential adverse effects on the financial performance of the company.

The company is not exposed to any interest risk.

(a) Credit risk

The credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises only from the company's trade receivables.

The company has receivables from the University of Sydney which is considered a credit worthy counterparty. Other than that, the company does not have any significant risk exposure to any single counterparty.

The carrying amount of financial assets recorded in the balance sheet represents the company's maximum risk exposure to credit risk.

The company does not hold any securities or guarantees.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company has a "letter of comfort" from the University of Sydney guaranteeing the payment of its budgeted liabilities. Accordingly, there is minimal liquidity risk.

The following tables summarise the maturity profile of the company's financial assets and financial liabilities.

21 Financial risk management (continued)

At 31 December 2012

	Average Interest %	Variable interest \$	Less than 1 year \$	Between 1 and 5 years \$	Over 5 years \$	Total \$
Financial Asset						
Receivables	0	0	434,011	0	0	434,011
Total financial assets	0	0	434,011	0	0	434,011

Financial Liabilities

Payables	0	0	75,665	0	0	75,665
Total financial liabilities	0	0	75,665	0	0	75,665

At 31 December 2011

	Average interest %	Variable interest \$	Less than 1 year \$	Between 1 and 5 years \$	Over 5 years \$	Total \$
Financial Asset						
Receivables	0	0	800,162	0	0	800,162
Total financial assets	0	0	800,162	0	0	800,162

Financial Liabilities

Payables	0	0	684,254	0	0	684,254
Total financial liabilities	0	0	684,254	0	0	684,254

(c) Fair value Estimation

Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying amount is equivalent to fair value. The Company has no other financial instruments measured at fair value.

22 Reconciliation of operating result for the period to net cash inflow from operating activities

	31 December 2012 \$	31 December 2011 \$
Operating result for the year	211,572	(214,928)
Amortisation expense	-	37,374
Provision for doubtful debts	1,128	4,382
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	79,693	119,354
(Decrease) / increase in trade and other payables	(142,099)	56,405
Increase (decrease) in deferred tax liabilities	11,463	-
Net cash inflow (outflow) from operating activities	161,757	12,587

23 Company details

Sydney Talent Pty Limited is incorporated in Australia. The registered office of the Company is level 3, Margaret Telfer Building, 71-79 Arundel Street, Glebe NSW 2037.

The principal place of business is 1-3 Ross Street Building (K05), University of Sydney, NSW 2005.

(End of Audited Financial Statements)

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SydneyLearning Pty Limited

ACH 129 988 165

Financial Statements for the year ended 31 December 2012

SydneyLearning Pty Limited ACN 129 998 165
Financial Statements - 31 December 2012

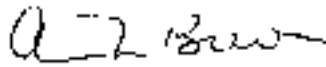
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The Directors of the Company hereby declare that

- (1) The financial statements and notes set out on the attached pages
- (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations), Public Finance and Audit Act 1993 and Public Finance and Audit Regulation 2010, and
 - (b) give a true and fair view of the company's financial position as at 31 December 2012 and of the performance for the year ended on that date.
- (2) At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This Directors' declaration is made in accordance with a resolution of the Directors of the Board

Ann Brewer
Director



Dated this

2 day of April 2013

Deanna Beryl Hoermann
Director

Dated this

day of 2013



INDEPENDENT AUDITOR'S REPORT

SydneyLearning Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of SydneyLearning Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance

- about the future viability of the Company
- that I has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyper-linked to/from the financial statements

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



C J Giumelli
Director, Financial Audit Services

4 April 2013
SYDNEY

SydneyLearning Pty Limited
Statement of Comprehensive Income
For the year ended 31 December 2012

	2012 \$	2011 \$
Revenue from continuing operations		
Sales income	<u>583,563</u>	<u>361,909</u>
Total revenue from continuing operations	<u>583,563</u>	<u>361,909</u>
Administration charges	(54,303)	(50,379)
Contractors and consultants	(356,951)	(206,886)
Software and licences	(23,295)	(14,648)
Other expenses	(45,829)	(21,231)
Leasing expense	(29,323)	-
Advertising and marketing	(20,864)	-
Total expenses from continuing operations	<u>(530,555)</u>	<u>(353,144)</u>
Profit before income tax	53,008	8,765
Income tax (expense)/income	2 <u>(15,902)</u>	<u>(5,079)</u>
Profit/(loss) after income tax	<u>37,106</u>	<u>3,686</u>
Net operating result attributable to members of SydneyLearning Pty Limited	<u>37,106</u>	<u>3,686</u>
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of SydneyLearning Pty Limited	<u>37,106</u>	<u>3,686</u>

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

Sydney Learning Pty Limited
Statement of Financial Position
As at 31 December 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1	1
Trade and other receivables	4	<u>425,100</u>	<u>406,915</u>
Total current assets		<u>425,101</u>	<u>406,916</u>
Non-current assets			
Deferred tax assets	5	<u>-</u>	<u>10,749</u>
Total non-current assets		<u>-</u>	<u>10,749</u>
TOTAL ASSETS		<u>425,101</u>	<u>417,665</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	<u>416,085</u>	<u>450,908</u>
Current tax liabilities		<u>4,094</u>	<u>-</u>
		<u>420,179</u>	<u>450,908</u>
Total current liabilities		<u>420,179</u>	<u>450,908</u>
Deferred tax liabilities	7	<u>1,059</u>	<u>-</u>
Non-current liabilities		<u>1,059</u>	<u>-</u>
TOTAL LIABILITIES		<u>421,238</u>	<u>450,908</u>
NET ASSETS		<u>3,863</u>	<u>(33,243)</u>
EQUITY			
Contributed equity	8	1	1
Accumulated profits/(losses)		<u>3,862</u>	<u>(33,244)</u>
TOTAL EQUITY		<u>3,863</u>	<u>(33,243)</u>

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

Sydney Learning Pty Limited
Statement of Changes in Equity
For the year ended 31 December 2012

	Contributed Equity \$	Retained earnings \$	Total \$
Balance at 1 January 2011	1	(36,930)	(36,929)
Operating result for the year	-	3,685	3,685
Other comprehensive income for the year	-	-	-
Balance at 31 December 2011	<u>1</u>	<u>(33,244)</u>	<u>(33,243)</u>
Balance at 1 January 2012	1	(33,244)	(33,243)
Operating result for the year	-	37,106	37,106
Other comprehensive income for the year	-	-	-
Balance at 31 December 2012	<u>1</u>	<u>3,862</u>	<u>3,863</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Sydney Learning Pty Limited
Statement of Cash Flows
For the year ended 31 December 2012

		2012	2011
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		606,359	376,797
Payments to suppliers		<u>(272,354)</u>	<u>(400,325)</u>
Net cash (outflow)/inflow from operating activities	16	<u>334,015</u>	<u>(23,548)</u>
Cash flows from financing activities			
Increase/(decrease) in net intercompany payables		<u>(334,015)</u>	<u>23,548</u>
Net cash (outflow)/inflow from financing activities		<u>(334,015)</u>	<u>23,548</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>1</u>	<u>1</u>
Cash and cash equivalents at end of year	3	<u>1</u>	<u>1</u>

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

1 Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010, Australian Accounting Standards (including Australian Accounting Interpretations).

The financial statements were authorised for issue by the Board on the date on which the accompanying Directors Declaration was signed. The statements will not be amended and reissued as they have been audited.

Base of preparation

These financial statements have been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

These financial statements are presented in Australian Dollars and all values are rounded to the nearest dollar.

Critical accounting estimates and judgements

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 judgment in the process of applying the company's accounting policies.

The Directors and management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained internally and externally.

(a) Going concern basis

These financial statements have been prepared on a going concern basis. The Directors have received a guarantee of financial support from the parent entity, whereby The University of Sydney agrees for a period till April 2014 to meet any liabilities incurred by the company in accordance with an annual budget approved by the Vice Chancellor (VC) of the University. The guarantee is rescinded if the company exceeds its approved budget, unless approved by the VC.

(b) Cash and cash equivalents

The Company uses the bank account of The University of Sydney to receive income and disburse expenses. The Company recognises a receivable in respect of amounts held by the University on behalf of the Company and a payable in respect of amounts owed to the University by the Company.

(c) Comparative figures

Where required by accounting standards and business requirements, comparative figures have been adjusted or reclassified to conform with changes in presentation for the current financial year.

The statement of comprehensive income includes for 2011 a reclassification of expenses between administration costs and contractor and computing costs. This reclassification has been performed to better reflect the function and nature of the costs incurred. The following table shows the reclassifications:

	Original 2011	2012 Reclassification	2012 Revised
Administration charged	\$155,768	(\$105,329)	\$50,379
Contractors and Consultants	\$161,557	\$105,329	\$266,886
	\$317,205		\$317,205

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

1 Summary of significant accounting policies (continued)

Deferred income tax is provided in full, 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 substantially enacted by the reporting date 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Revenue recognition

Revenue from rendering of service is recognised upon the delivery of the service to the customers. Revenue is measured at the fair value of the consideration received or receivable and is stated net of the amount of goods and services tax. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Trade and other receivables

Trade and other receivables are recognised at the amounts receivable and are generally due for settlement in no more than 30 days. The collectability of receivables is assessed at year end and specific provision is made for any doubtful accounts.

(h) Trade and other payables

Trade and other payables, including accruals not yet billed, represent liabilities for goods and services provided to the Company prior to the end of reporting period. These amounts are unsecured and are usually settled within 30 days of recognition.

(i) New Accounting standards and interpretations

At the reporting date, a number of new accounting standards and interpretations have been issued that are not yet operative and have not been early adopted by the Company.

The Company has elected not to early adopt any of these standards and interpretations as they are either not relevant or have no impact on the financial statements for 2012. Similarly, application from 2013 is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

2 Income tax expense

	2012 \$	2011 \$
(a) Income tax expense		
Income tax expense in relation to current period results	14,843	2,830
Deferred tax expense relating to the origination and reversal of temporary differences	<u>1,059</u>	<u>2,449</u>
	<u>15,902</u>	<u>5,079</u>
(b) Reconciliation of income tax expense charged to Other Comprehensive Income		
Operating result from continuing operations before income tax expense	<u>53,008</u>	<u>8,785</u>
Tax at the applicable Australian tax rate of 30%	16,902	2,630
Tax in respect of timing differences	<u>2,448</u>	<u>2,449</u>
Income tax expense	<u>15,902</u>	<u>5,079</u>

3 Cash and cash equivalents

Cash on hand	<u>1</u>	<u>1</u>
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4 Trade and other receivables

Net trade receivables		
Trade debtors	17,185	7,430
Provision for impairment of receivables	-	(3,430)
Net GST receivable	<u>46</u>	<u>18,912</u>
	<u>17,231</u>	<u>20,912</u>
 Receivables - University of Sydney	 <u>407,869</u>	 <u>386,003</u>
Total trade and other receivables	<u>425,100</u>	<u>408,916</u>

As of 31 December 2012, trade receivables of \$17,184 (2011 : \$7,430) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows.

