

**Insearch Limited**

ABN 39 001 425 065

**Annual report  
for the year ended 31 December 2021**

# Insearch Limited

ABN 39 001 425 065

## Annual report - 31 December 2021

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This report of the Directors of Insearch Limited is made in accordance with a resolution of the Directors in accordance with section 298(2)(a) of the *Corporations Act 2001*.

### **Directors**

The names of Directors in office during the year and at the date of this report (refer to note 20), unless otherwise stated are:

	<b>Date of appointment</b>	<b>Date of resignation</b>
Emeritus Vice-Chancellor R D Milbourne AO	1 March 2016	
Ms J N Anderson	28 November 2017	
Dr A M Dwyer	25 November 2019	
Mr G A Freeland	28 March 2017	
Mr A Murphy	3 September 2007	
Mr I Watt	17 July 2018	
Professor P C Earley	1 July 2018	19 August 2021
Mr M Leigh	1 October 2019	
Professor C Rhodes	19 August 2021	

### **Company Secretary**

The name of the Company Secretary in office at the date of this report is:

Mr N L Patrick (appointed 21 October 2010)

### **Principal activities**

The activities of Insearch Limited during the financial year ended 31 December 2021 were the provision of English language, foundation and academic courses that are designed as pathways to university studies.

There was no significant change in the nature of the activity of the company during the year.

### **Review and result of operations**

Insearch Limited reported a deficit of \$13.7m (2020: deficit of \$7.3m) before the payment of a donation to the University of Technology Sydney of \$167k (2020: \$nil).

### **Significant changes in the state of affairs**

COVID-19, an infectious disease caused by a new virus, was declared a worldwide pandemic by the World Health Organisation (WHO) on 11 March 2020. The measures to slow the spread of COVID-19 have had a significant impact on the results of Insearch Limited, predominantly in relation to international student fee income. In addition, Insearch Limited in response to the pandemic, instigated a number of measures to minimise the risks of COVID-19 on the College's staff and students such as working from home, conducting courses online and increased cleaning of public spaces on campus. The below are the major COVID-19 related issues which have been considered when preparing the 2021 statutory accounts.

- **Going concern:** Insearch Limited has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. These measures, implemented since the start of the pandemic, include cost saving initiatives, streamlining our cost base, reducing staff numbers and obtaining a Letter of Support from the University of Technology Sydney to provide full financial support if necessary.
- **Impairment: Receivables:** Insearch Limited has reviewed outstanding receivable balances and assessed likely payment by third parties. We are not expecting a material movement in credit losses relative to prior years.

### **Event since the end of the financial year**

Except as noted above, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### **Business strategies and future developments**

The main objectives of the company are to provide pathway courses for undergraduate entry to the University of Technology Sydney and to pay donations to the University when appropriate. Scholarship programs and partnerships with other organisations to provide educational facilities/courses are also objectives of the company. The strategies of the company are focused on achieving these objectives.

Business strategies, prospects and future developments, which may affect the operations of the company in subsequent years, have been reported as appropriate elsewhere in this report. In the opinion of the Directors, disclosure of any further information on future developments would be unreasonably prejudicial to the interests of the company.

### **Director's benefits**

No Director of the company has, during and since the end of the financial year, received or become entitled to receive a benefit, other than the benefit included in the aggregate amount of Director's compensation shown in note 20 of the financial report.

### **Insurance of Directors and Officers**

During the financial year a premium to insure Directors and Officers of the company was paid by the University of Technology Sydney to the amount of \$12,451 (2020: \$12,020) per sections 300 (1)(g), 300(8) and 300(9) of the *Corporations Act 2001*.

The liabilities insured include costs and expenses that may be brought against the Directors and Officers in their capacity as Directors and Officers of the company.

### **Information on Directors**

**Emeritus Vice-Chancellor Ross Milbourne AO, BCom, MCom (UNSW), PhD (Calif), FASSA, FAICD**  
*Non-Executive Director*  
*Chair of the Board*

Emeritus Vice-Chancellor Milbourne became Chair of the Insearch Limited Board on 1 March 2016.

He was appointed Vice-Chancellor of the University of Technology Sydney (UTS) in 2002. During 12 years in the role, he led a major development of the University's physical campus and infrastructure, and the advancement of its national and international profile and reputation.

This followed a number of leadership roles in Australian universities since 1997: Deputy Vice-Chancellor (Research), University of Adelaide (1997-2000); Pro Vice-Chancellor (Research), University of New South Wales (2000-2001); Deputy Vice-Chancellor (Academic), University of Technology Sydney (2001-2002).

Other previous notable appointments include Reserve Bank of Australia Senior Fellow in Economic Policy, Visiting Professor to the London School of Economics, Board member of Universities Australia, member and Chair of the Australian Research Council (ARC) Social Sciences Panel and Research Grants Committee, and Fellow of the Academy of Social Sciences in Australia (FASSA).

Emeritus Vice-Chancellor Milbourne is internationally recognised as an economist and researcher. He has been appointed by the Australian Government to major policy-oriented committees and reviews. He received the Centenary Medal in 2001 for service to Australian society through economics and university administration. In 2015, he was made an Officer of the Order of Australia (AO) for his distinguished service to higher education.

**Information on Directors (continued)**

Emeritus Vice-Chancellor Milbourne holds a Master of Commerce from the University of New South Wales. He completed his PhD at the University of California, Berkeley, under the supervision of Nobel laureate George Akerlof. He is a Fellow of the Australian Institute of Company Directors.

**Ms Nell Anderson, BSc (Hons), GradDipAdmin, GAICD**

*Non-Executive Director*

*Chair of the Remuneration and Nominations Committee*

Ms Anderson has over 30 years of executive experience in strategy, marketing, sales and business development in the pharmaceutical and tourism sectors. She spent a significant part of that time working in the Asia Pacific region.

Ms Anderson is currently Chair of Ascham School and Campbell Page.

Ms Anderson holds an Honours (Class I) Degree in Science from the University of Sydney, a Graduate Diploma in Administration from UTS and is a Graduate Member of the Australian Institute of Company Directors.

**Dr Anne Dwyer, BBus (CSU), MAICD**

*Non-Executive Director*

*Member of the Audit and Risk Committee*

*Member of the Remuneration and Nominations Committee*

Dr Dwyer was re-appointed to the Insearch Limited Board as the UTS Council-appointed Director, effective 25 November 2019. She was previously a Director for a four year period between March 2015 and September 2019.

Dr Dwyer was formerly Deputy Vice-Chancellor and Vice-President (Corporate Services) at UTS from 2004 until 2019, where she oversaw Human Resources, Information Technology, Student Administration, Marketing and Communication, Governance Support and Legal Services.

She held several financial and administrative management roles at Ansett Air Freight before moving into information technology. Prior to joining UTS, Dr Dwyer was the Director of IT for Arthur Andersen's Australian and New Zealand operations.

Dr Dwyer completed a Bachelor of Business at Charles Sturt University and is a Member of the Australian Institute of Company Directors.

**Mr Guy Freeland, BCom, CA, GAICD**

*Non-Executive Director*

*Chair of the Audit and Risk Committee*

Mr Freeland held senior executive positions in the construction, information technology and industrial products sectors for more than two decades, gaining extensive experience in finance and business systems, financial control and risk management, and strategic planning.

Currently Mr Freeland is a Non-Executive Director of Job Futures Limited and Advisory Board Chair for a privately owned security services company.

Mr Freeland holds a Bachelor of Commerce from the University of New South Wales, has been a Chartered Accountant for more than 40 years and is a Graduate Member of the Australian Institute of Company Directors.

**Information on Directors (continued)**

**Mr Alex Murphy, BA (Hons), MAICD**  
*Managing Director*

Mr Murphy joined UTS College (Insearch Limited) in 1992 and was appointed to the Managing Director role in 2007.

He has a background in linguistics, philosophy and Indonesia Studies and has worked in a range of roles including teaching, curriculum design, intercultural communication, and marketing. Mr Murphy majored in Linguistics and Indonesian & Malayan Studies at University of Sydney and undertook research in linguistics at the University of Sydney and lived in Indonesia from 1986 to 1989.

Mr Murphy's current focus is on developing the leadership capability of UTS College in the pathway sector, drawing on the valuable experience and capability developed during the disruption of the Covid-19 pandemic.

Mr Murphy is a Director of Insearch Education International Pty Limited, Insearch (Shanghai) Limited, Insearch Lanka and Insearch Global Pty Ltd.

He has been a member of The Ethics Centre since 1997 and is a Member of the Australian Institute of Company Directors.

**Mr Iain Watt, BSc (ANU)**  
*Non-Executive Director*

Mr Watt joined UTS in June 2018 as Deputy Vice-Chancellor and Vice-President (International) and is responsible for envisioning and driving the implementation of UTS's next stage of internationalisation.

Mr Watt is a Director of Insearch (Shanghai) Limited.

Prior to joining UTS, he was Pro Vice-Chancellor, International at the University of Western Australia (UWA), a role he held for five years. Preceding his tenure at UWA, he was Director of International Operations and Student Recruitment at the Australian National University (ANU). Mr Watt has extensive international experience and a record of significant and successful leadership in international education. In five years at the ANU he led international and domestic student recruitment and admissions and was responsible for international strategic alliances and partnerships.

