

SydneyLearning Pty Limited

ACN 129 988 165

Financial statements

For the year ended 31 December 2014

SydneyLearning Pty Limited

ACN 129 988 165

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For the year ended 31 December 2014

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SydneyLearning Pty Limited

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Directors' declaration

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 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 2014 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 and have received a guarantee of financial support from the parent entity, whereby The University of Sydney agrees for a period till 30 April 2018 to meet any liabilities incurred by the company in accordance with an annual budget approved by the Vice Chancellor of the University.
3. 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.

Director



Director



Dated

09/04/2015



INDEPENDENT AUDITOR'S REPORT

SydneyLearning Pty Limited

To Members of the New South Wales Parliament and Members of SydneyLearning Pty Limited

I have audited the accompanying financial statements of SydneyLearning Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2014, 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 2014 and 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* (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 preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, 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 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 an 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 entity'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 entity'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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 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.



Peter Barnes
Director, Financial Audit Services

10 April 2015
SYDNEY

SydneyLearning Pty Limited

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Statement of comprehensive income

For the year ended 31 December 2014

	2014	2013
Revenue from continuing operations	Note	
Revenue	\$	\$
	<u>361,753</u>	<u>243,147</u>
Total revenue from continuing operations	<u>361,753</u>	<u>243,147</u>
Administration expenses	(119,806)	(122,948)
Contractors and consultants	(290,438)	(245,042)
Software and licences	(21,016)	(18,093)
Other expenses	(91,149)	(25,465)
Leasing expenses	(32,221)	(36,781)
Advertising and marketing expenses	(6,398)	(1,000)
Total expenses from continuing operations	<u>(561,028)</u>	<u>(449,329)</u>
Profit/(loss) before income tax	<u>(199,275)</u>	(206,182)
Income tax benefit/(expense)	2 1,059	-
Profit/(loss) after income tax	<u>(198,216)</u>	<u>(206,182)</u>
Net operating result attributable to members of SydneyLearning Pty Limited	<u>(198,216)</u>	<u>(206,182)</u>
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of SydneyLearning Pty Limited	<u><u>(198,216)</u></u>	<u><u>(206,182)</u></u>

The accompanying notes form part of these financial statements.

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Statement of financial position**As at 31 December 2014**

	Note	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1	1
Trade and other receivables	4	<u>82,463</u>	<u>245,277</u>
Total current assets		<u>82,464</u>	<u>245,278</u>
Non-current assets			
TOTAL ASSETS		<u>82,464</u>	<u>245,278</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	<u>482,999</u>	<u>446,538</u>
Total current liabilities		<u>482,999</u>	<u>446,538</u>
Non-current liabilities			
Deferred tax liabilities	7	<u>-</u>	<u>1,059</u>
Total non-current liabilities		<u>-</u>	<u>1,059</u>
TOTAL LIABILITIES		<u>482,999</u>	<u>447,597</u>
NET ASSETS		<u>(400,535)</u>	<u>(202,319)</u>
EQUITY			
Contributed equity	8	1	1
Retained earnings		<u>(400,536)</u>	<u>(202,320)</u>
TOTAL EQUITY		<u>(400,535)</u>	<u>(202,319)</u>

The accompanying notes form part of these financial statements.

SydneyLearning Pty Limited

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Statement of changes in equity

For the year ended 31 December 2014

2014

	Contributed Equity	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2014	1	(202,320)	(202,319)
Operating result for the year	-	(198,216)	(198,216)
Other comprehensive income for the year	-	-	-
Balance at 31 December 2014	1	(400,536)	(400,535)

2013

	Contributed Equity	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2013	1	3,862	3,863
Operating result for the year	-	(206,182)	(206,182)
Other comprehensive income for the year	-	-	-
Balance at 31 December 2013	1	(202,320)	(202,319)

The accompanying notes form part of these financial statements.

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Statement of cash flows

For the year ended 31 December 2014

	2014	2013
Note	\$	\$
Cash flows from operating activities:		
Receipts from customers	568,621	479,492
Payments to suppliers and employees	(568,621)	(475,398)
Income taxes paid	-	(4,094)
Net cash provided by/(used in) operating activities	<u>-</u>	<u>-</u>
	15	-
Cash flows from investing activities	<u>-</u>	<u>-</u>
Net cash used by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net cash used by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	-	-
Cash and cash equivalents at the beginning of the year	<u>1</u>	<u>1</u>
Cash and cash equivalents at the end of the year	<u><u>1</u></u>	<u><u>1</u></u>
	3	1

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2014

1 Summary of significant accounting policies

The company is for a profit Australian private company limited by shares.

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* 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 statements will not be amended and reissued as they have been audited.

(a) Basis of preparation

These 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.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions.

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 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.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

(b) 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 30 April 2018 to meet any liabilities incurred by the company in accordance with an annual budget approved by the Vice Chancellor of the University. The guarantee is rescinded if the company exceeds its approved budget, unless approved by the Vice Chancellor.

(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.

(d) 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.

(e) 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

Notes to the financial statements

For the year ended 31 December 2014

1 Summary of significant accounting policies (continued)

(e) Income tax (continued)

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.

(f) 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.

(g) 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 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 statement of financial position. 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.

(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 the reporting period. These amounts are unsecured and are usually settled within 30 days of recognition.