	2012 \$	2011 \$
Up to 3 months	9,252	4,000
3 to 6 months	<u>7,933</u>	<u>3,430</u>
	<u>17,185</u>	<u>7,430</u>

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

	2012 \$	2011 \$
At 1 January	(3,430)	-
Provision for impairment recognised during the year	-	(3,430)
Receivables written off during the year as uncollectible	<u>3,430</u>	<u>-</u>
	<u>-</u>	<u>(3,430)</u>

5 Deferred tax assets

The balance comprises temporary differences attributable to:

Tax losses	-	12,478
Deductible temporary difference	<u>-</u>	<u>(1,729)</u>
	<u>-</u>	<u>10,749</u>

Movements:

Opening balance	10,749	15,828
Tax losses	(12,478)	(2,630)
Temporary differences	<u>1,729</u>	<u>(2,449)</u>
Closing balance	<u>-</u>	<u>10,749</u>

5 Deferred tax assets (continued)

The future deferred tax asset relating to tax losses will only be utilised if

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised,
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with and
- (c) no changes in tax legislation adversely affect the entity realising the benefit.

6 Trade and other payables

	2012 \$	2011 \$
Payables - University of Sydney*	-	312,148
Accrued expenses**	384,347	97,828
Prepaid income	21,738	40,932
Total trade and other payables	416,085	450,908

*The University has applied nothing off of the intercompany payables and receivables for the first time in 2012.

** The balance includes amounts payable of \$322,421 to the University of Sydney for 2012 (\$44,487 for 2011)

7 Deferred tax liabilities

	2012 \$	2011 \$
Assessable temporary differences	1,059	-
Movements in net deferred income tax assets (liabilities) attributable to:		
Opening balance	-	-
Accrued expenses	(160)	-
Other provisions	1,029	-
Intangible assets	180	-
Closing balance	1,059	-

8 Contributed equity

	2012 Shares	2011 Shares	2012 \$	2011 \$
Ordinary shares				
Fully paid	1	1	1	1

9 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the company:

<i>Audit services</i>		
The Audit Office of New South Wales	3,700	3,200

10 Contingencies

The Company has no known contingent liabilities as at 31 December 2012 and up to the date of this report

11 Commitments

The Company has no known commitments as at 31 December 2012.

12 Related party transactions

(a) Parent entity

The ultimate Australian parent entity is The University of Sydney which at 31 December 2012 owns all the issued ordinary shares of SydneyLearning Pty Limited. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Sales of goods and services

Course delivery to The University of Sydney	226,223	106,625
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Purchases of goods and services

Payments for services	322,421	149,816
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(b) Outstanding balances

	2012	2011
	\$	\$
Intercompany receivables - University of Sydney	407,869	386,003
Intercompany payables - University of Sydney *	-	312,148
Current payables arising from purchases of goods and services	322,421	44,467

*The University has applied netting off of the intercompany payables and receivables for the first time in 2012

13 Key management personnel disclosures

None of the directors receive any remuneration or benefits from the company. The officers responsible for directing and controlling the Company are employees of The University of Sydney. These personnel received no remuneration or benefits from the company.

	2012	2011
	\$	\$
Aggregate remuneration of directors and other key personnel	-	-

14 Economic dependency

The company is economically dependent on The University of Sydney. Please refer to the note on "Going Concern" in the summary of significant accounting policies for further information.

15 Financial risk management

The company's principal financial instruments comprise trade and other receivables and trade and other payables.

Risk exposures

The company's activities expose it to relatively low financial risks. The company's overall risk management program focuses on the identification and analysis of the risks faced by the company to monitor risks and set controls to minimise potential adverse effects on the financial performance of the company.

The company is not exposed to any interest risk.

15 Financial risk management (continued)

(a) Credit risk

The credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises only from the company's trade receivables.

The Company has receivables from The University of Sydney which is considered a creditworthy counterparty. Other than that the Company does not have any significant risk exposure to any single counterparty.

The carrying amount of financial assets recorded in the statement of financial position represents the company's maximum risk exposure to credit risk.

The company does not hold any securities or guarantees.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company has a letter of comfort from The University of Sydney guaranteeing the payment of its budgeted liabilities. Accordingly, there is minimal liquidity risk.

The following tables summarise the maturity profile of the company's financial assets and financial liabilities.

At 31 December 2012

	Average Interest	Variable Interest	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
Financial Assets						
Receivables	-	-	425,054	-	-	425,054
Total financial assets	-	-	425,054	-	-	425,054

Financial Liabilities

Payables	-	-	394,347	-	-	394,347
Total financial liabilities	-	-	394,347	-	-	394,347

At 31 December 2011

	Average Interest	Variable Interest	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
Financial Assets						
Receivables	-	-	393,433	-	-	393,433
Total financial assets	-	-	393,433	-	-	393,433

Financial Liabilities

Payables	-	-	409,976	-	-	409,976
Total financial liabilities	-	-	409,976	-	-	409,976

Receivables

Payables

(c) Fair value

Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying amount is equivalent to fair value. The Company has no other financial instruments measured at fair value.

16 Reconciliation of operating result for the year to net cash inflow from operating activities

Operating result for the year	37,106	3,686
Provision for doubtful debts	(3,430)	3,430
Change in operating assets and liabilities :		
(Increase)/decrease in trade debtors & other receivables	8,712	(10,052)
(Increase)/decrease in deferred tax assets	10,749	5,079
(Decrease)/increase in trade and other payables	277,725	(10,091)
Increase/(decrease) in provision for income taxes payable	4,094	
Increase/(decrease) in deferred tax liabilities	<u>1,059</u>	<u>-</u>
Net cash inflow (outflow) from operating activities	<u>334,015</u>	<u>(23,548)</u>

17 Company details

Sydney Learning Pty Limited is incorporated in Australia. The registered office and principal place of business of the company is:

The Octadrangle A14

L4 47 University Avenue

The University of Sydney NSW 2008

(End of Audited Financial Statements)

**The Warren Centre for Advanced
Engineering Limited**

ACN 132 821 688

**Financial Statements
for the year ended 31 December 2012**

The Warren Centre for Advanced Engineering Limited AGN 132 821 088
Financial Statements - 31 December 2012

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Directors' Report

The Warren Centre for Advanced Engineering Limited is an Australian public company, limited by guarantee. It operates as a controlled entity of The University of Sydney and the sole member of the Company is The University of Sydney. The Warren Centre for Advanced Engineering Limited commenced operations on 19 August 2008.

The Directors present their report together with the financial statements of The Warren Centre for Advanced Engineering Limited for the year ended 31 December 2012.

In 2011 a process commenced to consolidate the activities undertaken within the environment of The University of Sydney under the name of The Warren Centre into The Warren Centre for Advanced Engineering Limited. In 2012, significant progress was made resulting in an intercompany receivable amount of \$1,479,898 being recognised to bring the residual activities from The Warren Centre into The Warren Centre for Advanced Engineering Limited. As at 31 December 2012 this receivable has not been received since the process, although close to finalisation, is still incomplete. In addition, there is a residual balance of funds that remains unallocated.

In addition to the residual funds of The Warren Centre, it is important to note that the University holds funds in favour of The Warren Centre of \$2.48m as at 31 December 2012 (market value). These funds represent the original capital sum referred to in the Deed Poll executed on 18 February 2008 including the following acknowledgment:

The University wishes to acknowledge that, in order to reflect the wishes of the donors from whom the Capital Sum was raised:

(a) the University holds the Capital Sum subject to the condition that it be applied for the promotion of excellence and innovation in engineering through the activities now proposed to be carried on by the Company;

(b) the University has determined to apply the Capital Sum by providing it to the Company, on the basis that payment of all or part of the Capital Sum will be made on request by the Company;

(c) the University has also determined to apply any income referable to any portion of the Capital Sum which has not previously been paid to the Company by providing it to the Company from time to time on request of the Company and, at the end of each financial year, the University will pay to or at the direction of the Company, such amount as the University reasonably considers to be the amount of all remaining income referable to any portion of the Capital Sum which has not previously been paid to the Company; and

(d) if further funds are donated to the University to advance the purposes for which the Company has been incorporated, those funds will be added to and form part of the Capital Fund.

These funds are held in trust by The University of Sydney as follows:

	Market value at 31 December 2012
Monia	
Long Term Fund (LF002)	673,559
Medium Term Fund (LF003)	1,666,996
Short Term Fund (HB401) – USA Foundation	92,825
Short Term Fund (HB401) – General Donations	37,109
Short Term Fund (HB401) – Engineering Memorial Lecture Fund	8,000
	<u>2,480,479</u>

Note: All values are reported as Market Values consistent with the University's Investments and Capital Management reporting policy.

In addition to the Capital Sum of \$564,635 of unallocated working equity as a result of the partial completion of the reconciliation process referred to above.

In conclusion, while the Company's accounts show a deficit in net assets, it has access to adequate funds by virtue of the Deed Poll and the residual funds from the consolidation of past activities from The Warren Centre.

Names of Directors

Cernicez, Nicholas

Qualifications and experience

BSc, BEngMech, DPhil, GAICD. Currently Executive Director of The Warren Centre for Advanced Engineering Limited. Experience includes 20 years in industry as an engineer and entrepreneur leading technology and medical device startup companies and research, instrumentation technology developments and project management in the pulp and paper and industrial gases industries and astronomy research environments.

Appointed 6 February 2012.

Cox, David Henry

Qualifications and experience

BA, BE, MScSoc, FRANZ. Currently Chair Operating Officer at the Faculty of Engineering and IT, The University of Sydney. Previous experience includes 23 years with Qantas Airways as Executive General Manager, Qantas Engineering; Group General Manager, Engineering Technical Operations; Group General Manager, Regional Airlines and Fleet Planning; General Manager, Fleet Planning.

Appointed 3 December 2009 (alternate for Archie James Johnston).

Dart, Ian Ronald

Qualifications and experience

BE Mech (Hons). Experience includes 35 years as engineer, General Manager, CEO of an IT services company and 13 years as a director of the Warren Centre.

Appointed 19 August 2008.

Dureau, Michael AM

Qualifications and experience

BE (Chem), MAppSci (Env Pollution Control), FTSE, Hon FIEAust, FICM, CPEng CSci, FAICD, FAIE, JP. Experience includes 40 years in industry in Engineering, Project Management and Senior Management in Chemical, Water Controls and Power Generation; Non-Executive Director and Chairman of listed and unlisted public and private companies. Ex-Chair of Red R Australia.

Appointed 19 August 2008.

Evans, Bronwyn Joy

Qualifications and experience

PhD (Elec Eng), BE (Elec) Hon 1, FEAust, EngExec. Experience includes 30 years in various engineering roles. Currently a Senior Vice President at Cochlear, Chair of Engineers Australia Centre for Engineering and Leadership (CLEM), past Chair of the Medical Technology Association of Australia (MTAA) and actively involved in other engineering related groups. Currently a Senior Vice President at Cochlear.

Appointed 8 April 2011.

Janssen, Christopher

Qualifications and experience

M.B., B.S. (University of Sydney), MBA (IMD, Lausanne, Switzerland), Medical Registration FAICD. Currently Managing Director of GPC Electronics Pty Limited and affiliated companies. Previous experience as a Medical Practitioner, President, Director AFEEMA (Industry Association), NSW Innovation Council, Federal Government Electronics Industry Action Agenda and Strategic Industries Leaders Group.

Appointed 1 December 2011.

Johnston, Archie James

Qualifications and experience

Fellow of the Australian Academy of Technological Sciences (ATSE) and Engineers Australia. Currently Dean of Engineering and Information Technologies and Chair of Health Sciences Divisional Board at The University of Sydney. Chair of the Education Forum of ATSE. Advisor to the Reliance Group of India, and, Advisory Professor to Shanghai Jiao Tong University. Fellow of the Australian Institute of Company Directors and a Director of the Smart Services CRC and the CRC for Advanced Composite Structures.