Mr Watt also spent eight years with the Australian Embassy in Beijing. While at the Embassy he held positions of Counsellor (Education) for four years and later, Minister-Counsellor (Education). In both positions he was the Australian Government's senior education representative in China. Mr Watt also lived and worked for six years in Taipei and is fluent in Mandarin.

Mr Watt holds a Bachelor of Science degree (in mathematics and statistics) from the ANU and also undertook his postgraduate studies in Chinese language, economy and culture at the ANU.

**Professor Chris Earley, Doctor of Philosophy (Psychology)**  
*Non-Executive Director*

Professor Chris Earley has over 25 years of teaching and research experience at top business schools around the globe and over 18 years of administrative experience as a dean across three continents. He has been Dean of UTS Business School since November 2017 after serving as the Dean of the Tasmanian School of Business and Economics.

Previously, he was the James Brooke Henderson Chair of Management at Krannert School of Management at Purdue University. Before arriving at Purdue, Chris was Dean and Auran J. Fox Chair in Business at the University of Connecticut as well as the Dean and Cycle and Carriage Chair at the Business School at the National University of Singapore.

**Information on Directors (continued)**

Professor Earley has held chairs at London Business School and the Kelley School of Business at Indiana University. He also held professorships at Sasin Institute of Business Administration in Thailand, Hong Kong University of Science and Technology, the University of Minnesota and the Graduate School of the University of California, Irvine, among others.

**Mr Mark Leigh**  
*Non-Executive Director*

Mr Leigh is a transformational Chief Financial Officer (CFO) with extensive experience in leading Australian and US multi-national companies.

Mr Leigh has worked for leading companies & institutions including 5 years at Qantas airways, 9 years at Microsoft (including two based in Singapore), 6 years at Hudson Global, 2 years at Mylan (Alphapharm) and is currently the CFO at the University of Technology Sydney (UTS).

Mr Leigh has extensive experience in building and leading high performing Finance and IT functions that are focused on delivering Business Insight, Business Excellence and Leadership.

He has extensive experience in the Australia & New Zealand Regions as well as Asia, India and Greater China through roles based in Singapore.

Currently, Mr Leigh is the Chief Financial Officer for UTS. With a large organization reporting directly to him, Mark is responsible for supporting the UTS strategy of excellence in Teaching & Learning, Research and Engagement. He is directly responsible for all Finance functions including long term strategic planning, University performance, debt & capital management, Shared Services operations, Procurement, Compliance and other Finance functions.

**Professor Carl Rhodes**  
*Non-Executive Director*

Professor Rhodes is Dean of UTS Business School, University of Technology Sydney. In this role, Professor Rhodes is responsible for the academic and strategic leadership of the School in pursuit of its vision to be a socially committed business school focused on developing and sharing knowledge for an innovative, sustainable and prosperous economy in a fairer world.

As well as working at UTS, Professor Rhodes has held professorships at Swansea University, The University of Leicester, and Macquarie University. Prior to his academic career, Carl worked in professional and senior management positions in change management and organizational development for AGL, Lend Lease, Citibank and The Boston Consulting Group. Professor Rhodes' combination of senior experience in academia and the private sector provides him with a unique perspective on the role of Universities in contributing to and questioning how business and economic activity can and should contribute to society.

As a scholar, Professor Rhodes researches the relationship between business and society in the nexus between liberal democracy and contemporary capitalism. His most recent books are *Woke Capitalism: How Corporate Morality is Sabotaging Democracy* (Bristol University Press, 2022), *Organizing Corporeal Ethics* (Routledge, 2022 with Alison Pullen), *Disturbing Business Ethics* (Routledge, 2019) and *CEO Society: The Corporate Takeover of Everyday Life* (Zed, 2018 with Peter Bloom). His writing has appeared in *The Guardian*, *Times Higher Education*, *ABC News*, *The Sydney Morning Herald*, and *The Australian Financial Review*.

### Information on Company Secretary

**Mr Nathan Patrick, BBus, MTerED (Mgt), GradDipACG, FCA, FGIA, FCG, FAICD**  
*Chief Financial Officer and Company Secretary*

Mr Patrick was appointed Chief Financial Officer (CFO) and Company Secretary of Insearch Limited in 2010. He was subsequently appointed a Director or Legal Representative for the subsidiaries of Insearch Limited which collectively trade as part of UTS College.

As CFO/Company Secretary he leads all Financial and Governance activities and teams. The Governance portfolio includes, legal, company secretariat, project assurance, strategic planning, internal audit, campus planning, risk management, corporate compliance and offshore legal entities.

Mr Patrick has completed tertiary studies in three disciplines: Business (Accounting), Corporate Governance and Tertiary Education Management.

During the previous 25 years, he held senior financial, management and governance positions in the professional services, manufacturing and construction industries in Australia and Asia.

His career includes 15 years in diverse roles in 'Big 4' accounting firms and five years as the Chief Operating Officer of a law firm.

He is on the management committee of the NSW Federation of Community Language Schools. He is also a member of the Audit & Risk Committee of the Australian Orthopaedic Association, and of the Corporate and Legal Issues Committee of The Governance Institute of Australia.

Mr Patrick is a Fellow of the following organisations: Chartered Accountants Australia and New Zealand; The Governance Institute of Australia; The Australian Institute of Company Directors; and, the UK Chartered Governance Institute.

### Meetings of Directors

The number of meetings of the company's Board of Directors and of each Board Committee held during the year ended 31 December 2021, and the numbers of meetings attended by each Director were:

	Insearch Board Meetings (7)		Audit and Risk Committee Meetings (4)*		Remuneration and Nominations Committee Meetings (3)		Academic Board Meetings (4)*	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
<b>Director</b>								
Ross Milbourne AO	7	7	4**	4	-	-	4**	3
Nell Anderson	7	7	-	1	3	3	-	-
Anne Dwyer	7	7	4	4	3	3	-	-
Guy Freeland	7	7	4	4	-	-	-	1
Alex Murphy	7	7	-	4	-	3	-	3
Iain Watt	7	7	-	1	-	-	-	-
Chris Earley	4	2	-	-	2	2	-	-
Mark Leigh	7	7	4	4	-	-	-	-
Carl Rhodes	3	2	-	1	1	1	-	-

**Note:**

\* Directors have an open invitation to attend any Audit and Risk Committee meeting and Academic Board meeting

\*\* Ex-officio member of all Board Committees



**Rounding of amounts**

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51 of this report.

For and on behalf of the Directors signed at Sydney this 22 March 2022.



Emeritus Vice-Chancellor R D Milbourne AO  
Director



Mr A Murphy  
Director

Sydney  
22 March 2022

# Insearch Limited

ABN 39 001 425 065

## Financial statements - 31 December 2021

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These financial statements cover both the separate financial statements of Insearch Limited as an individual entity and the consolidated financial statements for the consolidated entity consisting of Insearch Limited and its subsidiaries. The financial statements are presented in Australian currency.

Insearch Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Insearch Limited  
Level 9, 187 Thomas Street  
Sydney, NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on page 1 to 7, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 22 March 2022. The Directors have the power to amend and reissue the financial statements.

**Insearch Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2021**

	Notes	<b>Consolidated</b> <b>2021</b> <b>\$'000</b>	2020 \$'000	<b>Parent entity</b> <b>2021</b> <b>\$'000</b>	2020 \$'000
Revenue from contracts with customers	4	<b>59,835</b>	72,424	<b>59,508</b>	72,349
Other income	5	<b>1,712</b>	9,314	<b>1,826</b>	9,683
<b>Total revenue and income from continuing operations</b>		<b>61,547</b>	81,738	<b>61,334</b>	82,032
Employee benefits expenses	6(a)	<b>(34,344)</b>	(43,439)	<b>(33,416)</b>	(42,397)
Depreciation and amortisation expense	6(b)	<b>(17,357)</b>	(17,497)	<b>(16,427)</b>	(16,618)
Net (impairment losses)/reversal of impairment losses on financial assets		<b>(5)</b>	(63)	<b>4</b>	(63)
Other expenses	6(c)	<b>(21,153)</b>	(25,602)	<b>(22,739)</b>	(28,277)
Finance costs		<b>(1,764)</b>	(2,213)	<b>(1,617)</b>	(2,003)
Share of net loss of associate and joint venture accounted for using the equity method	11	<b>(474)</b>	(235)	-	-
Donation to University of Technology Sydney		<b>(167)</b>	-	<b>(167)</b>	-
<b>Total expenses from continuing operations</b>		<b>(75,264)</b>	(89,049)	<b>(74,362)</b>	(89,358)
<b>Deficit for the year attributable to members</b>		<b>(13,717)</b>	(7,311)	<b>(13,028)</b>	(7,326)
<b>Other comprehensive income/(loss)</b> <i>Item that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	19(a)	<b>84</b>	(227)	-	-
<b>Other comprehensive income/(loss) for the year</b>		<b>84</b>	(227)	-	-
<b>Total comprehensive loss for the year attributable to members</b>		<b>(13,633)</b>	(7,538)	<b>(13,028)</b>	(7,326)

