

**Insearch Limited**

ABN 39 001 425 065

**Annual report  
for the year ended 31 December 2022**

# Insearch Limited

ABN 39 001 425 065

## Annual report - 31 December 2022

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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	
Mr M Leigh	1 October 2019	11 March 2023
Professor C Rhodes	19 August 2021	
Mr Glen Babington CSC	11 March 2023	

### **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 2022 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 \$19.3m (2021: deficit of \$13.7m) before the payment of a donation to the University of Technology Sydney of \$nil (2021: \$167k).

### **Letter of support**

The University of Technology Sydney has agreed for a period of 12 months from the date of approval and signing of the Insearch Limited 31 December 2022 Financial Statements, to meet any and all business operation liabilities including financial support that may be necessary to enable Insearch Limited and each of its controlled entities (each an Insearch Entity) to meet its financial commitments as and when they fall due and payable in the event that the Insearch Entity is unable to do so.

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

There have been no significant changes in the state of affairs of the Group during the year.

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

Except as noted above, no other matter or circumstance has arisen since 31 December 2022 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 \$14,591 (2021: \$12,451) 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 Chair of Campbell Page Pty Ltd and Group.

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 is the Chair of the ActivateUTS Board.

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.

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

Mr Murphy's current focus is on creating greater alignment between UTS College and the University of Technology Sydney, developing the leadership capability of UTS College in the pathway sector, and enhancing quality and innovation in teaching and learning and the student experience at UTS College, including its transnational programs.

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

**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.

**Information on Directors (continued)**

**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 until March 2023 was 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.

Mr Leigh was until recently the Chief Financial Officer for UTS. With a large organization reporting directly to him, Mark was responsible for supporting the UTS strategy of excellence in Teaching & Learning, Research and Engagement. He was 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 Directors (continued)**

**Mr Glen Babington, CSC**

*Non-Executive Director*

Mr Babington has significant executive experience from the defence, mining, utilities, education and consulting sectors, having lived and worked in Indonesia and the USA. He is seasoned leader in organisational transformations and has had leading roles in significant mergers in education and utility companies. Mr Babington served in the Australian Army during which time he was awarded the Conspicuous Service Cross for his achievements as an infantry battalion commander. Mr Babington holds an MBA, BA Hons (Economics) and Company Directors Course Diploma (Order of Merit).

Mr Babington is currently the Chief Operating Officer of the University of Technology, Sydney where he is responsible for finance, procurement, technology, data, human resources, marketing, communications, property, logistics and the University Portfolio Management Office.

**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, global corporate governance, project assurance, strategic planning, internal audit, campus planning, risk management and corporate compliance.

Mr Patrick has completed tertiary studies in three disciplines: Business (Accounting), Corporate Governance and Tertiary Education Management. He is currently enrolled in a Doctorate of Education program.

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 2022, and the numbers of meetings attended by each Director were:

Director	Insearch Board Meetings (6)		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
Ross Milbourne AO	6	6	4	4	-	-	4**	3
Nell Anderson	6	6	-	-	3	3	-	1
Anne Dwyer	6	5	4	4	3	3	-	1
Guy Freeland	6	6	4	4	-	-	-	1
Alex Murphy	6	6	-	-	-	-	-	1
Iain Watt	6	5	-	-	-	-	-	-
Mark Leigh	6	6	4	4	-	-	-	-
Carl Rhodes	6	5	-	-	3	2	-	-

**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 53 of this report.

For and on behalf of the Directors signed at Sydney this 23 March 2023.



Emeritus Vice-Chancellor R D Milbourne AO  
Director



Mr A Murphy  
Director

Sydney  
23 March 2023

# Insearch Limited

ABN 39 001 425 065

## Financial report - 31 December 2022

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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 Group consisting of Insearch Limited and its subsidiaries. A list of subsidiaries is included in note 22.

The financial statements are presented in Australian dollars which is Insearch Limited's functional and presentation currency.

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.

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 13, UTS Building 10 (CB10)  
235 Jones Street  
Broadway NSW 2007

The financial statements were authorised for issue by the Directors on 23 March 2023. The Directors have the power to amend and reissue the financial statements.

**Insearch Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2022**

	Notes	<b>Consolidated</b> <b>2022</b> <b>\$'000</b>	2021 \$'000	<b>Parent entity</b> <b>2022</b> <b>\$'000</b>	2021 \$'000
Revenue from contracts with customers	4	<b>49,951</b>	59,835	<b>49,092</b>	59,508
Other income	5	<b>547</b>	1,712	<b>18</b>	1,826
<b>Total revenue and income from continuing operations</b>		<b>50,498</b>	61,547	<b>49,110</b>	61,334
Employee benefits expenses	6(a)	<b>(32,767)</b>	(34,344)	<b>(31,714)</b>	(33,416)
Depreciation and amortisation expense	6(b)	<b>(14,547)</b>	(17,357)	<b>(13,878)</b>	(16,427)
Net (impairment losses)/reversal of impairment losses on financial assets		<b>(105)</b>	(5)	<b>(105)</b>	4
Other expenses	6(c)	<b>(21,082)</b>	(21,153)	<b>(22,285)</b>	(22,739)
Finance costs		<b>(1,031)</b>	(1,764)	<b>(958)</b>	(1,617)
Share of net loss of associate and joint venture accounted for using the equity method	11	<b>(290)</b>	(474)	-	-
Donation to University of Technology Sydney		-	(167)	-	(167)
<b>Total expenses from continuing operations</b>		<b>(69,822)</b>	(75,264)	<b>(68,940)</b>	(74,362)
<b>Deficit for the year attributable to members</b>		<b>(19,324)</b>	(13,717)	<b>(19,830)</b>	(13,028)
<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>(284)</b>	84	-	-
<b>Other comprehensive (loss)/income for the year</b>		<b>(284)</b>	84	-	-
<b>Total comprehensive loss for the year attributable to members</b>		<b>(19,608)</b>	(13,633)	<b>(19,830)</b>	(13,028)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Insearch Limited**  
**Statement of financial position**  
**As at 31 December 2022**