Appointed 1 September 2006

Jones, Kathryn Laurel

Qualifications and experience

Degree in History and English Literature. Currently the owner and principal of Kathy Jones and Associates established 2001. Previous experience includes positions as CEO, General Manager, Corporate Communications, and Public Affairs Manager in public and private sector organisations. Board experience includes St Johns Ambulance (NSW) and newDemocracy. Member of the Institute of Company Directors, Institute of Public Administration, Property Council of Australia NSW (served on the Local Government Reform Committee), and National Association of Women in Construction.

Appointed 19 August 2009.

Kirby, Michael John

Qualifications and experience

MICD. Currently Director/Trustee James H Kirby Foundation Ltd, Director Global Value Technology Ltd.

Appointed 19 August 2008, resigned 17 April 2012.

Leer, John Barrington

Qualifications and experience

BE (Chem), PhD. Professional Engineer with 25 years experience in operations, research, safety and project management. Currently Process Development Manager at Onco.

Appointed 19 August 2008.

McGill, Stuart Russell

BE Chemical, PhD Chemical Engineering. CEng, EurIng, FIChemE, FIEAust. Member SPE, EUREng. Previously, Senior Executive Exxon Mobil Corp.

Appointed 25 September 2009.

Poole, Martin Leonard

Qualifications and experience

BA, MEng, PhD. Currently Managing Director at EPUROD P/L. Previous experience includes position of Vice President of Market Development for Powerline GES Pty Ltd, consultant to numerous energy companies in Australia and UK.

Appointed 18 August 2008

Ralston, Hugh Henry AM

Qualifications and experience

BE Auto. Eng (USYD), ASTC (Mgt), AMCD(DRP), FIEAust, FAIM. Experience includes 18 years at GM and MD level in public and international companies in Australia and USA, over 30 years on other NFP Boards/Councils, and over 25 years as small business owner and MD.

Appointed 19 August 2008.

Rollinson, Robert John

Qualifications and experience

BE(Hons), MEng Sc. Grad. Dip. Mgmt, FIEAust, CEng. Chairman Sydney Catchment Authority. Experience includes over 40 years in engineering, finance and management with a strong focus on electricity, water, gas and other infrastructure. Held Chief and senior executive positions in Australia and internationally and has experience on a wide range of listed and unlisted public and private company boards.

Appointed 1 March 2011.

Vonwiler, Christopher Charles

Qualifications and experience

BSc, BE (Hons), MBA, MCE(Aust), FTSE. Chairman of Apuril Butler HC, inaugural winner of the Prime Minister's Exporter-of-the-Year. Previously 23 years as a Senior Executive of Telstra Corporation, Chairman of the Pacific Telecommunications Council and Director of Intelnet Limited. Named as Entrepreneur of the year by Engineers Australia Sydney Division.

Appointed 19 August 2008.

White, Denis William

Qualifications and experience

BE (UNSW), MEng Sc (UNSW). Ex Chairman and MD of Parsons Brinckerhoff Australia

Appointed 19 August 2008.

The Women Centre for Advanced Engineering Limited
Directors' Report
For the year ended 31 December 2012
(continued)

All directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Company secretary

Keane, Nicola

BSc, MCom, CPA with experience in senior accounting and financial roles

Appointed 19 August 2008, resigned 16 February 2012.

Harrington, Alexandra Mary

BSc (Agr), MEd, Grad Dip App Finance.

Appointed 16 February 2012

The Warren Centre for Advanced Engineering Limited
Directors' Report
For the year ended 31 December 2012
(continued)

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 31 December 2012, and the numbers of meetings attended by each Director were:

	Meetings of Directors		Meetings of Committees			
	A	B	Management A	B	Finance** A** B	Risk/Audit and Remuneration*** A B
Cernaz, Nicholas	8	8	5	5		
Cox, David Henry	5	5*				
Dart, Ian Ronald	7	6				
Dureau, Michael	7	7	5	5		
Evans, Bronwyn Joy	7	4				
Janssen, Christopher	7	6				
Johnston, Archie James	7	2*				
Jones, Kathryn Leoni	7	5				
Kirby, Michael John	2	1	1	1		
Leah, John Barrington	7	5				
McGill, Stuart Russell	7	7				
Pool, Martin Leonard	7	5				
Reid, Hugh Henry	7	7				
Robinson, Robert John	7	6				
Vonwiler, Christopher Charles	7	7	5	5		
White, Denis William	7	4	5	4		

A = Number of meetings Director entitled to attend during the time the Director held office or was a member of the committee during the year

B = Number of meetings attended

* David Cox is the Alternate Director for Archie Johnston who was represented at all Board meetings in 2012.

** The Finance Committee did not meet formally in 2012 and carried out all activities by correspondence. Members of the Finance Committee attended two presentations from the Investments and Capital Management Team with the Management Committee. The Finance Committee was restructured in October 2012 as a result of the resignation of Michael Kirby from the Board. The Finance Committee is now chaired by Denis White with Christopher Janssen, Stuart McGill and Nick Cernaz as members.

***The Risk, Audit and Remuneration Committee did not meet formally in 2012 and carried out all activities by correspondence. The members of the Risk, Audit and Remuneration Committee in 2012 were Denis White, Archie Johnston and Ian Dart. Ian Dart stepped into the Chair role and Bronwyn Evans joined the Committee, following Denis White's move to chair the Finance Committee in October 2012.

The Warren Centre for Advanced Engineering Limited
Directors' Report
For the year ended 31 December 2012
(continued)

Operating result for the year

The operating result of the Company for the year was a surplus of \$683,832.

Review of operations

A review of the Company's operations during the year and the results of those operations are as follows:

The Company engages and works with industry, government and academia, principally through the Faculty of Engineering and Information Technologies at The University of Sydney, to foster excellence and innovation in advanced engineering throughout Australia.

The Company's operations during the year performed as expected in the opinion of the Directors.

Significant changes in the state of affairs

During the financial year, the Company continued the process of taking responsibility for activities previously undertaken by the University under the aegis of The Warren Centre. As at 31 December, the process was incomplete.

Principal activities

The object of the Company is to engage and work with industry, government and academia, principally through the Faculty of Engineering and Information Technologies at The University of Sydney, to foster excellence and innovation in advanced engineering throughout Australia.

Subsequent events

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

Future developments

Likely developments in the operations of the Company and the expected results of those operations have not been included in these financial statements as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The Company is not for profit and its Constitution proscribes the payment of any distributions or dividends to Members under any circumstances.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year. Furthermore, there were no options outstanding at the date of this report.

Indemnification of Officers

The Company has obtained appropriate insurance in respect of all Directors and senior executives against all liabilities to other persons that may arise from their positions as Directors or executives, except where the liability arises out of conduct involving a lack of good faith. This insurance is made as part of the insurance cover the Company has with The University of Sydney.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

The Warren Centre for Advanced Engineering Limited
Directors' Report
For the year ended 31 December 2012
(continued)

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2012, required under the Corporations Act 2001 is attached.

This Directors' report is signed in accordance with the resolution of Directors of the Board.

On behalf of the Directors



Director

Sydney, New South Wales

Dated this 11th day of April 2013



Director

Sydney, New South Wales

Dated this 11th day of APRIL 2013



To the Directors
The Warren Centre for Advanced Engineering Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of The Warren Centre for Advanced Engineering Limited for the year ended 31 December 2012, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read "C J Giemelli".

C J Giemelli
Director, Financial Audit Services

10 April 2013
SYDNEY

The Women Centre for Advanced Engineering Limited
Directors' Declaration
31 December 2012

The Directors of the Company hereby declare that:

- (1) The financial statements and notes set out on the attached pages are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards (including Australian Accounting Interpretations), the Corporations Regulations 2001, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010, and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2012 and of the performance 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) At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors



Director

Sydney, New South Wales

Dated this 11th day of April 2013



Director

Sydney, New South Wales

Dated this 14th day of APRIL 2013



INDEPENDENT AUDITOR'S REPORT

The Warren Centre for Advanced Engineering Limited

To Members of the New South Wales Parliament and Members of The Warren Centre for Advanced Engineering Limited

I have audited the accompanying financial statements of The Warren Centre for Advanced Engineering Limited (the Company), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2012 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 419 of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance

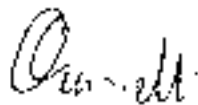
- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal controls
- about the security and controls over the electronic publication of the audited financial statements on any website where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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of The Warren Centre for Advanced Engineering Limited on 10 April 2013, would be in the same terms if provided to the directors as at the time of this auditor's report



C J Ciurak
Director, Financial Audit Services

18 April 2013
SYDNEY

The Warren Centre for Advanced Engineering Limited
Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	2012 \$	2011 \$
Revenue from continuing operations			
Revenue from continuing operations	2	1,383,056	703,245
Commonwealth Government grants		-	11,897
Investment income		43,204	312,153
Total revenue from continuing operations		<u>1,426,260</u>	<u>1,027,295</u>
Employee benefits expense		(395,040)	(252,850)
Scholarships and stipends		(91)	-
Contractors and consulting		(210,090)	(451,443)
Interest expense		-	(31,544)
Printing, office supplies and consumables		(41,926)	(57,381)
Advertising, promotions and marketing		(2,793)	(32,992)
Administration expenses		(56,337)	(75,724)
Travel expenses		(29,176)	(37,157)
Total expenses from continuing operations		<u>(742,453)</u>	<u>(939,881)</u>
Operating result for the year		<u>683,802</u>	<u>88,404</u>
Operating result attributable to members of The Warren Centre for Advanced Engineering Limited		<u>683,802</u>	<u>88,404</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of The Warren Centre for Advanced Engineering Limited		<u>683,802</u>	<u>88,404</u>

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

The Warren Centre for Advanced Engineering Limited
Statement of Financial Position
As at 31 December 2012

	Notes	2012 £	2011 £
ASSETS			
Current assets			
Cash and cash equivalents	3	-	-
Trade and other receivables	5	<u>1,550,600</u>	<u>1,102,511</u>
Total current assets		<u>1,550,600</u>	<u>1,102,511</u>
Total non-current assets		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>1,550,600</u>	<u>1,102,511</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	1,617,936	1,879,121
Provision for annual leave		10,311	5,312
Other current liabilities		<u>1,889</u>	<u>1,458</u>
Total current liabilities		<u>1,650,156</u>	<u>1,885,891</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,650,156</u>	<u>1,885,891</u>
NET ASSETS		<u>(99,546)</u>	<u>(783,380)</u>
EQUITY			
Retained earnings		<u>(99,546)</u>	<u>(783,380)</u>
TOTAL EQUITY		<u>(99,546)</u>	<u>(783,380)</u>

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

The Women Centre for Advanced Engineering Limited
Statement of Changes in Equity
For the year ended 31 December 2012

	2012 \$	2011 \$
Total equity at the beginning of the year	(783,180)	(871,784)
Operating result for the year	683,832	88,404
Other comprehensive income for the year	-	-
Total equity at the end of the financial year	<u>(99,348)</u>	<u>(783,380)</u>

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

The Warren Centre for Advanced Engineering Limited
Statement of Cash Flows
For the year ended 31 December 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		390,718	669,799
Payments to suppliers (inclusive of goods and services tax)		(589,349)	(1,173,837)
Payments to employees (inclusive of goods and services tax)		<u>(399,047)</u>	<u>(252,050)</u>
Net cash (outflow)/inflow from operating activities	4	<u>(598,678)</u>	<u>(756,088)</u>
Cash flows from financing activities			
Net movement on intercompany payables		<u>568,678</u>	<u>756,088</u>
Net cash inflow/(outflow) from financing activities		<u>568,678</u>	<u>756,088</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at end of year	3	<u>-</u>	<u>-</u>

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

1 Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, Australian Accounting Standards (including Australian Accounting Interpretations), and the Corporations Act 2001.