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

**Insearch Limited**  
**Statement of financial position**  
**As at 31 December 2021**

		<b>Consolidated</b>		<b>Parent entity</b>	
	Notes	<b>2021</b>	2020	<b>2021</b>	2020
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	<b>25,927</b>	37,935	<b>24,022</b>	36,439
Trade receivables	8	<b>309</b>	447	<b>297</b>	444
Financial assets at amortised cost	9	<b>2,554</b>	2,580	<b>2,495</b>	2,409
Other assets	10	<b>3,314</b>	4,032	<b>3,233</b>	3,932
<b>Total current assets</b>		<b>32,104</b>	44,994	<b>30,047</b>	43,224
<b>Non-current assets</b>					
Investments accounted for using the equity method	11	-	108	-	-
Property, plant and equipment	12	<b>44,978</b>	61,343	<b>42,943</b>	58,599
Intangible assets	13	<b>4,989</b>	6,236	<b>4,989</b>	6,236
Other assets	10	<b>257</b>	246	<b>2,194</b>	2,283
<b>Total non-current assets</b>		<b>50,224</b>	67,933	<b>50,126</b>	67,118
<b>Total assets</b>		<b>82,328</b>	112,927	<b>80,173</b>	110,342
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14	<b>1,541</b>	1,006	<b>1,395</b>	772
Lease liabilities	15	<b>13,115</b>	12,556	<b>12,409</b>	11,880
Contract liabilities	4(b)	<b>10,768</b>	17,845	<b>10,665</b>	17,826
Employee benefit obligations	16	<b>5,550</b>	5,874	<b>5,550</b>	5,874
Other current liabilities	17	<b>4,828</b>	3,828	<b>4,114</b>	3,597
<b>Total current liabilities</b>		<b>35,802</b>	41,109	<b>34,133</b>	39,949
<b>Non-current liabilities</b>					
Lease liabilities	15	<b>24,867</b>	36,060	<b>23,990</b>	34,849
Provisions	18	<b>4,591</b>	4,510	<b>4,591</b>	4,510
Employee benefit obligations	16	<b>1,420</b>	1,967	<b>1,420</b>	1,967
<b>Total non-current liabilities</b>		<b>30,878</b>	42,537	<b>30,001</b>	41,326
<b>Total liabilities</b>		<b>66,680</b>	83,646	<b>64,134</b>	81,275
<b>Net assets</b>		<b>15,648</b>	29,281	<b>16,039</b>	29,067
<b>EQUITY</b>					
Reserves	19(a)	<b>(876)</b>	(960)	-	-
Retained surplus	19(b)	<b>16,524</b>	30,241	<b>16,039</b>	29,067
<b>Total equity</b>		<b>15,648</b>	29,281	<b>16,039</b>	29,067

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

**Insearch Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

<b>Consolidated</b>	Notes	<b>Reserves \$'000</b>	<b>Retained surplus \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2020</b>		<b>(733)</b>	<b>37,552</b>	<b>36,819</b>
Deficit for the year	19(b)	-	(7,311)	(7,311)
Exchange differences on translation of foreign operations	19(a)	(227)	-	(227)
<b>Total comprehensive loss for the year</b>		<b>(227)</b>	<b>(7,311)</b>	<b>(7,538)</b>
<b>Balance at 31 December 2020</b>		<b>(960)</b>	<b>30,241</b>	<b>29,281</b>
<b>Balance at 1 January 2021</b>		<b>(960)</b>	<b>30,241</b>	<b>29,281</b>
Deficit for the year	19(b)	-	(13,717)	(13,717)
Exchange differences on translation of foreign operations	19(a)	84	-	84
<b>Total comprehensive income/(loss) for the year</b>		<b>84</b>	<b>(13,717)</b>	<b>(13,633)</b>
<b>Balance at 31 December 2021</b>		<b>(876)</b>	<b>16,524</b>	<b>15,648</b>

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

**Insearch Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**  
(continued)

<b>Parent</b>	Notes	<b>Reserves \$'000</b>	<b>Retained surplus \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2020</b>		-	36,393	36,393
Deficit for the year	19(b)	-	(7,326)	(7,326)
<b>Total comprehensive loss for the year</b>		-	<b>(7,326)</b>	<b>(7,326)</b>
<b>Balance at 31 December 2020</b>		-	<b>29,067</b>	<b>29,067</b>
<b>Balance at 1 January 2021</b>		-	29,067	29,067
Deficit for the year	19(b)	-	(13,028)	(13,028)
<b>Total comprehensive loss for the year</b>		-	<b>(13,028)</b>	<b>(13,028)</b>
<b>Balance at 31 December 2021</b>		-	<b>16,039</b>	<b>16,039</b>

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

**Insearch Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

Notes	<b>Consolidated</b> <b>2021</b> <b>\$'000</b>	2020 \$'000	<b>Parent entity</b> <b>2021</b> <b>\$'000</b>	2020 \$'000
<b>Cash flows from operating activities</b>				
Receipts from customers (inclusive of GST)	<b>55,491</b>	67,557	<b>53,573</b>	67,576
Grant income	<b>1,386</b>	9,049	<b>1,386</b>	9,049
Donation paid to the University of Technology Sydney	<b>(167)</b>	-	<b>(167)</b>	-
Payments to suppliers and employees (inclusive of GST)	<b>(55,119)</b>	(72,339)	<b>(53,489)</b>	(72,409)
	<b>1,591</b>	4,267	<b>1,303</b>	4,216
Net interest received	<b>54</b>	297	<b>44</b>	287
Joint venture partnership distribution received	-	622	-	622
Input tax credit refund from Australian Taxation Office	<b>1,158</b>	1,437	<b>1,158</b>	1,437
<b>Net cash inflow from operating activities</b>	<b>2,803</b>	6,623	<b>2,505</b>	6,562
27				
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	<b>(292)</b>	(1,223)	<b>(259)</b>	(970)
Payments for intangibles	<b>(1,834)</b>	(1,744)	<b>(1,834)</b>	(1,744)
Capital contribution to subsidiary	-	-	<b>(699)</b>	(1,350)
Proceeds from sale of property, plant and equipment	<b>1</b>	-	<b>1</b>	-
<b>Net cash (outflow) from investing activities</b>	<b>(2,125)</b>	(2,967)	<b>(2,791)</b>	(4,064)
<b>Cash flows from financing activities</b>				
Interest elements of lease payments	<b>(1,683)</b>	(2,133)	<b>(1,536)</b>	(1,922)
Principal elements of lease payments	<b>(11,182)</b>	(10,100)	<b>(10,595)</b>	(9,558)
<b>Net cash (outflow) from financing activities</b>	<b>(12,865)</b>	(12,233)	<b>(12,131)</b>	(11,480)
<b>Net decrease in cash and cash equivalents</b>				
	<b>(12,187)</b>	(8,577)	<b>(12,417)</b>	(8,982)
Cash and cash equivalents at the beginning of the financial year	<b>37,935</b>	46,423	<b>36,439</b>	45,421
Effects of exchange rate changes on cash and cash equivalents	<b>179</b>	89	-	-
<b>Cash and cash equivalents at end of the financial year</b>	<b>25,927</b>	37,935	<b>24,022</b>	36,439
7				

Non-cash investing and financing activities 27(a)

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

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## 1 The company

Insearch Limited is a public company, limited by guarantee of its Members, having no share capital. The company is incorporated and domiciled in Australia. Its registered place of business is Level 9, 187 Thomas Street, Sydney, NSW 2000. The company provides education services in English language, business and other disciplines to Australian and overseas students in Australia.

Insearch Limited is a controlled entity of the University of Technology Sydney. This status is a reflection of the terms of the Insearch Constitution and the structure of the Insearch Board.

The company has the wholly owned entities, Insearch Education International Pty Limited, Insearch (Shanghai) Limited, Insearch India LLP, Insearch Global Pty Ltd and Insearch Lanka (Private) Limited. Insearch Education International Pty Limited is a private company, incorporated in Australia and formed in 1995. Insearch (Shanghai) Limited provides consulting, marketing support and other services to Insearch Limited. Insearch (Shanghai) Limited was formed in 2001 in the People's Republic of China. Insearch India LLP is a partnership between Insearch Limited (90% owned) and Insearch Education International Pty Limited (10% owned). The entity provides consulting, marketing support and other services to Insearch Limited across the Sub-Continent region. Insearch India LLP was formed in 2018 in India. Insearch Lanka (Private) Limited was formed in 2019 in Sri Lanka to provide pathway courses to university studies. In 2019, Insearch Global Pty Ltd exists as a holding company to Insearch Lanka (Private) Limited.

During 2020 Insearch Limited changed its trading name from UTS Insearch to UTS College, the company name will continue to be registered as Insearch Limited.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Insearch Limited ('company' or 'parent entity') as at 31 December 2021 and the results of all subsidiaries for the year then ended. Insearch Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

### (a) COVID-19 impact

COVID-19, an infectious disease caused by a new virus, was declared a worldwide pandemic by the World Health Organisation (WHO) on 11 March 2020. The measures to slow the spread of COVID-19 have had a significant impact on the results of Insearch Limited, predominantly in relation to international student fee income. In addition, Insearch Limited in response to the pandemic, instigated a number of measures to minimise the risks of COVID-19 on the College's staff and students such as working from home, conducting courses online and increased cleaning of public spaces on campus. The below are the major COVID-19 related issues which have been considered when preparing the 2021 statutory accounts.