(j) 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 2014. Similarly, application from 2015 is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

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Notes to the financial statements

For the year ended 31 December 2014

2 Income tax (expense)/benefit

(a) Income tax (expense)/benefit:

	2014	2013
	\$	\$
Deferred tax income relating to the origination and reversal of temporary differences	1,059	-
Total income tax (expense)/ income	1,059	-

(b) Reconciliation of income tax expense and accounting profit at applicable tax rate:

Operating result from continuing operations before income tax expense	(199,275)	(206,182)
Tax at the applicable Australian tax rate of 30%	(59,782)	(61,855)
Reversal of deferred tax liability	1,059	-
Tax effect of amounts not brought to account as a deferred tax assets	59,782	61,855
Total income tax expense	1,059	-

3 Cash and cash equivalents

	2014	2013
	\$	\$
Cash on hand	1	1

4 Trade and other receivables

	2014	2013
	\$	\$
Trade receivables	-	16,758
Other receivables	1,638	-
Net GST receivable	1,597	-
Net receivables - University of Sydney	79,228	228,519
Total trade and other receivables	82,463	245,277

As of 31 December 2014, trade receivables of Nil (2013: \$16,758) 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:

	2014	2013
	\$	\$
3 to 6 months	-	1,800
Over 6 months	-	14,958
	-	16,758

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Notes to the financial statements

For the year ended 31 December 2014

5 Deferred tax assets

The balance comprises temporary differences attributable to:

	2014	2013
	\$	\$
Total deferred tax assets	-	-
Details of deferred tax assets not brought to account:		
Tax losses	121,757	61,975
Temporary differences	328	1,270
Closing balance	<u>122,085</u>	<u>63,245</u>

The future deferred 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

	2014	2013
	\$	\$
GST payable	-	400
Accrued expenses*	421,689	420,360
Prepaid income	61,310	25,778
Total trade and other payables	<u>482,999</u>	<u>446,538</u>

* The balance includes amounts payable of \$355,262 to the University of Sydney for 2014 (2013: \$337,263).

7 Deferred tax liabilities

	2014	2013
	\$	\$
Assessable temporary differences	-	1,059
Movements in deferred tax liability:		
Opening balance	1,059	1,059
Reversal of temporary differences	(1,059)	-
Closing balance	<u>-</u>	<u>1,059</u>

8 Contributed equity

	2014 Shares	2013 Shares	2014 \$	2013 \$
Ordinary shares Fully paid	1	1	1	1

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Notes to the financial statements

For the year ended 31 December 2014

9 Remuneration of auditors

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

	2014	2013
	\$	\$
Audit services		
- The Audit Office of New South Wales	<u>7,500</u>	<u>3,900</u>

10 Contingencies

The company has no known contingent liabilities as at 31 December 2014 and up to the date of this report. (2013: Nil)

11 Commitments

The company has no known commitments as at 31 December 2014. (2013: Nil)

12 Related parties

(a) Parent entity

The ultimate Australian parent entity is The University of Sydney which at 31 December 2014 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.

(i) Sales of goods and services

	2014	2013
	\$	\$
Course delivery to The University of Sydney	<u>25,134</u>	<u>7,600</u>

(ii) Purchases of goods and services

Payments for services	<u>355,262</u>	<u>337,485</u>
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(b) Outstanding balances

Intercompany receivables - University of Sydney	<u>79,228</u>	<u>228,519</u>
Current payables arising from purchases of goods and services	<u>355,262</u>	<u>337,263</u>

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.

14 Financial risk management

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

Risk exposures

The company's overall risk management program focuses on the identification and analysis of the risks faced by the company. Risks are monitored and controls are established to minimise potential adverse effects on the financial performance of the company.

Notes to the financial statements

For the year ended 31 December 2014

14 Financial risk management (continued)

The company is not exposed to any interest risk.

(a) Credit risk

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 (See note 1(b)). Accordingly, there is minimal liquidity risk.

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

	Average interest (%)	Non - interest bearing \$	Less than 1 year \$	Between 1 and 5 years \$	Over 5 years \$	Total \$
At 31 December 2014						
Financial assets						
Receivables	-	79,228	-	-	-	79,228
Total financial assets	-	79,228	-	-	-	79,228
Financial liabilities						
Payables	-	421,689	-	-	-	421,689
Total financial liabilities	-	421,689	-	-	-	421,689
At 31 December 2013						
Financial assets						
Receivables	-	245,277	-	-	-	245,277
Total financial assets	-	245,277	-	-	-	245,277
Financial liabilities						
Payables	-	420,360	-	-	-	420,360
Total financial liabilities	-	420,360	-	-	-	420,360

(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.

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Notes to the financial statements

For the year ended 31 December 2014

15 Reconciliation of operating result for the year to cashflows from operating activities

	2014	2013
	\$	\$
Operating result for the year	(198,216)	(206,182)
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors and other receivables	162,815	179,823
Increase/(decrease) in trade and other payables	35,401	30,453
Increase/(decrease) in provision for income taxes payable	-	(4,094)
Net cash provided by/(used in) operating activities	-	-

16 Company details

SydneyLearning Pty Limited is incorporated in Australia.

The registered office and principal place of business of the company is:

160 Missenden Road, NEWTOWN NSW 2042

17 Events Occurring After the Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the Company in future financial years.

(End of audited financial statements)