The financial statements were authorised for issue by the Board on the date on which the accompanying Directors' Declaration was signed. The statements will not be amended and reviewed as they have been audited.

Basic of preparation

The financial statements have been prepared on an accruals basis and are based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian Dollars and all the values are rounded to the nearest dollar.

Critical accounting estimates and judgements

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 judgment in the process of applying the company's accounting policies.

The Directors and Management evaluate estimates and judgements incorporated into the financial statements based on historic knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Accounting policies

(a) Going concern

Notwithstanding the deficiency in net assets for the accounting period, the financial statements have been prepared on the basis that the entity is a going concern. The University of Sydney holds funds in favour of the Company of \$3,044m at market value as at 31 December 2012 made up of \$2.48m capital sum (at market value) covered by the Dead Pool executed on 18 February 2008 and \$564,036 as working equity.

These funds totalling \$3,044m are available to the Company on request, subject to a Business Plan approved by the University.

The Directors have also received a guarantee of financial support from the parent entity, whereby The University of Sydney agrees for the period up to 30 April 2014 to meet any liabilities incurred by the Company in accordance with an annual budget approved by the CFO and not to exceed the funds held by the University referred to in the Dead Pool.

(b) Income tax

The Women Centre for Advanced Engineering Limited is a wholly owned Australian subsidiary of The University of Sydney registered as a not-for-profit scientific institution and is therefore income tax exempt under the Income Tax Act 1997.

(c) Cash and cash equivalents

The Company uses the bank account of The University of Sydney to receive income and disburse expenses. The Company recognises a receivable in respect of amounts held by the University on behalf of the Company and a payable in respect of amounts owed to the University by the Company. Thus, no cash or cash equivalents are held by the Company.

(d) Revenue recognition

Grants are recognised as revenue when expenditure is incurred in relation to the projects to which the funds were given. Any excess of fund income over the expenditure incurred is recognised as unearned revenue until such time as expenditure is incurred.

Revenue from rendering a service is recognised upon delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

1 Summary of significant accounting policies (continued)

(a) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of 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 tax authority is included with other receivables or payables in the statements of financial position.

(f) Trade and other payables

Trade and other payables, including accruals not yet billed, represent liabilities for goods and services provided to the Company prior to the end of the reporting period. These amounts are unsecured and are usually settled within 30 days of recognition.

(g) Trade and other receivables

Trade and other receivables are recognised at the amounts of the receivable and are due for settlement in no more than 30 days. The collectability of receivables is assessed at year end and specific provision is made for any doubtful accounts.

(h) Employee entitlements

The total liability in respect of employee entitlements has been brought to account in accordance with AASB 119. Liabilities for annual leave are recognised and measured based on employee leave entitlements as at the reporting date and calculated at pay rates expected to be paid and payable. This provision for annual leave is recognised as a current liability.

Employee entitlements of staff seconded from The University of Sydney are included in the Company's accounts except for long service leave which is carried in the books of The University of Sydney. However, regular on costs are charged to the Company for long service leave during the course of secondment.

(i) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with the changes in presentation for the current financial period.

(j) New accounting standards and interpretations

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the Company.

The Company has elected not to early adopt any of these standards and interpretations as they are either not relevant or they have no impact on its financial report for 2012. Similarly, application from 2013 is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

2 Revenue from continuing operations

	2012 \$	2011 \$
Sponsorships and grants	102,648	560,677
Fees, seminars and conferences	14,611	30,452
Memberships and subscriptions	108,945	112,000
Sales other	-	118
Contributions*	<u>1,068,401</u>	<u>-</u>
Total revenue from continuing operations	<u>1,393,004</u>	<u>703,245</u>

* These amounts comprise donations, sponsorships and prizes received on behalf of the company's activities by the University.

3 Cash and cash equivalents

Cash and cash equivalents	<u>-</u>	<u>-</u>
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4 Reconciliation of operating results for the year to cash flows from operating activities

Operating result for the year	683,832	88,404
Provision for impaired receivables	(7,700)	7,700
(Increase)/decrease in trade and other receivables	(1,080,872)	(301,437)
(Increase)/(decrease) in trade and other payables	<u>(163,931)</u>	<u>(43,155)</u>
Net cash inflow/(outflow) from operating activities	<u>(568,670)</u>	<u>(256,488)</u>

5 Trade and other receivables

Trade receivables	1,547,548	80,908
Provision for doubtful debts	<u>-</u>	<u>(7,700)</u>
Net trade receivables	1,547,548	73,208
Intercompany receivables – The University of Sydney*	283	640,728
Accrued and outstanding receivable	-	368,613
GST paid	<u>2,807</u>	<u>12,761</u>
Total trade and other receivables	<u>1,550,638</u>	<u>1,102,511</u>

*The University has applied netting off of the intercompany payables and receivables for the first time in 2012.

Impaired trade receivables

As at 31 December 2012 current receivables with a nominal value of \$N4 (2011: \$7,700) were impaired.

The ageing of these receivables is as follows.

3 to 6 months	-	7,700
Over 6 months	-	-

As at 31 December 2012, trade receivables of \$1,547,548 (2011: \$18,835) were past due but not impaired. This is mainly related to an invoice issued for the Trust monies from The University of Sydney.

5 Trade and other receivables (continued)

The ageing analysis of these receivables is as follows:

	2012	2011
	\$	\$
Under 3 months	1,547,548	1,050
3 to 6 months	-	16,955
	<u>1,547,548</u>	<u>16,955</u>

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

	2012	2011
	\$	\$
At 1 January	7,700	8,800
Provision for impairment recognised during the year	-	7,700
Unused amount reversed	(7,700)	(5,500)
	<u>-</u>	<u>7,700</u>

Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

6 Trade and other payables

Prepaid income	150,989	285,058
Accrued expenses	18,384	74,083
Intercompany payables – The University of Sydney	<u>1,467,883</u>	<u>1,539,380</u>
Total trade and other payables	<u>1,637,256</u>	<u>1,898,521</u>

7 Financial risk management

The Company's principal financial instruments comprise trade and other receivables and trade and other payables.

The Company's activities expose it to relatively few financial risks. The Company's overall risk management program focuses on the identification and analysis of the risks faced by the company to monitor risks and set controls to minimise potential adverse effects on the financial performance of the company.

The Company is exposed to some interest risk in respect of its negative retained earnings.

(a) Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises only from the Company's trade receivables.

The Company has receivables from The University of Sydney which is considered a credit worthy counterparty. Other than that, the Company does not have any significant risk exposure to any single counterparty.

The carrying amount of financial assets recorded in the balance sheet represents the Company's maximum risk exposure to credit risk.

The Company does not hold any securities or guarantees.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company has a "letter of comfort" from The University of Sydney guaranteeing the payment of its budgeted liabilities. Accordingly, there is minimal liquidity risk.

7 Financial risk management (continued)

(c) Fair Value

Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying amount is equivalent to fair value. The Company has no other financial instruments measured at fair value.

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

At 31 December 2012	Average Interest	Variable Interest	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
Financial Assets						
Receivables	-	-	1,547,801	-	-	1,547,801
Total financial assets	-	-	1,547,801	-	-	1,547,801
Financial Liabilities						
Payables	-	-	1,465,278	-	-	1,465,278
Total financial liabilities	-	-	1,465,278	-	-	1,465,278
At 31 December 2011	Average Interest	Variable Interest	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Financial Assets						
Receivables	-	-	1,089,750	-	-	1,089,750
Total financial assets	-	-	1,089,750	-	-	1,089,750
Financial Liabilities						
Payables	-	-	1,014,084	-	-	1,014,084
Total financial liabilities	-	-	1,014,084	-	-	1,014,084

8 Economic dependency

The Company is economically dependent on The University of Sydney.

9 Key management personnel disclosures

Professor Michael Duggan, Director, was contracted through SanSolutions to provide his services as Executive Director of The Warren Centre for Advanced Engineering Limited until his resignation on 15 February 2012.

The Executive Director position was filled by Dr Nicholas Gomez on 5 February 2012. Dr Gomez was employed under a standard employment agreement with The Warren Centre for Advanced Engineering Limited.

Aggregate amounts of the above transactions with key management personnel of The Warren Centre for Advanced Engineering Limited are:

	2012 \$	2011 \$
Amounts recognised as expense		
Aggregate remuneration of directors	<u>104,378</u>	<u>117,500</u>

10 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditors of the Company.

	2012 \$	2011 \$
<i>Audit services</i>		
The Audit Office of New South Wales	5,200	4,100
Audit services by private sector contractors	-	<u>1,000</u>
Total remuneration for taxation services	<u>5,200</u>	<u>5,100</u>

11 Related party transactions

Parent entity

The ultimate Australian parent entity is The University of Sydney which at 31 December 2012 is the sole member. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Parent entity:

Interest income	<u>43,204</u>	<u>280,789</u>
Sale of goods and services - contributions from the University	<u>1,078,881</u>	<u>4,623</u>
Purchase of goods and services - salaries for non-regular employees	<u>34,183</u>	-

Transactions with other related parties

Sydney Talent Pty Limited	<u>12,158</u>	<u>58,587</u>
---------------------------	---------------	---------------

The University also provides a number of services at no cost to the Company under an Agreement for Services. These services include accommodation and professional support from the Professional Support Units.

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

11 Related party transactions (continued)

Intercompany receivables – The University of Sydney	<u>253</u>	<u>640,728</u>
Intercompany payables – The University of Sydney	<u>1,467,593</u>	<u>699,652</u>
Member's Guarantee		

The Company is a public company limited by guarantee. If the Company is wound up, the Company's constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the Company. At 31 December 2012, the number of members was 1 (2011, 1).

12 Contingent liabilities

The Company has no known contingent liabilities at 31 December 2012 and up to the date of this report.

13 Commitments

	2012 \$	2011 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	2,483	1,971
Later than one year but not later than two years	<u>1,993</u>	<u>2,356</u>
	<u>4,476</u>	<u>4,327</u>

14 Company details

The Warren Centre for Advanced Engineering Limited is incorporated in Australia.

The principal place of business is J13 Engineering Link Building, University of Sydney NSW 2006.

The address of the registered office is L3, Margaret Toller Building, 71-79 Arundel Street, Glebe NSW 2037.

(End of Audited Financial Statements)

Wayahead Pty Limited

ACN 128 047 352

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Wayahead Pty Limited
ACN 128 047 352

Financial Statements for the year ended 31 December 2012

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Wayahead Pty Limited

ACN 126 047 352

Resolution Of Directors

The directors of the company hereby RESOLVE that:

1. The financial statements and notes set out on the attached pages:

- (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations), *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2010; and
- (b) give a true and fair view of the company's financial position as at 31 December 2012 and of the performance for the year ended on that date.

At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

2. In the director's 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.



Ann Brower
Director

Date: 4 / 4 / 13

Deanna Hoermann
Director

Date: / /

Wayahead Pty Limited

ACN 128 047 362

Resolution Of Directors

The directors of the company hereby **RESOLVE** that:

1. The financial statements and notes set out on the attached pages:

- (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations), *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*; and
- (b) give a true and fair view of the company's financial position as at 31 December 2012 and of the performance for the year ended on that date.