- **Going concern:** Insearch Limited has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. These measures, implemented since the start of the pandemic, include cost saving initiatives, streamlining our cost base, reducing staff numbers and obtaining a Letter of Support from the University of Technology Sydney to provide full financial support if necessary.
- **Impairment: Receivables:** Insearch Limited has reviewed outstanding receivable balances and assessed likely payment by third parties. We are not expecting a material movement in credit losses relative to prior years.

## 2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the parent entity and the Group.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018* and the *Corporations Act 2001*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. Insearch Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 22 March 2022.

#### (i) Statement of compliance

The parent entity's financial statements and accompanying notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Generally accepted accounting principles, authoritative pronouncements of the AASB, including Interpretations, the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018* and the *Corporations Act 2001* have been used to prepare the subsidiaries' financial statements.

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, unless otherwise stated within these accounting policies.

#### (iii) Comparative information

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures. These reclassifications have not affected the net asset position nor the net profit of the comparative year.

#### (iv) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for first time in its annual reporting period commencing 1 January 2021:

- AASB 2020-4 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions [AASB 16]*, and
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139]*.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

#### (v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. These new standards and interpretations are set out below:

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*

## **2 Summary of significant accounting policies (continued)**

### **(a) Basis of preparation (continued)**

(v) *New standards and interpretations not yet adopted (continued)*

- AASB 2014-10 *Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*

(vi) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies.

Insearch Limited has made estimates on the valuation of its associate and joint venture investments. Estimates are based on the historical experience and other factors that are considered to be relevant, including latest available management information of financial performance and position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### **(b) Principles of consolidation and equity accounting**

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Associates*

Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions receivable from associates are recognised in the parent entity statement of comprehensive income, while in the consolidated financial statements they are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(iii) *Joint ventures*

The interest in a joint venture is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Details relating to the joint venture are set out in note 11. Initial investment in the joint venture in the form of a loan is recognised as a financial asset.

## **2 Summary of significant accounting policies (continued)**

### **(b) Principles of consolidation and equity accounting (continued)**

Profits or losses on transactions establishing the joint venture and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

### **(c) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is Insearch Limited's functional and presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

#### *(iii) Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

#### *(iv) Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

### **(d) Revenue recognition**

Management determine whether a transaction is a genuine donation (accounted for under AASB 1058 *Income of Not-for-Profit Entities*) or a contract with a customer (accounted for under AASB 15 *Revenue from contracts with customers*).

A contract is within the scope of AASB 15 if:

- the entity has an enforceable contract with a customer, and
- the contract includes sufficiently specific promises for the NFP entity to transfer goods or services to the customer or third party beneficiaries.

## **2 Summary of significant accounting policies (continued)**

### **(d) Revenue recognition (continued)**

Under AASB 15, the Group recognised revenue based on the following five step approach:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Significant judgements are used in assessing whether a promise is sufficiently specific, taking into account any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services.

Under AASB 1058, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners.

Revenue is recognised for the major business activities using the methods outlined below.

#### *(i) Fees*

Education fees are paid in advance by students and recognised as a contract liability. Revenue is deferred and recognised over time in the accounting year in which the course is delivered in accordance with related performance obligations. Education fees is disclosed net of refunds.

#### *(ii) Other fees and charges*

Fees are recognised at a point in time as revenue when services are provided.

#### *(iii) Government grants*

The JobKeeper grant is recognised as other income when the Group is reasonably assured that it will comply with the conditions attaching to it, and the grant will be received. The grant is recognised as a receivable when the associated wage payments are made. Receipt of reimbursement from the Australian Taxation Office (ATO) reduces the receivable.

#### *(iv) Other income*

Other income includes net gain or loss on disposal of non-current assets, interest income and distributions from associates.

### **(e) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### **(f) Expense recognition**

#### *(i) Direct expenses*

Costs associated with delivering educational programs are recognised at the time of course delivery. Direct expenses incurred for courses not delivered are treated as prepayments.

#### *(ii) Other expenses*

All other expenses are charged against revenue when the liability has been recognised.

## **2 Summary of significant accounting policies (continued)**

### **(g) Income tax**

No income tax has been provided in the attached accounts for the Australian operation as the company is exempt from income tax under Section 50-55 of the *Income Tax Assessment Act 1997*.

Income tax has been provided, where appropriate, for overseas entities.

### **(h) Goods and Services Tax (GST)**

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

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

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

### **(i) Acquisition of assets**

The purchase method of accounting is used to account for all acquisitions of assets. Assets are initially recorded at their cost at the date of acquisition. Cost is measured as the fair value of the consideration provided at the date of exchange and incidental costs directly attributable to the acquisition.

### **(j) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

### **(k) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of four months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank is interest bearing with interest rates between 0.01% and 2.50% (2020: 0.10% and 3.00%). Deposits at Call are bearing a floating interest rate at 0.01% and 0.15% (2020: 0.01% and 0.20%). Fixed Term Deposits are bearing interest rates between 0.11% and 0.19% (2020: 0.12% and 0.27%).

### **(l) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

## **2 Summary of significant accounting policies (continued)**

### **(l) Trade receivables (continued)**

The collectability of trade receivables is reviewed on an ongoing basis and based on the expected credit losses. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss on trade receivables is presented as net impairment losses in the statement of comprehensive income. When a trade receivable for which an impairment loss had been recognised becomes uncollectible in a subsequent period, it is written off against the impairment account. Subsequent recoveries of amounts previously written off are credited against net impairment losses line in the statement of comprehensive income.

### **(m) Investments and other financial assets**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group only holds financial assets to be measured at amortised cost.

### **(n) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. The capitalisation threshold for all assets is \$1,000. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life or, in the case of right-of-use assets, the shorter lease term in the Group. The Capital Review Committee reviews the estimated useful lives, residual values and depreciation method of assets at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives for the parent entity are as follows:

- Furniture and fittings	5 years
- Office equipment	3-5 years
- Motor vehicles	3-4 years
- Computer equipment	3-5 years
- Right-of-use assets	1-8 years

The cost of improvements to leasehold properties has been integrated into the asset class of furniture and fittings, and has been depreciated in line with the expected unexpired period of the lease, including options.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

## **2 Summary of significant accounting policies (continued)**

### **(o) Intangible assets**

#### *(i) IT development and software*

Software is initially recorded at historical cost and amortised. Subsequently software is reported at its recoverable amount, as the carrying amount of each asset is reviewed annually by the Capital Review Committee to determine whether it is in excess of its recoverable amount at the end of the reporting period.

Amortisation is calculated on a straight-line basis over periods generally ranging from two to seven years.

#### *(ii) Curriculum and course development*

Curriculum and Course Development represents the costs associated with developing the curriculum and teaching materials for a course to be delivered. These have a finite useful life and are carried at cost less accumulated amortisation and impairment losses, if any.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

#### *(iii) Website development*

The costs associated with developing, building and enhancing websites designed for external access, to the extent they represent future economic benefits, are controlled and can be reliably measured, have been capitalised and amortised over the period of the expected benefits.

Amortisation is calculated on a straight-line basis to write off the net cost of each asset over its expected useful life of three years.

### **(p) Leases**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group leases various office space. Rental contracts are typically made for fixed terms of 1 month to more than 5 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.



## **2 Summary of significant accounting policies (continued)**

### **(p) Leases (continued)**

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### *Extension and termination options*

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

### **(q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **(r) Provisions**

The provisions of the Group are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### **(s) Employee benefits**

#### *(i) Short-term obligations*

Annual leave and long service leave entitlements that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

## 2 Summary of significant accounting policies (continued)

### (s) Employee benefits (continued)

#### (ii) Long-term obligations

The recorded liability for provision of annual leave includes annual leave entitlements accrued but not expected to be taken within one year. These entitlements are measured at the present value of expected future payments to be made, including on costs of leave accrued by employees up to the end of the reporting period. The expected future payments of this leave provision is discounted using published market yield of the two year Treasury Bond at the end of the reporting period of 0.535% (2020: 0.075%).

The provision for long service leave is recognised as a liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using published market yield of the ten year Treasury Bond at the end of the reporting period of 1.67% (2020: 0.97%).

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (iii) Superannuation

Insearch Limited complies with the *Superannuation Guarantee (Administration) Act 1992*.

### (t) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 3 Financial risk management

Insearch Limited's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. Insearch Limited does not enter into or trade in financial instruments.

Insearch Limited's risks arising from financial instruments are outlined below, together with the entity's objectives and policies for measuring and managing risk.