At the date of signing this declaration, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

2. In the director's 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.

Ann Brewer
Director

Date: / /

Deanna Hoermann

Deanna Hoermann
Director

Date: 03 / 04 / 2013



INDEPENDENT AUDITOR'S REPORT

Wayahead Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Wayahead Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards;
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&SA Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



C J Giunelli
Director, Financial Audit Services

15 April 2013
SYDNEY

Wayahead Pty Limited
ACN 128 047 352
Statement of Comprehensive Income
For the year ended 31 December 2012

	Note	2012 \$	2011 \$
Revenue from continuing operations		-	-
Expenses from continuing operations		-	-
Operating result before income tax		-	-
Income tax expense		-	-
Operating result after income tax for the year		-	-
Operating result attributable to members of the parent entity		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Total comprehensive income attributable to members of the parent entity		-	-

The accompanying notes form part of these financial statements

Wayahead Pty Limited
ACN 128 047 352
Statement of Financial Position
As at 31 December 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1	1
TOTAL CURRENT ASSETS		<u>1</u>	<u>1</u>
TOTAL ASSETS		<u>1</u>	<u>1</u>
CURRENT LIABILITIES		-	-
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u>1</u>	<u>1</u>
EQUITY			
Contributed equity	3	1	1
Retained earnings		-	-
TOTAL EQUITY		<u>1</u>	<u>1</u>

The accompanying notes form part of these financial statements.

Wayahead Pty Limited
ACN 128 047 352
Statement of Changes in Equity
For the year ended 31 December 2012

	2012	2011
	\$	\$
Total Equity at the beginning of the year	1	1
Operating result for the year	-	-
Other comprehensive income for the year	-	-
Total Equity at the end of the year	<u>1</u>	<u>1</u>

The accompanying notes form part of these financial statements.

Wayahead Pty Limited
ACN 128 047 352
Statement of Cash Flows
For the year ended 31 December 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	4	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by/(used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		1	1
Cash and cash equivalents at the end of the year	2	<u>1</u>	<u>1</u>

The accompanying notes form part of these financial statements

Wayahead Pty Limited
ACN 128 047 352
Notes to the Financial Statements
For the year ended 31 December 2012

Note 1: Summary of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and Australian Accounting Standards (including Australian Accounting Interpretations).

The financial statements were authorised for issue by the Board on the date on which the accompanying Director's Declaration was signed. The statements will not be amended and reissued as they have been audited.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian Dollars and all values are rounded to the nearest dollar.

Critical Accounting estimates and judgments

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 judgment in the process of applying the company's accounting policies.

The directors and management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained internally and externally.

Accounting Policies

(a) Going Concern

The financial statements have been prepared on the basis that the entity is a going concern.

(b) Cash and Cash Equivalents

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

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Income Tax

During the year, the company did not trade. Consequently, no income tax was payable or refundable.

(e) Goods and Services Tax (GST)

The Company is a non trading company and is not registered for ABN or for tax purposes.

Wayahead Pty Limited
ACN 128 047 352
Notes to the Financial Statements
For the year ended 31 December 2012

(f) New Accounting Standards and Interpretation

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the company. The company has elected not to early adopt any of these standards and interpretations as they are either not relevant or they have no impact on its financial statements for 2012. Similarly application from 2013 is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

	2012 \$	2011 \$
Note 2: Cash and cash equivalents		
Cash at bank	-	-
Cash on hand	-	-
	<u>-</u>	<u>-</u>

Note 3: Contributed Equity

Fully paid ordinary share	-	-
	<u>-</u>	<u>-</u>

Note 4: Cash flow information

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand and at bank	-	-
	<u>-</u>	<u>-</u>

(b) Reconciliation of operating result for the year with net cash flows from operating activities

Operating result for the year	-	-
Plus/(minus) non-cash items in operating result for the year	-	-
Changes in assets and liabilities	-	-
	<u>-</u>	<u>-</u>
Net cash flows from operating activities	-	-

Wayahead Pty Limited
ACN 128 047 352
Notes to the Financial Statements
For the year ended 31 December 2012

Note 5: Remuneration of auditors	2012	2011
	\$	\$
Audit services		
The Audit Office of New South Wales	-	-

The audit fee for the year ended 31 December 2012 has been set at \$2,000 GST exclusive (2011: \$1,900). The University of Sydney will meet the cost of the audit for the year ended 31 December 2012.

Note 6: Related Party Transactions

The company is a controlled entity of The University of Sydney.
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year there were no transactions with related parties.

Note 7: Administrative Expenses

Administrative expenses are currently absorbed by The University of Sydney.

Note 8: Commitments

As at 31 December 2012, the Company has no known commitments.

Note 9: Contingent Liabilities

As at 31 December 2012, the Company has no known contingent liabilities.

Note 10: Economic Dependency

The Company is economically dependent on The University of Sydney.

Note 11: Company Details

Wayahead Pty Limited
Room 14.47, The Quadrangle A14
The University of Sydney NSW 2006

(End of Audited Financial Statements)

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Sport Knowledge Australia Pty Ltd

ACN 109 491 278

Financial Statements

For the year ended 31 December 2012

Sport Knowledge Australia Pty Ltd

ACN 160 491 278

Financial Statements

For the year ended 31 December 2012

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SPORT KNOWLEDGE AUSTRALIA PTY LTD
Director's Declaration
For the year ended 31 December 2012

The Director of the Company hereby declares that:

The financial statements and notes set out on the attached pages:

- (i) Present as far as can be established a true and fair view of the financial position of the company as 31 December 2012 and transactions for the year then ended.
- (ii) The company entered into liquidation on 27 October 2012 and is now subject to control by the liquidator, H.H Mann Judd.
- (iii) The director of the company cannot complete the Director's Declaration for the year ended December 31, 2012.

Independent Auditor's Report

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Financial Position
As at ended 31 December 2012

	Note	2012 \$	2011 \$
Revenue	2	0	12,500
Administrative expenses		1,262	998
Advertising and promotion expenses		0	0
Contractors and consulting expenses		0	0
Employee expenses	3	0	(147)
IT and software expenses		0	0
Legal expenses		0	0
Rental expenses		0	0
Travel expenses		0	0
Interest expense		191	212
Bad debt expense		12,715	21,302
Other expenses		0	449
Operating result before financing income		<u>(14,168)</u>	<u>(10,314)</u>
Financing income	5	<u>10</u>	<u>87</u>
Operating result before income tax		(14,158)	(10,227)
Income tax income/(expense)	6	0	0
Operating result after income tax and impairment attributable to the members of Sport Knowledge Australia Pty Ltd		(14,158)	(10,227)
Other comprehensive income		<u>0</u>	<u>0</u>
Other comprehensive income for the period net of tax		0	0
Total comprehensive income attributable to members of Sport Knowledge Australia Pty Ltd		<u>(14,158)</u>	<u>(10,227)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Financial Position
As at ended 31 December 2012

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	7(a)	(68)	979
Total current assets		(68)	979
Total assets		(68)	979
Liabilities			
Current liabilities			
Trade and other payables	8	36,390	23,279
Total Current Liabilities		36,390	23,279
Total Liabilities		(36,400)	23,279
Net assets		(36,458)	(22,300)
Equity			
Share capital	10	6	6
Retained earnings		(36,464)	(22,305)
Total Equity		(36,458)	(22,300)

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

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Changes in Equity
For the year ended 31 December 2012

	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance 1 January 2011	6	(12,079)	(12,073)
Operating result for the 12 months to 31 December 2011	0	(10,227)	(10,227)
Other comprehensive income	0	0	0
Balance at 31 December 2011	6	(22,306)	(22,300)
Balance 1 January 2012	6	(22,306)	(22,300)
Operating result for the year ended 31 December 2012	0	(14,158)	(14,158)
Other comprehensive income	0	0	0
Balance at 31 December 2012	6	(36,464)	(36,458)

The above statement of changes in equity should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Cash Flows
For the year ended 31 December 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers		13,111	26,317
Payments to suppliers and employees		<u>(14,168)</u>	<u>(44,229)</u>
Cash generated from operations		(1,057)	(17,912)
Interest received		10	87
Net cash provided by/(used in) operating activities	7h	<u>(1,047)</u>	<u>(17,825)</u>
Cash flows from financing activities			
Loans from parent company		0	16,000
Repayment of loan to parent		0	<u>(3,500)</u>
Net cash from financing activities		<u>0</u>	<u>12,500</u>
Net increase/(decrease) in cash and cash equivalents		(1,047)	(5,325)
Cash and cash equivalents at the beginning of the year		979	6,304
Cash and cash equivalents at the end of the year	7a	<u>(68)</u>	<u>979</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

1. Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, Australian Accounting Standards (including Australian Accounting Interpretations).

The financial statements were authorised for issue by the Board on the date on which the accompanying Director's Declaration was signed. The statements will not be amended and reissued as they have been audited.

(a) Basis of preparation

The financial statements have been prepared on a liquidation basis. Assets and financial liabilities are measured at recoverable amount. Refer Note 1(b).

(b) Non-going concern basis

The Sole Director resolved that the company be wound up. A liquidator has been appointed to the company, and it is expected that it will be wound up by the end of 2013. As a result, the financial statements have been prepared on a non-going concern (liquidation) basis. Under this basis of accounting, assets are valued at their anticipated net recoverable amounts and liabilities at their estimated settlement amounts. Comparative balances continue to apply the going concern basis of accounting.

(c) Income tax

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future tax profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(d) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated (See accounting policy 3(i)).

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognized as a reversal to the extent that previous revaluation with any excess recognized through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of other assets in the unit (group of units) on a pro rata basis.

i. Calculation of recoverable amount

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of this financial asset). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii. Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(e) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution pension plans are recognized as an expense in profit or loss when they are due.

(ii) Long-term service benefits

The Company's net obligation in respect to long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees

(f) Revenue

Services rendered

Revenue from services rendered comprises fee income earned from the delivery of various Sports Science and Management courses and is recognized in the statement of comprehensive income when the delivery of the relevant course commences. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred cannot be measured reliably or the relevant courses on offer have yet to commence delivery.

DEST funding revenue

The Company was a recipient of funding from the Department of Education, Science and Technology ("DEST"). The funding is for a total of \$8,602,000, and was received as follows:

Year ended	Funding
30-Jun-04	\$1,672,000
30-Jun-05	\$1,100,000
30-Jun-06	\$2,530,000
30-Jun-07	<u>\$1,100,000</u>
	\$8,602,000

The DEST funding revenue is deferred and recognised over the period in which the expenses for which the funding has been provided are incurred.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in the bank and short term deposits with a maturity of three months or less that are readily convertible to cash and which are subject to insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (See accounting policy e).

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

(j) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

(k) New Accounting standards and AASB interpretations

The company has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet operative or applied. It has been determined that these new accounting standards will have no material impact on the Company's financial statements in the period of initial application.

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the company.

(l) Comparative figures

Where required by Accounting Standards and business requirements, comparative figures have been adjusted or reclassified to conform with changes in presentation for the current financial year.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

	2012 \$	2011 \$
2. Revenue		
Loan forgiveness	0	12,500
	<u>0</u>	<u>12,500</u>
3. Employee expenses		
Other associated employee expenses	0	(147)
	<u>0</u>	<u>(147)</u>
4. Auditor's remuneration		
Current audit is the audit office of NSW and the audit fee of \$5,000 ex-GST for 2012 (2011: \$5,000) will be borne by the University of Sydney		
5. Net financing income		
Interest income	10	87
	<u>10</u>	<u>87</u>
6. Income tax expense/(income)		
Income tax expense/(income) in relation to current period tax losses	0	0
Adjustment relating to prior period	0	0
Total income tax expense/(income)	<u>0</u>	<u>0</u>
Numerical reconciliation of income tax expense to prima facie tax payable		
Operating profit/(loss) before income tax expense	<u>(14,158)</u>	<u>(10,227)</u>
Income tax using the tax rate of 30% (2011: 30%)	(4,247)	(3,068)
Less: Tax effect of capital profit on loan forgiveness	0	(3,750)
Current period losses for which deferred tax assets are not recognised	4,247	6,818
Income tax expense/(income)	<u>0</u>	<u>0</u>

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

7. (a) Cash and cash equivalents

Bank balances	(68)	979
	<u>(68)</u>	<u>979</u>

(a) Reconciliation of operating result after income tax for the period to cash flows from operating activities.

Cash flows from operating activities

Operating profit/(loss) for the period	(14,158)	(10,227)
<i>Adjustments for:</i>		
Interest received	(10)	(87)
Loan forgiveness	0	(12,500)
Income tax expense	0	0
	<u>0</u>	<u>0</u>

Operating result before changes in working capital and provisions	(14,168)	(22,814)
(Increase)/decrease in trade and other receivables	0	3,595
(Decrease)/increase in trade and other payables	13,111	1,307
Increase/(decrease) in provisions for employee benefits	0	0
	<u>0</u>	<u>0</u>
Cash generated from/(used in) operating activities	(1,057)	(17,912)
Interest received	10	87
Net cash from/(used in) operating activities	<u>(1,047)</u>	<u>(17,825)</u>

Financing facilities and balances as at 31 December 2012

There is a Master Card facility of \$100,000 (2011 : \$100,000)

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

8. Trade and other payables

University of Sydney	15,892	11,835
Other payables	20,498	11,444
	<u>36,390</u>	<u>23,279</u>

9. Tax assets and liabilities

At balance date, the company has taxable temporary differences and tax losses that have not been recognised as deferred tax liabilities or assets.

The company is in the process of being wound up and the company will not earn sufficient taxable profits to utilise the tax losses and deferred tax liability.

10. Share capital

Ordinary shares		
Issued and fully paid	6	6

There has been no movement in issued capital in the periods covered by this report. The fully paid ordinary shares carry one vote and carry the right to dividends.

In the event of winding up of the Company, the ordinary shareholder ranks after creditors and are fully entitled to any proceeds of liquidation.

Dividends

There were no dividends paid or declared by the Company to the member since the end of the previous financial period.

11. Commitments

There were no amounts committed by the Company.

12. Economic dependency

The Company is economically dependent on The University of Sydney for funding.

13. Subsequent Events

The company is in the process of being wound up & it is anticipated the company will be wound up by December 2013.

14. Related Party Transactions

The company is a Controlled Entity of The University of Sydney

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

15. Financial risk management

The company's principal financial instruments comprise cash at bank, receivables and trade and other payables.

Risk exposures and responses

The company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The company is not exposed to interest risk

(a) Credit risk

The company does not have any significant risk exposure to any single counterparty. The credit risk on short term deposits is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the balance sheet represents the company's maximum risk exposure to credit risk.

The company does not hold any securities or guarantees.

(b) Liquidity risk

The following tables summarise the maturity of the company's financial assets and financial liabilities.

2012	Average Interest rate %	Variable Interest rate \$	Less than 1 year \$	Between 1 and 5 years \$	Non- Interest \$	Total \$
Financial assets						
Cash and cash equivalents	-	-	-	-	(68)	(68)
Total financial assets					(68)	(68)
Financial liabilities						
Payables	-	-	-	-	35,832	35,832
Total Financial liabilities					35,832	35,832

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

2011	Average interest rate	Variable interest rate	Less than 1 year	Between 1 and 5 years	Non- interest	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	-	-	-	-	979	979
Total financial assets	-	-	-	-	979	979
Financial liabilities						
Trade and Other Payables	-	-	-	-	22,721	22,721
Total financial liabilities	-	-	-	-	22,721	22,721

Liquidity is managed by ensuring sufficient cash and cash equivalents are available to meet obligations as and when they fall due.

16. Company details

Sport Knowledge Australia Pty Ltd is incorporated in Australia. The address of the registered office is Old Teachers College, University of Sydney, Manning Street, Camperdown NSW 2006.

(End of Audited Financial Statements)

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Sport Knowledge Australia Pty Ltd

ACN 109 481 278

Financial Statements

for the year ended 31 December 2011

Sport Knowledge Australia Pty Ltd

ACN 100 491 276

Financial Statements

For the year ended 31 December 2011

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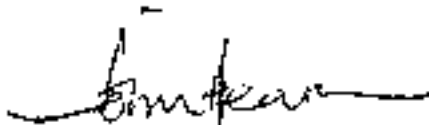
SPORT KNOWLEDGE AUSTRALIA PTY LTD
Director's Declaration
For the year ended 31 December 2011

The Director of the Company hereby declares that:

The financial statements and notes set out on the attached pages:

- (i) Present as far as can be established a true and fair view of the financial position of the company as 31 December 2011 and transactions for the year then ended.
- (ii) Because the company ceased normal operations in 2010 there have been limitations on the evidence and explanations available to the director and auditors due to the effluxion of time and departure of all management and staff of the company.
- (iii) At the date of signing this statement, the director cannot offer assurance as to the accuracy or completeness of the 2011 financial statements.

This declaration is made in accordance with a resolution of the Sole Director of the Board



John Hearn
Director

Sydney, New South Wales

Date this

4th

day of

April

2013



INDEPENDENT AUDITOR'S REPORT

Sport Knowledge Australia Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sport Knowledge Australia Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Basis for Disclaimer of Opinion

I am unable to obtain sufficient and/or appropriate evidence to support material transactions related to all areas of the Company's operations. There are significant limitations to the evidence and explanations available to me because management staff, and the directors being no longer employed or available within the Company. Alternative records that exist are not adequate for the purpose of applying necessary audit procedures.

As a result, I am unable to determine whether any adjustments may be necessary to the statement of financial position at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended and other explanatory information.

I issued a disclaimer of opinion on the Company's 2010 financial statements as the significant limitation in scope outlined above also applied to those financial statements.

Disclaimer of Opinion

Because of the significant limitation on the scope of my work described in the Basis for Disclaimer of Opinion paragraphs, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

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

Emphasis of matter paragraph

Without qualification to the disclaimed opinion expressed above:

I draw attention to Note 1 (b) of the financial statements which states the financial statements are prepared on a non-going concern (liquidation) basis. Under this basis of accounting, assets are valued at their anticipated net realisable amounts and liabilities at their estimated settlement amounts. As explained in Note 1 (b) the company is in liquidation and in the process of being wound up.

The Director's Responsibility for the Financial Statements

The Director is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act for such internal control as the Director determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on conducting my audit in accordance with Australian Auditing Standards. However, because of the matters described in the Basis for Disclaimer of Opinion paragraph, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Peter Achterstrass
Auditor-General

16 April 2013
SYDNEY

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Comprehensive Income
For the year ended 31 December 2011

	Note	2011 \$	2010 \$
Revenue	2	12,509	254,837
Administrative expenses		998	8,208
Advertising and promotion expenses		0	720
Contractors and consulting expenses		0	24,650
Employee expenses	3	(147)	166,387
IT and software expenses		0	242
Legal expenses		0	772
Rental expenses		0	1,970
Travel expenses		0	1,619
Interest expense		212	1,361
Bad debt expense		21,302	13,969
Other expenses		449	1,936
Operating result before financing income		(10,314)	33,003
Financing income	5	87	349
Operating result before income tax		(10,227)	33,352
Income tax income/(expense)	6	0	0
Operating result after income tax and impairment attributable to the members of Sport Knowledge Australia Pty Ltd		(10,227)	33,352
Other comprehensive income		0	0
Other comprehensive income for the period net of tax		0	0
Total comprehensive income attributable to members of Sport Knowledge Australia Pty Ltd		(10,227)	(33,352)

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

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Financial Position
As at 31 December 2011

	Note	2011 \$	2010 \$
Assets			
Current assets			
Cash and cash equivalents	7(a)	979	6,304
Trade and other receivables		41	3,595
Total current assets		979	9,899
Total assets		<u>979</u>	<u>9,899</u>
Liabilities			
Current liabilities			
Trade and other payables	8	23,279	21,972
Total Current Liabilities		<u>23,279</u>	<u>21,972</u>
Total Liabilities		<u>23,279</u>	<u>21,972</u>
Net assets		<u>(22,300)</u>	<u>(12,073)</u>
Equity			
Share capital	10	4	6
Retained earnings		(22,306)	(12,079)
Total Equity		<u>(22,300)</u>	<u>(12,073)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Changes in Equity
For the year ended 31 December 2011

	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance 1 January 2010	6	(45,431)	(45,425)
Operating result for the 12 months to 31 December 2010	0	33,352	33,352
Other comprehensive income	0	0	0
Balance at 31 December 2010	6	(12,079)	(12,073)
Balance 1 January 2011	6	(12,079)	(12,073)
Operating result for the year ended 31 December 2011	0	(10,227)	(10,227)
Other comprehensive income	0	0	0
Balance at 31 December 2011	6	(22,306)	(22,300)

The above statement of changes in equity should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Cash Flows
For the year ended 31 December 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers		26,317	49,823
Payments to suppliers and employees		(44,229)	(283,715)
Cash generated from operations		(17,912)	(242,892)
Interest received		87	349
Net cash provided by/(used in) operating activities	7b	(17,825)	(242,543)
Cash flows from financing activities			
Loans from parent company		16,000	220,000
Repayment of loan to parent		(3,500)	0
Net cash from financing activities		12,500	220,000
Net increase/(decrease) in cash and cash equivalents		(5,325)	(22,543)
Cash and cash equivalents at the beginning of the year		6,304	28,847
Cash and cash equivalents at the end of the year	7a	979	6,304

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

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements

1. Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2016*, Australian Accounting Standards (including Australian Accounting Interpretations).

The financial statements were authorised for issue by the Board on the date on which the accompanying Director's Declaration was signed. The statements will not be amended and reissued as they have been audited.

(a) Basis of preparation

The financial statements have been prepared on a liquidation basis. Assets and financial liabilities are measured at recoverable amount. Refer Note 1(b).

(b) Non-going concern basis

The Sole Director resolved that the company be wound up. A liquidator has been appointed to the company, and it is expected that it will be wound up by the end of 2013. As a result, the financial statements have been prepared on a non-going concern (liquidation) basis. Under this basis of accounting, assets are valued at their anticipated net recoverable amounts and liabilities at their estimated settlement amounts. Comparative balances continue to apply the going concern basis of accounting.

(c) Income tax

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future tax profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(d) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated (See accounting policy 5(f)).

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognized as a reversal to the extent that previous revaluation with any excess recognized through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of other assets in the unit (group of units) on a pro rata basis.

i. Calculation of recoverable amount

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of this financial asset). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii. Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(c) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution pension plans are recognized as an expense in profit or loss when they are due.

(ii) Long-term service benefits

The Company's net obligation in respect to long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

(d) Revenue

Services rendered

Revenue from services rendered comprises fee income earned from the delivery of various Sports Science and Management courses and is recognized in the statement of comprehensive income when the delivery of the relevant course commences. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred cannot be measured reliably or the relevant courses on offer have yet to commence delivery.