The Insearch Limited Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

<b>Consolidated</b>	<b>Financial assets at amortised cost \$'000</b>
<b>Financial assets</b>	
<b>2021</b>	
Cash and cash equivalents	25,927
Trade receivables - current*	309
Other non-current assets	257
	26,493

**3 Financial risk management (continued)**

	Financial assets at amortised cost \$'000
Consolidated entity 2020	\$'000
Cash and cash equivalents	37,935
Trade receivables - current *	447
Other non-current assets	246
	38,628
	38,628
	<b>Liabilities at amortised cost \$'000</b>
<b>Consolidated</b>	
<b>Financial liabilities</b>	
<b>2021</b>	
Trade and other payables	1,541
Contract liabilities	10,768
Other current liabilities*	4,323
	16,632
<b>2020</b>	
Trade and other payables	1,006
Contract liabilities	17,845
Other current liabilities*	3,828
	22,679
	22,679

### 3 Financial risk management (continued)

	<b>Financial assets at amortised cost \$'000</b>
<b>Parent entity</b>	
<b>Financial assets</b>	
<b>2021</b>	
Cash and cash equivalents	24,022
Trade receivables - current*	297
Other non-current assets	2,194
	<b>26,513</b>
<b>2020</b>	
Cash and cash equivalents	36,439
Trade receivables - current *	444
Other non-current assets	2,283
	<b>39,166</b>
<b>Liabilities at amortised cost \$'000</b>	
<b>Parent entity</b>	
<b>Financial liabilities</b>	
<b>2021</b>	
Trade and other payables	1,395
Contract liabilities	10,665
Other current liabilities*	4,114
	<b>16,174</b>
<b>2020</b>	
Trade and other payables	772
Contract liabilities	17,826
Other financial liabilities*	3,597
	<b>22,195</b>

\* excluding statutory receivables/payables

#### (a) Market risk

The primary areas of market risk that Insearch Limited is exposed to are foreign exchange risk and interest rate risk.

##### (i) Foreign exchange risk

Insearch Limited's tuition fees for services provided in Australia are specified in Australian dollars. Therefore there is little or no exchange rate exposure in relation to fees.

Insearch Limited has operations in China, Vietnam, India and Sri Lanka which are affected by movements in exchange rates. The impact of these movements can affect both the operating surplus expressed in Australian dollars and the carrying values of the operations in the statement of financial position of the Group.

Insearch Limited views these exposures to movements in exchange rates as insignificant and therefore does not hedge against foreign exchange movements.

The movement in exchange rates in 2021 has contributed to the Australian dollar decrease in deficit for Insearch Limited.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (i) Foreign exchange risk (continued)

###### Sensitivity

As shown in the table below, the Group is primarily exposed to changes in RMB/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from RMB denominated financial instruments and the impact on other components of equity arises from cash and cash equivalents.

Consolidated	Impact on surplus		Impact on other components of equity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
RMB/AUD exchange rate - increase 10%	-	-	152	157
RMB/AUD exchange rate - decrease 10%	-	-	(152)	(157)
USD/AUD exchange rate - increase 10%	-	-	(1)	(1)
USD/AUD exchange rate - decrease 10%	-	-	1	1
INR/AUD exchange rate - increase 10%	-	-	15	6
INR/AUD exchange rate - decrease 10%	-	-	(15)	(6)
LKR/AUD exchange rate - increase 10%	-	-	51	22
LKR/AUD exchange rate - decrease 10%	-	-	(51)	(22)

##### (ii) Interest rate risk

Cash investments are maintained for maturity dates between one and four months. Cash investments are reviewed monthly as part of the management reporting process.

Insearch Limited has no borrowings and therefore no associated payable risk as a result of fluctuating interest rates. Insearch Limited does have an exposure to changes in income due to fluctuations in interest rates.

###### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and trade and other receivables as a result of changes in interest rates.

Consolidated	Impact on surplus		Impact on other components of equity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest rates - increase by 1%	259	379	-	-
Interest rates - decrease by 1%	(259)	(379)	-	-

#### (b) Credit risk

Credit risk arises where there is a possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity.

Insearch Limited has limited exposure to credit risk due to the collection of the majority of tuition fees prior to the provision of services. The Group's position with regard to credit risk is monitored monthly with outstanding items being actively managed.

Cash and cash equivalents comprise cash on hand and bank balances held with Commonwealth Bank of Australia and ANZ Bank. Interest on these accounts is earned on the daily bank balance.

### 3 Financial risk management (continued)

#### (b) Credit risk (continued)

##### (i) Impairment of financial assets

##### Trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of revenue over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the students to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

##### Consolidated entity

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for both trade receivables.

31 December 2021	Current (less than 90 days past due)	90- 180 days past due	More than 180 days past due	Total
Expected loss rate	8.65%	100.00%	3.60%	
Gross carrying amount – trade receivables	104	4	222	330
<b>Loss allowance</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>21</b>

31 December 2020	Current (less than 90 days past due)	90-180 days past due	More than 180 days past due	Total
Expected loss rate	12.78%	100.00%	18.32%	
Gross carrying amount – trade receivables	267	12	262	541
<b>Loss allowance</b>	<b>34</b>	<b>12</b>	<b>48</b>	<b>94</b>

##### Parent entity

31 December 2021	Current (less than 90 days past due)	90- 180 days past due	More than 180 days past due	Total
Expected loss rate	9.78%	100.00%	3.60%	
Gross carrying amount – trade receivables	92	4	222	318
<b>Loss allowance</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>21</b>

31 December 2020	Current (less than 90 days past due)	90-180 days past due	More than 180 days past due	Total
Expected loss rate	12.88%	100.00%	18.32%	
Gross carrying amount – trade receivables	264	12	262	538
<b>Loss allowance</b>	<b>34</b>	<b>12</b>	<b>48</b>	<b>94</b>

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due.

Insearch Limited maintains adequate cash balances to ensure that it has sufficient funds to meet operating expenditure and capital expenditure.

### 3 Financial risk management (continued)

#### (c) Liquidity risk (continued)

Liquidity is managed by the Group through the preparation and review of monthly statement of cash flows and cash forecasts. Cash at bank is reconciled on a monthly basis and bank balances are independently confirmed as part of the annual audit process.

##### (i) Maturities of lease liabilities

The tables below analyse the Group's lease liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of lease liabilities	Total					
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000	contractual cash flows \$'000	Less: Imputed interest \$'000	Carrying amount liabilities \$'000
<b>Consolidated entity - At 31 December 2021</b>						
Lease liabilities	13,357	25,162	2,515	41,034	(3,051)	37,982

Consolidated entity - At 31 December 2020						
Lease liabilities	12,750	34,773	6,495	54,018	(5,402)	48,616

Contractual maturities of lease liabilities	Total					
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000	contractual cash flows \$'000	Less: Imputed interest \$'000	Carrying amount liabilities \$'000
<b>Parent entity - At 31 December 2021</b>						
Lease liabilities	12,623	24,200	2,515	39,338	(2,939)	36,399

Parent entity - At 31 December 2020						
Lease liabilities	12,085	33,244	6,495	51,824	(5,095)	46,729

#### (d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of the Group's financial instruments is equal to their carrying value.

### 4 Revenue from contracts with customers

Revenue from contracts with customers	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fees	59,835	72,424	59,508	72,349

#### 4 Revenue from contracts with customers (continued)

##### (a) Disaggregation of revenue from students and contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following major product lines and geographical regions

<b>Consolidated 2021</b>	<b>Australia \$'000</b>	<b>Subcontinent \$'000</b>	<b>Total \$'000</b>
Timing of revenue recognition - external customers			
At a point in time - Other fees	634	-	634
Over time - Education course fees	58,874	327	59,201
	<u>59,508</u>	<u>327</u>	<u>59,835</u>

<b>Consolidated 2020</b>	<b>Australia \$'000</b>	<b>Subcontinent \$'000</b>	<b>Total \$'000</b>
Timing of revenue recognition - external customers			
At a point in time - Other fees	1,029	-	1,029
Over time - Education course fees	71,320	75	71,395
	<u>72,349</u>	<u>75</u>	<u>72,424</u>

<b>Parent entity 2021</b>	<b>Australia \$'000</b>
Timing of revenue recognition - external customers	
At a point in time - Other fees	634
Over time - Education course fees	58,874
	<u>59,508</u>

<b>Parent entity 2020</b>	<b>Australia \$'000</b>
Timing of revenue recognition - external customers	
At a point in time - Other fees	1,029
Over time - Education course fees	71,320
	<u>72,349</u>

##### (b) Liabilities related to contracts with customers

	<b>Consolidated 2021 \$'000</b>	<b>2020 \$'000</b>	<b>Parent entity 2021 \$'000</b>	<b>2020 \$'000</b>
Total prepaid course fees	<u>10,768</u>	17,845	<u>10,665</u>	17,826



## 5 Other income

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
JobKeeper grant income	1,386	9,049	1,386	9,049
Interest	50	235	40	225
Distributions from interest in associate	-	-	124	380
Other	276	30	276	29
<b>Total other income</b>	<b>1,712</b>	9,314	<b>1,826</b>	9,683

## 6 Expenses

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000

### Expenses from continuing operations

#### (a) Employee benefits expenses

Salaries and wages	29,957	36,199	29,070	35,239
Superannuation	2,674	3,236	2,654	3,212
Payroll tax	1,310	2,198	1,310	2,198
Other	403	1,806	382	1,748
<b>Total employee benefits expenses</b>	<b>34,344</b>	43,439	<b>33,416</b>	42,397