DEST funding revenue

The Company was a recipient of funding from the Department of Education, Science and Technology ("DEST"). The funding is for a total of \$8,602,000, and was received as follows.

Year ended	Funding
30-Jan-04	\$1,672,000
30-Jan-05	\$3,300,000
30-Jan-06	\$2,530,000
30-Jan-07	\$1,100,000
	\$8,602,000

The DEST funding revenue is deferred and recognised over the period in which the expenses for which the funding has been provided are incurred.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in the bank and short term deposits with a maturity of three months or less that are readily convertible to cash and which are subject to insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (See accounting policy c).

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

(j) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

(k) New Accounting standards and AASB interpretations

The company has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet operative or applied. It has been determined that these new accounting standards will have no material impact on the Company's financial statements in the period of initial application.

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the company.

(l) Comparative figures

Where required by Accounting Standards and business requirements, comparative figures have been adjusted or reclassified to conform with changes in presentation for the current financial year.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

	2011 \$	2010 \$
2. Revenue		
Loan forgiveness	12,500	220,000
Commissions	0	34,837
	<u>12,500</u>	<u>254,837</u>
3. Employee expenses		
Wages and salaries	0	163,385
Other associated personnel expenses	(147)	3,002
	<u>(147)</u>	<u>166,387</u>
4. Auditor's remuneration		
"Previous audit(KPMG) and review of prior Financial Statement"	0	5,250
	<u>0</u>	<u>5,250</u>
Current auditor is the Audit Office of NSW and the audit fee of \$5,000 ex-GST for 2011 (2010: \$4,700) will be borne by the University of Sydney.		
5. Net financing income		
Interest income	87	349
	<u>87</u>	<u>349</u>
6. Income tax expense/(income)		
Income tax expense/(income) in relation to current period tax losses	0	0
Adjustment relating to prior period	0	0
Total income tax expense/(income)	<u>0</u>	<u>0</u>
Numerical reconciliation of income tax expense to prima facie tax payable		
Operating profit/(loss) before income tax expense	(10,227)	33,352
Income tax using the tax rate of 30% (2010: 30%)	(3,068)	10,006
Less: Tax effect of capital profit on loan forgiveness	(3,750)	(56,000)
Current period losses for which deferred tax assets are not recognised	0,818	55,994
Income tax expense/(income)	<u>0</u>	<u>0</u>

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

7. (a) Cash and cash equivalents

Bank balances	979	6,304
	979	6,304

(b) Reconciliation of operating result after income tax for the period to cash flows from operating activities.

Cash flows from operating activities

Operating profit/(loss) for the period	(10,227)	33,352
<i>Adjustments for:</i>		
Interest received	(87)	(349)
Lease forgiveness	(12,500)	(220,000)
Income tax expense	0	0

Operating result before changes in working capital and provisions	(22,814)	(186,997)
(Increase)/decrease in trade and other receivables	3,595	4,114
(Decrease)/increase in trade and other payables	1,307	(27,663)
Increase/(decrease) in provisions for employee benefits	0	(32,346)

Cash generated from/(used in) operating activities	(17,912)	(242,892)
Interest received	87	349
Net cash from/(used in) operating activities	(17,825)	(242,543)

Financing facilities and balances as at 31

December 2011

There is a Master Card facility of \$100,000
(2010 : \$100,000)

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

8. Trade and other payables

Trade payables	0	21,528
University of Sydney	11,855	0
Other payables	11,444	764
	<u>23,299</u>	<u>21,992</u>

9. Tax assets and liabilities

At balance date, the company has taxable temporary differences and tax losses that have not been recognised as deferred tax liabilities or assets.

The company is in the process of being wound up and the company will not earn sufficient taxable profits to utilise the tax losses and deferred tax liability.

10. Share capital

Ordinary shares		
Issued and fully paid	6	6

There has been no movement in issued capital in the periods covered by this report. The fully paid ordinary shares carry one vote and carry the right to dividends.

In the event of winding up of the Company, the ordinary shareholder ranks after creditors and are fully entitled to any proceeds of liquidation.

Dividends

There were no dividends paid or declared by the Company to the member since the end of the previous financial period.

11. Commitments

There were no amounts committed by the Company.

12. Economic dependency

The Company is economically dependent on The University of Sydney for funding.

13. Subsequent Events

The company is in the process of being wound up & it is anticipated the company will be wound up by December 2013.

14. Related Party Transactions

The company is a Contro led Entity of The University of Sydney.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

15. Financial risk management

The company's principal financial instruments comprise cash at bank, receivables and trade and other payables.

Risk exposures and responses

The company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The company is not exposed to interest risk.

(a) Credit risk

The company does not have any significant risk exposure to any single counterparty. The credit risk on short term deposits is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the balance sheet represents the company's maximum risk exposure to credit risk.

The company does not hold any securities or guarantees.

(b) Liquidity risk

The following tables summarise the maturity of the company's financial assets and financial liabilities.

2011	Average interest rate	Variable interest rate	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial assets						
Cash and cash equivalents				979		979
Total financial assets				979		979
Financial liabilities						
Trade and Other Payables				22,721		22,721
Total financial liabilities				22,721		22,721

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

2010	Average interest rate	Variable interest rate	Less than 1 year	Between 1 and 5 years	Non-interest	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	-	-	-	-	6,304	6,304
Receivables	-	-	-	-	3,595	3,595
Total financial assets	-	-	-	-	9,899	9,899
Financial liabilities						
Payables	-	-	-	-	21,228	21,228
Total financial liabilities	-	-	-	-	21,228	21,228

Liquidity is managed by ensuring sufficient cash and cash equivalents are available to meet obligations as and when they fall due.

16. Company details

Sport Knowledge Australia Pty Ltd is incorporated in Australia. The address of the registered office is Old Teachers College, University of Sydney, Manning Street, Camperdown NSW 2006.

(End of Audited Financial Statements)

Sport Knowledge Australia Pty Ltd

ACN 109 481 278

Financial Statements

for the year ended 31 December 2010

Sport Knowledge Australia Pty Ltd

ACN 105 491 278

Financial Statements

for the year ended 31 December 2010

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SPORT KNOWLEDGE AUSTRALIA PTY LTD
Director's Declaration
For the year ended 31 December 2010

The Director of the Company hereby declares that:

The financial statements and notes set out on the attached pages :

- (i) Present as far as can be established a true and fair view of the financial position of the company as 31 December 2010 and transactions for the year then ended.
- (ii) Because the company ceased normal operations in 2010 there have been limitations on the evidence and explanations available to the director and auditors due to the effluxion of time and departure of all management and staff of the company.
- (iii) At the date of signing this statement, the director cannot offer assurance as to the accuracy or completeness of the 2010 financial statements.

This declaration is made in accordance with a resolution of the Sole Director of the Board.



John Hearn
Director

Sydney, New South Wales

Date this

4th

day of

April

2013



INDEPENDENT AUDITOR'S REPORT

Sport Knowledge Australia Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sport Knowledge Australia Pty Limited (the Company) which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Basis for Disclaimer of Opinion

I was unable to obtain sufficient and/or appropriate evidence to support material transactions related to all areas of the Company's operations. There are limitations to the evidence and explanations able to be provided to me due to management staff and directors being no longer employed or available within the Company. Any alternative records that exist are not adequate to permit the application of necessary audit procedures.

As a result of these matters, I was unable to determine whether any adjustments might have been found necessary in respect of the elements making up the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended and other explanatory information.

My opinion on the Company's 2009 financial statements was qualified. These were the first financial statements the Company prepared under the Public Finance and Audit Act 1983 (the PF&A Act) and consequently, I had not audited prior period operations. Because I was unable to obtain sufficient appropriate audit evidence to form an opinion on the balances as at 30 June 2008 or to support certain transactions during the subsequent eighteen month period ended 31 December 2009, I was also unable to form an opinion on the results and cash flows for the eighteen month period ended on that date.

Disclaimer of Opinion

Because of the significant limitation on the scope of my work described in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

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

Emphasis of matter paragraph

Without qualification to the disclaimed opinion expressed above:

I draw attention to Note 1 (b) of the financial statements which states that the financial statements are prepared on a non-going concern (liquidation) basis. Under this basis of accounting, assets are valued at their anticipated net realisable amounts and liabilities at their estimated settlement amounts. As explained in Note 1 (b) the company is in liquidation and in the process of being wound up.

The Director's Responsibility for the Financial Statements

The Director is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act for such internal control as the Director determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

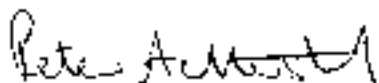
Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on conducting my audit in accordance with Australian Auditing Standards. However, because of the matters described in the Basis for Disclaimer of Opinion paragraph, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General;
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Peter Achtersstraat
Auditor-General

16 April 2013
SYDNEY

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Comprehensive Income
For the year ended 31 December 2010

	Note	12 months to December 2010 \$	18 months to December 2009 \$
Revenue	2	254,837	2,267,580
Administrative expenses		8,208	194,568
Advertising and promotion expenses		720	65,235
Contractors and consulting expenses†		24,650	293,559
Course delivery expenses		0	58,295
Depreciation		0	30,680
Employee expenses	3	166,387	858,576
IT and software expenses		242	95,042
Legal expenses		772	26,653
Rental expenses		1,970	64,420
Production cost		0	93,540
Travel expenses		1,619	92,723
Interest expense		1,361	0
Bad debt expense		13,969	0
Other expenses		1,936	8,099
Operating result before financing income		33,003	386,190
Loss on Disposal of Assets		0	(7,888)
Financing income	5	349	3,066
Operating result before income tax and impairment of intangible assets and property, plant and equipment		33,352	381,368
Income tax income/(expense)	6	0	0
Impairment of Intangibles		0	602,593
Impairment of property, plant and equipment		0	80,254
Operating result after income tax and impairment attributable to the members of Sport Knowledge Australia Pty Ltd		33,352	(301,479)
Other comprehensive income		0	0
Total comprehensive income attributable to members of Sport Knowledge Australia Pty Ltd		33,352	(301,479)

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

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Financial Position
As at 31 December 2010

	Note	2010 \$	2009 \$
Assets			
Current assets			
Cash and cash equivalents	7(a)	6,304	28,847
Trade and other receivables	8	<u>3,595</u>	<u>7,709</u>
Total current assets		<u>9,899</u>	<u>36,556</u>
Non-current assets			
Property, plant and equipment	9	<u>0</u>	<u>0</u>
Total non-current assets		<u>0</u>	<u>0</u>
Total assets		<u>9,899</u>	<u>36,556</u>
Liabilities			
Current liabilities			
Trade and other payables	10	21,972	49,635
Employee benefits	11	<u>0</u>	<u>32,346</u>
Total Current Liabilities		<u>21,972</u>	<u>81,981</u>
Total Liabilities		<u>21,972</u>	<u>81,981</u>
Net assets		<u>(12,073)</u>	<u>(45,425)</u>
Equity			
Share capital	13	6	6
Retained earnings		<u>(12,079)</u>	<u>(45,431)</u>
Total Equity		<u>(12,073)</u>	<u>(45,425)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Changes in Equity
For the year ended 31 December 2010

	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance 1 July 2008	6	256,048	256,054
Operating result for the 18 months to 31 December 2009	0	(301,479)	(301,479)
Other comprehensive income	0	0	0
Balance at 31 December 2009	6	(45,431)	(45,425)
Balance 1 January 2010	6	(45,431)	(45,425)
Operating result for the year ended 31 December 2010	0	33,352	33,352
Other comprehensive income	0	0	0
Balance at 31 December 2010	6	(12,079)	(12,073)

The above statement of changes in equity should be read in conjunction with the accompanying notes

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Statement of Cash Flows
For the year ended 31 December 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers		40,823	465,296
Payments to suppliers and employees		<u>(283,715)</u>	<u>(2,077,588)</u>
Cash generated from operations		(242,892)	(1,612,292)
 Interest received		 <u>349</u>	 <u>3,066</u>
Net cash provided by/(used in) operating activities	7b	<u><u>(242,543)</u></u>	<u><u>(1,609,226)</u></u>
 Cash flows from financing activities			
Loans from parent company		<u>220,000</u>	<u>1,615,000</u>
Net cash from financing activities		<u>220,000</u>	<u>1,615,000</u>
 Net increase/(decrease) in cash and cash equivalents		(22,543)	5,774
 Cash and cash equivalents at the beginning of the year		28,847	23,073
 Cash and cash equivalents at the end of the year	7a	<u><u>6,304</u></u>	<u><u>28,847</u></u>

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

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements

1. Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, Australian Accounting Standards (including Australian Accounting Interpretations).