#### (b) Depreciation and amortisation expense

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<i>Depreciation</i>				
Office equipment	467	508	439	482
Motor vehicles	46	78	46	78
Furniture and fittings	2,648	2,570	2,518	2,485
Computer equipment	833	1,056	770	989
Right of use assets	11,572	11,973	10,863	11,272
<b>Total depreciation</b>	<b>15,566</b>	16,185	<b>14,636</b>	15,306
<i>Amortisation</i>				
Curriculum	127	113	127	113
Software	1,664	1,199	1,664	1,199
<b>Total amortisation</b>	<b>1,791</b>	1,312	<b>1,791</b>	1,312
<b>Total depreciation and amortisation expense</b>	<b>17,357</b>	17,497	<b>16,427</b>	16,618

## 6 Expenses (continued)

### (c) Other expenses

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Occupancy	1,455	1,817	1,335	1,490
Security	173	326	152	300
Communications	247	436	97	306
Homestay and welcome	7	84	7	84
Educational expenses	1,328	1,652	1,320	1,646
Scholarships	332	271	332	271
Promotion and channel partner commissions	9,952	13,002	11,923	15,485
Travel	182	241	40	154
Staff appointments	81	137	81	136
IT costs	2,765	2,701	2,758	2,694
Staff wellbeing	444	382	26	25
Sponsorships	3	21	3	20
Audit and accounting fees	331	559	240	406
Legal fees	247	283	245	280
Consultancy	626	1,424	594	1,391
Subscription and membership	272	211	268	207
Printing and stationery	53	57	36	41
Loss or gain on foreign exchange	37	70	37	70
Net losses on disposal of non-current assets	1,849	148	1,849	148
Impairment losses of investments	-	-	793	1,745
Other	769	1,780	603	1,378
<b>Total other expenses</b>	<b>21,153</b>	<b>25,602</b>	<b>22,739</b>	<b>28,277</b>

## 7 Cash and cash equivalents

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Cash at bank and in hand	6,402	5,654	4,497	4,158
Deposits at call	2,525	13,781	2,525	13,781
Term deposits	17,000	18,500	17,000	18,500
<b>Total cash and cash equivalents</b>	<b>25,927</b>	<b>37,935</b>	<b>24,022</b>	<b>36,439</b>

## 8 Trade receivables

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Trade receivables	330	541	318	538
Loss allowance (see note 3(b))	(21)	(94)	(21)	(94)
	<b>309</b>	<b>447</b>	<b>297</b>	<b>444</b>

## 8 Trade receivables (continued)

### (a) Loss allowance

The current trade receivables of the Group with a nominal value of \$21,226 (2020: \$94,105) were impaired and related to individually impaired receivables for student tuition fees which were deemed potentially uncollectable.

Movements in the loss allowance of trade receivables that are assessed for impairment collectively are as follows:

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
At 1 January	94	35	94	35
Increase/(decrease) in loss allowance recognised in profit or loss during the year	5	63	(4)	63
Receivables written off during the year as uncollectable	(78)	(4)	(69)	(4)
At 31 December	<u>21</u>	<u>94</u>	<u>21</u>	<u>94</u>

The creation and release of the loss allowance has been included in other expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

## 9 Financial assets at amortised cost

	<b>Consolidated</b>					
	Current	2021 Non-current	Total	Current	2020 Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued interest	-	-	-	4	-	4
Other receivables	2,554	-	2,554	2,576	-	2,576
	<u>2,554</u>	<u>-</u>	<u>2,554</u>	<u>2,580</u>	<u>-</u>	<u>2,580</u>

  

	<b>Parent entity</b>					
	Current	2021 Non-current	Total	Current	2020 Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued interest	-	-	-	4	-	4
Other receivables	2,495	-	2,495	2,405	-	2,405
	<u>2,495</u>	<u>-</u>	<u>2,495</u>	<u>2,409</u>	<u>-</u>	<u>2,409</u>

## 10 Other assets

	<b>Consolidated</b>					
	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2020 Non- current \$'000</b>	<b>Total \$'000</b>
Prepayments	3,314	-	3,314	4,032	-	4,032
Security deposits	-	257	257	-	246	246
Interest in associate and joint venture	-	-	-	-	-	-
Insearch (Shanghai) Limited	-	-	-	-	-	-
Insearch India LLP	-	-	-	-	-	-
Insearch Global/Insearch Lanka	-	-	-	-	-	-
	<b>3,314</b>	<b>257</b>	<b>3,571</b>	<b>4,032</b>	<b>246</b>	<b>4,278</b>
	<b>Parent entity</b>					
	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2020 Non- current \$'000</b>	<b>Total \$'000</b>
Prepayments	3,233	-	3,233	3,932	-	3,932
Security deposits	-	33	33	-	25	25
Interest in associate and joint venture	-	81	81	-	81	81
Insearch (Shanghai) Limited	-	1,306	1,306	-	1,062	1,062
Insearch India LLP	-	207	207	-	168	168
Insearch Global/Insearch Lanka	-	567	567	-	947	947
	<b>3,233</b>	<b>2,194</b>	<b>5,427</b>	<b>3,932</b>	<b>2,283</b>	<b>6,215</b>

## 11 Investments accounted for using the equity method

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest in associated undertaking	-	108	-	-
<b>Total investments accounted for using the equity method</b>	<b>-</b>	<b>108</b>	<b>-</b>	<b>-</b>
<b>Share of profits/(losses)</b>				
Associate	<b>(474)</b>	<b>(235)</b>	-	-
			<b>Consolidated</b>	
			<b>2021</b>	<b>2020</b>
			<b>\$'000</b>	<b>\$'000</b>
Carrying amount of investment in associated entity			<b>(505)</b>	108
<b>Share of assets and liabilities</b>				
Current assets			<b>409</b>	665
Non-current assets			<b>1,167</b>	1,459
Total assets			<b>1,576</b>	2,124
Current liabilities			<b>2,046</b>	1,984
Non-current liabilities			<b>35</b>	32
Total liabilities			<b>2,081</b>	2,016
Net (liabilities)/assets			<b>(505)</b>	108
<b>Share of revenue and expenses</b>				
Revenues			<b>1,331</b>	2,066
Expenses			<b>(1,805)</b>	(2,301)
Net profit			<b>(474)</b>	(235)

### (a) Associate - Australian Centre for Education and Training (ACET)

This is a business formed by Insearch Limited and IDP Education Australia (Vietnam) Limited to deliver academic English classes in Vietnam. Insearch Limited has a 50% ownership interest in ACET and is entitled to a 40% share of its annual profits.

## 12 Property, plant and equipment

Consolidated	Office equipment \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Capital work-in-progress \$'000	Right of use assets \$'000	Total \$'000
<b>At 1 January 2020</b>							
Cost	2,900	304	33,736	8,146	1,187	66,670	112,943
Accumulated depreciation	(1,707)	(165)	(19,018)	(5,946)	-	(10,946)	(37,782)
Net book amount	1,193	139	14,718	2,200	1,187	55,724	75,161
<b>Year ended 31 December 2020</b>							
Opening net book amount	1,193	139	14,718	2,200	1,187	55,724	75,161
Exchange differences	(5)	-	3	(10)	(57)	(224)	(293)
Additions	29	-	97	63	1,034	1,811	3,034
Disposals	(23)	-	-	(60)	-	(291)	(374)
Transfers	325	-	950	640	(1,915)	-	-
Depreciation charge	(508)	(78)	(2,570)	(1,056)	-	(11,973)	(16,185)
Closing net book amount	1,011	61	13,198	1,777	249	45,047	61,343
<b>At 31 December 2020</b>							
Cost	2,750	304	34,775	6,093	249	67,650	111,821
Accumulated depreciation	(1,739)	(243)	(21,577)	(4,316)	-	(22,603)	(50,478)
Net book amount	1,011	61	13,198	1,777	249	45,047	61,343

## 12 Property, plant and equipment (continued)

Consolidated	Office equipment \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Capital work-in-progress \$'000	Right of use assets \$'000	Total \$'000
<b>At 1 January 2021</b>							
Cost	2,750	304	34,775	6,093	249	67,650	111,821
Accumulated depreciation	(1,739)	(243)	(21,577)	(4,316)	-	(22,603)	(50,478)
Net book amount	1,011	61	13,198	1,777	249	45,047	61,343
<b>Year ended 31 December 2021</b>							
Opening net book amount	1,011	61	13,198	1,777	249	45,047	61,343
Exchange differences	(1)	-	(19)	(10)	-	(48)	(78)
Additions	5	-	7	21	259	530	822
Disposals	-	-	(128)	(2)	-	(1,413)	(1,543)
Transfers	6	-	-	102	(108)	-	-
Depreciation charge	(467)	(46)	(2,648)	(833)	-	(11,572)	(15,566)
Closing net book amount	554	15	10,410	1,055	400	32,544	44,978
<b>At 31 December 2021</b>							
Cost	2,761	304	34,397	6,208	400	64,947	109,017
Accumulated depreciation	(2,207)	(289)	(23,987)	(5,153)	-	(32,403)	(64,039)
Net book amount	554	15	10,410	1,055	400	32,544	44,978

## 12 Property, plant and equipment (continued)

Parent entity	Office equipment \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Capital work-in-progress \$'000	Right of use assets \$'000	Total \$'000
<b>At 1 January 2020</b>							
Cost	2,797	304	33,666	7,894	677	63,611	108,949
Accumulated depreciation	(1,678)	(165)	(18,986)	(5,872)	-	(10,594)	(37,295)
Net book amount	1,119	139	14,680	2,022	677	53,017	71,654
<b>Year ended 31 December 2020</b>							
Opening net book amount	1,119	139	14,680	2,022	677	53,017	71,654
Additions	-	-	-	-	970	1,364	2,334
Disposals	(23)	-	-	(60)	-	-	(83)
Transfers	325	-	433	640	(1,398)	-	-
Depreciation charge	(482)	(78)	(2,485)	(989)	-	(11,272)	(15,306)
Closing net book amount	939	61	12,628	1,613	249	43,109	58,599
<b>At 31 December 2020</b>							
Cost	2,626	304	34,098	5,798	249	64,975	108,050
Accumulated depreciation	(1,687)	(243)	(21,470)	(4,185)	-	(21,866)	(49,451)
Net book amount	939	61	12,628	1,613	249	43,109	58,599



## 12 Property, plant and equipment (continued)

Parent entity	Office equipment \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Capital work-in-progress \$'000	Right of use assets \$'000	Total \$'000
<b>At 1 January 2021</b>							
Cost	2,626	304	34,098	5,798	249	64,975	108,050
Accumulated depreciation	(1,687)	(243)	(21,470)	(4,185)	-	(21,866)	(49,451)
Net book amount	939	61	12,628	1,613	249	43,109	58,599
<b>Year ended 31 December 2021</b>							
Opening net book amount	939	61	12,628	1,613	249	43,109	58,599
Additions	-	-	-	-	259	264	523
Disposals	-	-	(128)	(2)	-	(1,413)	(1,543)
Transfers	6	-	-	102	(108)	-	-
Depreciation charge	(439)	(46)	(2,518)	(770)	-	(10,863)	(14,636)
Closing net book amount	506	15	9,982	943	400	31,097	42,943
<b>At 31 December 2021</b>							
Cost	2,632	304	33,729	5,897	400	62,276	105,238
Accumulated depreciation	(2,126)	(289)	(23,747)	(4,954)	-	(31,179)	(62,295)
Net book amount	506	15	9,982	943	400	31,097	42,943

Right-of-use assets relates to teaching and office premises.

### 13 Intangible assets

Consolidated and parent entity	Curriculum \$'000	Computer software \$'000	Capital work-in-progress \$'000	Total \$'000
<b>At 1 January 2020</b>				
Cost	3,352	13,855	2,892	20,099
Accumulated amortisation and impairment	(3,181)	(11,048)	-	(14,229)
Net book amount	171	2,807	2,892	5,870
<b>Year ended 31 December 2020</b>				
Opening net book amount	171	2,807	2,892	5,870
Additions	-	-	1,744	1,744
Disposals	-	(66)	-	(66)
Transfers	-	662	(662)	-
Amortisation charge	(113)	(1,199)	-	(1,312)
Closing net book amount	58	2,204	3,974	6,236
<b>At 31 December 2020</b>				
Cost	3,352	8,054	3,974	15,380
Accumulated amortisation and impairment	(3,294)	(5,850)	-	(9,144)
Net book amount	58	2,204	3,974	6,236
<b>Year ended 31 December 2021</b>				
Opening net book amount	58	2,204	3,974	6,236
Additions	-	-	1,834	1,834
Disposals	(1,290)	-	-	(1,290)
Transfers	1,359	2,974	(4,333)	-
Amortisation charge	(127)	(1,664)	-	(1,791)
Closing net book amount	-	3,514	1,475	4,989
<b>At 31 December 2021</b>				
Cost	3,352	11,027	1,475	15,854
Accumulated amortisation and impairment	(3,352)	(7,513)	-	(10,865)
Net book amount	-	3,514	1,475	4,989

## 14 Trade and other payables

	<b>Consolidated</b>					
	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2020 Non- current \$'000</b>	<b>Total \$'000</b>
Trade and other payables	1,460	-	1,460	866	-	866
Other creditors	81	-	81	140	-	140
	<b>1,541</b>	<b>-</b>	<b>1,541</b>	<b>1,006</b>	<b>-</b>	<b>1,006</b>

	<b>Parent entity</b>					
	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2020 Non- current \$'000</b>	<b>Total \$'000</b>
Trade and other payables	1,395	-	1,395	772	-	772
Other creditors	-	-	-	-	-	-
	<b>1,395</b>	<b>-</b>	<b>1,395</b>	<b>772</b>	<b>-</b>	<b>772</b>

## 15 Lease liabilities

	<b>Consolidated</b>					
	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2020 Non- current \$'000</b>	<b>Total \$'000</b>
Lease liabilities	13,115	24,867	37,982	12,556	36,060	48,616

	<b>Parent entity</b>					
	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2020 Non- current \$'000</b>	<b>Total \$'000</b>
Lease liabilities	12,409	23,990	36,399	11,880	34,849	46,729

The Group has entered into various non-cancellable lease agreements for teaching and office premises. These leases have lease periods expiring between 2022 and 2027. Certain leases include one or more options to renew. The Group does not include renewals in the determination of the lease term unless the renewals are deemed to be reasonably certain.

## 15 Lease liabilities (continued)

The following amounts related to leases were recognised in the statement of comprehensive income:

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Interest expense (included in finance cost)	<b>1,682</b>	2,133	<b>1,535</b>	1,922
Expense relating to short-term leases (included in occupancy cost)	<b>306</b>	334	<b>251</b>	75

The total cash outflow for leases in 2021, excluding short-term leases, was \$12,864,003 (2020: \$12,233,225) for the Group and \$12,129,535 (2020: \$11,480,433) for the parent entity.

## 16 Employee benefit obligations

	<b>Consolidated</b>					
	2021		2020			
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	Current	Non-current	Total
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	\$'000	\$'000	\$'000
Leave obligations - annual leave (a)	<b>2,796</b>	-	<b>2,796</b>	2,758	-	2,758
Leave obligations - long service leave (a)	<b>2,754</b>	<b>1,420</b>	<b>4,174</b>	3,116	1,967	5,083
Total employee benefit obligations	<b>5,550</b>	<b>1,420</b>	<b>6,970</b>	5,874	1,967	7,841

	<b>Parent entity</b>					
	2021		2020			
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	Current	Non-current	Total
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	\$'000	\$'000	\$'000
Leave obligations - annual leave (a)	<b>2,796</b>	-	<b>2,796</b>	2,758	-	2,758
Leave obligations - long service leave (a)	<b>2,754</b>	<b>1,420</b>	<b>4,174</b>	3,116	1,967	5,083
Total employee benefit obligations	<b>5,550</b>	<b>1,420</b>	<b>6,970</b>	5,874	1,967	7,841

### (a) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 2(s).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$5,550,313 (2020: \$5,873,747) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

## 16 Employee benefit obligations (continued)

### (a) Leave obligations (continued)

	<b>Consolidated</b> <b>2021</b> <b>\$'000</b>	2020 \$'000	<b>Parent entity</b> <b>2021</b> <b>\$'000</b>	2020 \$'000
Current annual leave obligations expected to be settled after 12 months	1,117	834	1,117	834
Current long service leave obligations expected to be settled after 12 months	888	917	888	917

## 17 Other liabilities

	<b>Consolidated</b> <b>2021</b> <b>\$'000</b>	2020 \$'000	<b>Parent entity</b> <b>2021</b> <b>\$'000</b>	2020 \$'000
<b>Current liabilities</b>				
Accrued expenses	2,473	3,589	2,264	3,358
Liabilities in interest in associated undertaking	505	-	-	-
Others	1,850	239	1,850	239
<b>Total other current liabilities</b>	<b>4,828</b>	<b>3,828</b>	<b>4,114</b>	<b>3,597</b>

## 18 Provisions

	<b>Consolidated</b>					
	2021 Current \$'000	2021 Non- current \$'000	Total \$'000	2020 Current \$'000	2020 Non- current \$'000	Total \$'000
Make good provision	-	4,591	4,591	-	4,510	4,510
	-	4,591	4,591	-	4,510	4,510

	<b>Parent entity</b>					
	2021 Current \$'000	2021 Non- current \$'000	Total \$'000	2020 Current \$'000	2020 Non- current \$'000	Total \$'000
Make good provision	-	4,591	4,591	-	4,510	4,510
	-	4,591	4,591	-	4,510	4,510

### (a) Information about individual provisions and significant estimates

#### *Make good provision*

The provision for make good in relation to fixtures installed at leased office space is required to be provided for under AASB 137 - 'Provisions, contingent liabilities and contingent assets.' The make good obligations are expected to be settled within the next five to nine financial years.