The financial statements were authorised for issue by the Board on the date on which the accompanying Director's Declaration was signed. The statements will not be amended and reissued as they have been audited.

(a) Basis of preparation

The financial statements have been prepared on a liquidation basis. Assets and financial liabilities are measured at recoverable amount. Refer Note 1(b).

(b) Non-going concern basis

The Sole Director resolved that the company be wound up. A liquidator has been appointed to the company, and it is expected that it will be wound up by the end of 2013. As a result, the financial statements have been prepared on a non-going concern (liquidation) basis. Under this basis of accounting, assets are valued at their anticipated net recoverable amounts and liabilities at their estimated settlement amounts. Comparative balances continue to apply the going concern basis of accounting.

(c) Income tax

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future tax profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (See accounting policy f).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases.

(iii) Subsequent costs

The Company recognises in the carry amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Plant and equipment	2 ½ - 13 ½	years
• Leasehold improvements	2 - 3	years
• Website	2 ½	years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(e) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated (See accounting policy f(i)).

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognized as a reversal to the extent that previous revaluation with any excess recognized through profit or loss.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of other assets in the unit (group of units) on a pro rata basis.

i. Calculation of recoverable amount

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of this financial asset). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii. Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(f) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution pension plans are recognized as an expense in profit or loss when they are due.

(ii) Long-term service benefits

The Company's net obligation in respect to long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

(g) Revenue

Services rendered

Revenue from services rendered comprises fee income earned from the delivery of various Sports Science and Management courses and is recognized in the statement of comprehensive income when the delivery of the relevant course commences. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred cannot be measured reliably or the relevant courses on offer have yet to commence delivery.

DEST funding revenue

The Company was a recipient of funding from the Department of Education, Science and Technology ("DEST"). The funding is for a total of \$8,602,000, and was received as follows:

Year ended	Funding
30-Jun-04	\$1,672,000
30-Jun-05	\$3,310,000
30-Jun-06	\$2,530,000
30-Jun-07	<u>\$1,100,000</u>
	\$8,602,000

The DEST funding revenue is deferred and recognised over the period in which the expenses for which the funding has been provided are incurred.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in the bank and short term deposits with a maturity of three months or less that are readily convertible to cash and which are subject insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (See accounting policy c).

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

(k) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

(l) New Accounting standards and AASB interpretations

The company has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet operative or applied. It has been determined that these new accounting standards will have no material impact on the Company's financial statements in the period of initial application.

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the company.

(m) Comparative figures

Where required by Accounting Standards and business requirements, comparative figures have been adjusted or reclassified to conform with changes in presentation for the current financial year.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

	12 months to December 2010 \$	18 months to December 2009 \$
2. Revenue		
Course fee revenue	0	263,080
Knowledge services	6,500	59,500
Sponsorship	0	5,750
Export grant	0	49,857
Loan forgiveness	220,000	1,835,000
Commissions	28,337	54,393
	<u>254,837</u>	<u>2,267,580</u>
3. Employee expenses		
Wages and salaries	163,385	822,863
Other associated personnel expenses	3,002	35,713
	<u>166,387</u>	<u>858,576</u>
4. Auditor's remuneration		
"Previous audit (KPMG) for audit and review of prior financial statements"	5,250	10,000
	<u>5,250</u>	<u>10,000</u>
The current auditor is the Audit Office of NSW and the current year audit fee of \$4,700 ex-GST will be borne by The University of Sydney.		
5. Net financing income		
Interest income	349	3,066
	<u>349</u>	<u>3,066</u>
6. Income tax expense/(income)		
Income tax expense/(income) in relation to current period tax losses	0	0
Adjustment relating to prior period	0	0
Total income tax expense/(income)	<u>0</u>	<u>0</u>

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

**Numerical reconciliation of income tax expense to
prima facie tax payable**

Operating profit/(loss) before income tax expense	33,352	(301,479)
Income tax using the tax rate of 30% (2009: 30%)	10,006	(90,444)
Less: tax effect of capital profit on loan forgiveness	(66,000)	(550,500)
Current period losses for which deferred tax assets are not recognised	55,994	640,944
Income tax expense/(income)	0	0

7. (a) Cash and cash equivalents

Bank balances	6,304	28,847
	6,304	28,847

**(b) Reconciliation of operating result after income tax for the period to cash flows
from operating activities.**

Cash flows from operating activities		
Operating profit/(loss) for the period	33,352	(301,479)
<i>Adjustments for:</i>		
Interest received	(349)	(3,066)
Depreciation	0	30,680
Write off of intangible assets	0	602,593
Impairment of property, plant and equipment	0	80,254
Loan forgiveness	(220,000)	(1,835,000)
Sale of assets	0	3,498
Loss on sale of assets	0	7,888
Operating result before changes in working capital and provisions	(186,997)	(1,414,632)

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

(Increase)/decrease in trade and other receivables	4,114	33,982
(Decrease)/increase in trade and other payables	(27,663)	(211,752)
Increase/(decrease) in provisions for employee benefits	(32,346)	(19,890)
	-	-
Cash generated from/(used in) operating activities	(242,892)	(1,612,292)
Interest received	349	3066
Net cash from/(used in) operating activities	(242,543)	(1,609,226)

Financing facilities and balances as at 31 December 2010

There is a master card facility of \$100,000 (2009 : \$100,000)

8. Trade and other receivable

Trade receivables	3,595	5,750
	<u>3,595</u>	<u>5,750</u>

9. Property, plant and equipment

	Plant and equipment \$	Leasehold improvements \$	Website \$	Total \$
Cost				
Balance 1 July 2008	216,094	95,584	49,074	360,752
Disposals	(15,121)	0	0	(15,121)
Balance 31 December 2009	200,973	95,584	49,074	345,631
Depreciation and impairment losses				
Balance 1 July 2008	100,134	95,584	42,714	238,432
Depreciation charge for the period	27,373	0	3,307	30,680
Impairment for the period	77,201	0	3,053	80,254
Disposals	(3,735)	0	0	(3,735)
Balance 31 December 2009	200,973	95,584	49,074	345,631
Carrying amount				
At 31 December 2009	0	0	0	0

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

10. Trade and other payables

Trade payables	21,228	25,537
Other payables and accrued expenses	744	24,098
	<u>21,972</u>	<u>49,635</u>

11. Employee benefits

Liability for annual leave	0	32,346
	<u>0</u>	<u>32,346</u>

12. Tax assets and liabilities

At balance date, the company has taxable temporary differences and tax losses that have not been recognised as deferred tax liabilities or assets.

The company is in the process of being wound up and the company will not earn sufficient taxable profits to utilise the tax losses and deferred tax liability.

13. Share capital

Ordinary shares

Issued and fully paid	6	6
-----------------------	---	---

There has been no movement in issued capital in the periods covered by this report. The fully paid ordinary shares carry one vote and carry the right to dividends.

In the event of winding up of the Company, the ordinary shareholder ranks after creditors and are fully entitled to any proceeds of liquidation.

Dividends

There were no dividends paid or declared by the Company to the member since the end of the previous financial period.

14. Commitments

There were no amounts committed by the Company.

15. Economic dependency

The Company is economically dependent on The University of Sydney for funding.

16. Subsequent Events

The company is in the process of being wound up & it is anticipated the company will be wound up by December 2013.

17. Related Party Transactions

The company is a Controlled Entity of The University of Sydney.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

19. Financial risk management

The company's principal financial instruments comprise cash at bank, receivables and trade and other payables.

Risk exposures and responses

The company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The company is not exposed to interest risk

(a) Credit risk

The company does not have any significant risk exposure to any single counterparty. The credit risk on short term deposits is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the balance sheet represents the company's maximum risk exposure to credit risk.

The company does not hold any securities or guarantees.

(b) Liquidity risk

The following tables summarise the maturity of the company's financial assets and financial liabilities.

2010	Average interest rate	Variable interest rate	Less than 1 year	Between 1 and 5 years	Non-interest	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	6,304	6,304
Receivables	-	-	-	-	3,595	3,595
Total financial assets					9,899	9,899
Financial liabilities						
Payables	-	-	-	-	21,972	21,972
Total financial liabilities					21,972	21,972
2009	Average interest	Variable interest	Less than 1	Between 1 and 5	Non-interest	Total

SPORT KNOWLEDGE AUSTRALIA PTY LTD
Notes to the financial statements (continued)

	rate	rate	year	years		
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	-	-	-	-	28,847	28,847
Receivables	-	-	-	-	7,709	7,709
Total financial assets	-	-	-	-	36,556	36,556
Financial liabilities						
Payables	-	-	-	-	49,635	49,635
Total financial liabilities	-	-	-	-	49,635	49,635

Liquidity is managed by ensuring sufficient cash and cash equivalents are available to meet obligations as and when they fall due.

20. Company details

Sport Knowledge Australia Pty Ltd is incorporated in Australia. The address of the registered office is Old Teachers College, University of Sydney, Manning Street, Camperdown NSW 2006.

(End of Audited Financial Statements)

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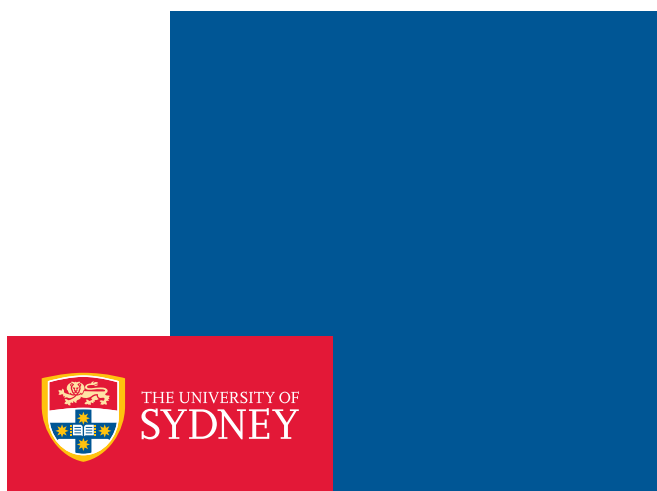
This is a supplementary volume to the University of Sydney's 2012 Annual Report. The full annual report is available at sydney.edu.au/about/publications/annual_report

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ISSN 0313-4474
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