## 18 Provisions (continued)

### (b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

<b>Consolidated 2021</b>	<b>Make good \$'000</b>
<b>Current and non-current</b>	
Carrying amount at start of year	4,510
Charged to the profit or loss	81
Carrying amount at end of year	<u>4,591</u>
<b>Parent entity 2021</b>	<b>Make good \$'000</b>
<b>Current and non-current</b>	
Carrying amount at start of year	4,510
Charged to the profit or loss	81
Carrying amount at end of year	<u>4,591</u>

## 19 Reserves and retained surplus

### (a) Reserves

	<b>Consolidated 2021 \$'000</b>	2020 \$'000	<b>Parent entity 2021 \$'000</b>	2020 \$'000
Foreign currency translation reserve	<u>(876)</u>	(960)	-	-

### Movements:

<i>Foreign currency translation reserve</i>				
Balance 1 January	(960)	(733)	-	-
Currency translation differences arising during the year	84	(227)	-	-
Balance 31 December	<u>(876)</u>	(960)	-	-

### (b) Retained surplus

Movements in retained surplus were as follows:

	<b>Consolidated 2021 \$'000</b>	2020 \$'000	<b>Parent entity 2021 \$'000</b>	2020 \$'000
Balance 1 January	30,241	37,552	29,067	36,393
Deficit for the year	(13,717)	(7,311)	(13,028)	(7,326)
Balance 31 December	<u>16,524</u>	30,241	<u>16,039</u>	29,067

## 20 Key management personnel disclosures

### (a) Directors

The following persons were Directors of Insearch Limited during the financial year:

*(i) Non-Executive Chair*

Emeritus Vice-Chancellor R D Milbourne (AO)

*(ii) Executive Director*

Mr A Murphy

*(iii) Non-Executive Directors*

Mr I Watt

Professor C Earley

Dr A Dwyer

Emeritus Vice-Chancellor R D Milbourne AO

Mr M Leigh

Mr G Freeland

Ms N Anderson

Mr A Murphy

Professor C Rhodes

### (b) Other key management personnel

Prof A Brungs

### (c) Key management personnel compensation

Insearch Limited has three Directors that are staff of UTS. These Directors do not receive any remuneration in respect of their work on the Insearch Board.

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
<b>Remuneration of Directors</b>				
\$0 to \$49,999	4	3	4	3
\$50,000 to \$99,999	3	3	3	3
\$100,000 to \$149,999	1	1	1	1
\$150,000 to \$199,999	-	-	-	-
\$200,000 to \$249,999	-	-	-	-
\$250,000 to \$299,999	-	-	-	-
\$300,000 to \$349,999	-	-	-	-
\$350,000 to \$399,999	-	-	-	-
\$400,000 to \$449,999	1	-	1	-
\$450,000 to \$499,999	-	1	-	1
\$500,000 +	-	-	-	-
	<b>9</b>	<b>8</b>	<b>9</b>	<b>8</b>
	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	\$	\$	\$	\$
Short-term employee benefits	<b>685,522</b>	753,867	<b>685,522</b>	753,867
Post-employment benefits	<b>54,230</b>	52,266	<b>54,230</b>	52,266
	<b>739,752</b>	<b>806,133</b>	<b>739,752</b>	<b>806,133</b>

## 21 Related party transactions

### (a) Parent entities

The parent entity of the wholly owned group is Insearch Limited. The controlling entity of Insearch Limited is the University of Technology Sydney.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 22.

### (c) Transactions with related parties

The following transactions occurred with related parties:

- Donation to the University of Technology Sydney \$167,000 (2020: \$nil), this includes \$167,000 (2020: \$nil) in respect of UTS staff acting as Directors on the Insearch Board.
- Sales of services and fees to the University of Technology Sydney \$54,266 (2020: \$74,645).
- Services rendered by the University of Technology Sydney to Insearch Limited \$2,521,807 (2020: \$1,870,065).
- Consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,728,462 (2020: \$1,944,283).
- Consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,728,462(2020: \$1,944,283).
- Consulting service income between Insearch India LLP and Insearch Limited \$535,722 (2020: \$805,774).
- Consulting service expense between Insearch Limited and Insearch India LLP \$535,722 (2020: \$805,774).
- Consulting Service Income between Insearch Education International Pty Ltd and Insearch Limited \$4,000 (2020: \$4,000).
- Consulting service expense between Insearch Limited and Insearch Education International Pty Ltd \$4,000 (2020: \$4,000).

### (d) Outstanding balances arising from sales/purchases of goods and services

Aggregate amounts receivable from and payable to each class of related parties at reporting date are set out below:

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	\$	\$	\$	\$
<i>Current receivables (sales of goods and services)</i>				
Insearch (Shanghai) Limited	-	-	<b>4,915</b>	4,915
Insearch Lanka (Private) Limited	-	-	<b>214,131</b>	214,131
<i>Current payables (sales of goods and services)</i>				
Insearch India LLP	-	-	<b>11,752</b>	26,030



## 22 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b).

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2021 %	2020 %
Insearch (Shanghai) Limited	China	Ordinary	100	100
Insearch Global Pty Ltd	Australia	Ordinary	100	100
Insearch Education International Pty Limited	Australia	Ordinary	100	100
Insearch India LLP*	India	Ordinary	90	90
Insearch Lanka (Private) Limited	Sri Lanka	Ordinary	100	100

\* 10% of Insearch India LLP is owned by Insearch Education International Pty Limited.

## 23 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Insearch Limited, its related practices and non-related audit firms:

### The Audit Office of New South Wales

(i) *Audit and other assurance services*

	Consolidated		Parent entity	
	2021 \$	2020 \$	2021 \$	2020 \$
Audit and review of financial statements	122,500	112,485	90,000	83,885
<b>Total auditor's remuneration</b>	<b>122,500</b>	<b>112,485</b>	<b>90,000</b>	<b>83,885</b>

## 24 Contingent liabilities

The Group has given bank guarantees in respect of rental leases amounting to \$1,912,008 (2020: \$1,954,387).

## 25 Members' guarantee

Insearch Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, its constitution states that each Member is required to contribute a maximum of \$20 towards meeting its outstanding obligations. At reporting date, there were nine members of the entity.

## 26 Events occurring after the reporting period

Except as disclosed in note 1(a), no other matter or circumstance has arisen since 31 December 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

## 27 Cash flow information

### Reconciliation of deficit for the year to net cash inflow from operating activities

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Deficit for the year	<b>(13,717)</b>	(7,311)	<b>(13,028)</b>	(7,326)
Depreciation and amortisation	<b>17,357</b>	17,497	<b>16,427</b>	16,618
Impairment losses on investments	-	-	<b>793</b>	1,745
Interest expense classified as financing cash flows	<b>1,683</b>	2,133	<b>1,536</b>	1,922
Net losses on sale of non-current assets	<b>1,849</b>	149	<b>1,849</b>	149
Share of loss of associates	<b>474</b>	235	-	-
Bad debt (reversal)/provisions	<b>5</b>	63	<b>(4)</b>	63
Change in operating assets and liabilities:				
Increase in trade and other receivables	<b>(147)</b>	(1,466)	<b>(365)</b>	(1,355)
Decrease in other operating assets	<b>718</b>	1,268	<b>699</b>	1,301
(Increase)/Decrease in other non-current assets	<b>(11)</b>	457	-	-
Increase/(decrease) in trade and other payables	<b>1,964</b>	(1,014)	<b>2,032</b>	(949)
Increase in provisions	<b>81</b>	81	<b>81</b>	81
Decrease in contract liabilities	<b>(7,077)</b>	(4,372)	<b>(7,161)</b>	(4,388)
Decrease in employee benefit obligations	<b>(871)</b>	(373)	<b>(871)</b>	(373)
Increase/(decrease) in other liabilities	<b>495</b>	(724)	<b>517</b>	(926)
Net cash inflow from operating activities	<b>2,803</b>	6,623	<b>2,505</b>	6,562

#### (a) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets amounting to \$530,000 (2020: \$1,811,000) for the Group and \$264,000 (2020: \$1,364,000) for the parent entity - note 12.

**END OF AUDITED FINANCIAL STATEMENTS**

**Insearch Limited  
Directors' declaration  
31 December 2021**

In accordance with a resolution of the Directors of Insearch Limited, the Directors of the company declare that:

- (a) the financial statements and notes set out on pages 8 to 48 are in accordance with the *Corporations Act 2001*, and:
  - (i) comply with Accounting Standards and the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018*, as stated in accounting policy Note 2 to the financial statements; and
  - (ii) give a true and fair view of the financial position as at 31 December 2021 and of its performance for the year ended on that date of the consolidated group.
- (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.

This declaration is made in accordance with a resolution of the Directors pursuant to section 295(5) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors



Emeritus Vice-Chancellor R D Milbourne AO  
Director



Mr A Murphy  
Director

Sydney  
22 March 2022



## INDEPENDENT AUDITOR'S REPORT

### Insearch Limited

To Members of the New South Wales Parliament and Members of Insearch Limited

### Opinion

I have audited the accompanying financial statements of Insearch Limited (the Company), which comprise the Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information of the Company and the consolidated entity, and the directors' declaration. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2021 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions.

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

### Basis for Opinion

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

I am independent of the Company and the consolidated entity in accordance with the requirements of the:

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

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 21 March 2022, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

## **Other Information**

The Company's annual report for the year ended 31 December 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Directors' Report.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **Directors' Responsibilities for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions, and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

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

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

A handwritten signature in black ink, appearing to read 'Cathy Wu', written in a cursive style.

Cathy Wu  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 March 2022  
SYDNEY



To the Directors  
Insearch Limited

## Auditor's Independence Declaration

As auditor for the audit of the financial statements of Insearch Limited for the year ended 31 December 2021, 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 'Cathy Wu'.

Cathy Wu  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 March 2022  
SYDNEY