		<b>Consolidated</b>		<b>Parent entity</b>	
	Notes	<b>2022</b>	2021	<b>2022</b>	2021
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	<b>8,704</b>	25,927	<b>6,524</b>	24,022
Trade receivables	8	<b>404</b>	309	<b>362</b>	297
Financial assets at amortised cost	9	<b>2,134</b>	2,554	<b>2,001</b>	2,495
Other assets	10	<b>3,491</b>	3,314	<b>3,399</b>	3,233
<b>Total current assets</b>		<b>14,733</b>	32,104	<b>12,286</b>	30,047
<b>Non-current assets</b>					
Property, plant and equipment	12	<b>20,206</b>	44,978	<b>19,315</b>	42,943
Intangible assets	13	<b>3,930</b>	4,989	<b>3,930</b>	4,989
Other assets	10	<b>196</b>	257	<b>2,493</b>	2,194
<b>Total non-current assets</b>		<b>24,332</b>	50,224	<b>25,738</b>	50,126
<b>Total assets</b>		<b>39,065</b>	82,328	<b>38,024</b>	80,173
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14	<b>2,897</b>	1,541	<b>2,812</b>	1,395
Lease liabilities	15	<b>7,131</b>	13,115	<b>6,705</b>	12,409
Contract liabilities	4(b)	<b>8,610</b>	10,768	<b>8,411</b>	10,665
Employee benefit obligations	16	<b>5,210</b>	5,550	<b>5,210</b>	5,550
Other current liabilities	17	<b>5,301</b>	4,828	<b>4,956</b>	4,114
<b>Total current liabilities</b>		<b>29,149</b>	35,802	<b>28,094</b>	34,133
<b>Non-current liabilities</b>					
Lease liabilities	15	<b>8,194</b>	24,867	<b>8,039</b>	23,990
Provisions	18	<b>4,675</b>	4,591	<b>4,675</b>	4,591
Employee benefit obligations	16	<b>1,007</b>	1,420	<b>1,007</b>	1,420
<b>Total non-current liabilities</b>		<b>13,876</b>	30,878	<b>13,721</b>	30,001
<b>Total liabilities</b>		<b>43,025</b>	66,680	<b>41,815</b>	64,134
<b>Net (liabilities)/assets</b>		<b>(3,960)</b>	15,648	<b>(3,791)</b>	16,039
<b>EQUITY</b>					
Reserves	19(a)	<b>(1,160)</b>	(876)	-	-
(Accumulated deficit)/retained surplus	19(b)	<b>(2,800)</b>	16,524	<b>(3,791)</b>	16,039
<b>(Capital deficiency)/total equity</b>		<b>(3,960)</b>	15,648	<b>(3,791)</b>	16,039

*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 2022**

<b>Consolidated</b>	Notes	<b>Reserves \$'000</b>	<b>(Accumulated deficit)/retained surplus \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2021</b>		<u>(960)</u>	<u>30,241</u>	<u>29,281</u>
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>		<u>84</u>	<u>(13,717)</u>	<u>(13,633)</u>
<b>Balance at 31 December 2021</b>		<u>(876)</u>	<u>16,524</u>	<u>15,648</u>
 <b>Balance at 1 January 2022</b>		<u>(876)</u>	<u>16,524</u>	<u>15,648</u>
Deficit for the year	19(b)	-	(19,324)	(19,324)
Exchange differences on translation of foreign operations	19(a)	(284)	-	(284)
<b>Total comprehensive loss for the year</b>		<u>(284)</u>	<u>(19,324)</u>	<u>(19,608)</u>
<b>Balance at 31 December 2022</b>		<u>(1,160)</u>	<u>(2,800)</u>	<u>(3,960)</u>

*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 2022**  
(continued)

Parent	Notes	Reserves \$'000	(Accumulated deficit)/retained surplus \$'000	Total equity \$'000
<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>
<b>Balance at 1 January 2022</b>		-	16,039	16,039
Deficit for the year	19(b)	-	(19,830)	(19,830)
<b>Total comprehensive loss for the year</b>		-	<b>(19,830)</b>	<b>(19,830)</b>
<b>Balance at 31 December 2022</b>		-	<b>(3,791)</b>	<b>(3,791)</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 2022**

	Notes	Consolidated 2022 \$'000	2021 \$'000	Parent entity 2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of GST)		50,261	55,491	49,405	53,573
Grant income		-	1,386	-	1,386
Donation paid to the University of Technology Sydney		-	(167)	-	(167)
Payments to suppliers and employees (inclusive of GST)		(56,282)	(55,119)	(54,833)	(53,489)
		(6,021)	1,591	(5,428)	1,303
Net interest received		179	54	156	44
Input tax credit refund from Australian Taxation Office		1,907	1,158	1,907	1,158
<b>Net cash (outflow)/inflow from operating activities</b>	27	<b>(3,935)</b>	2,803	<b>(3,365)</b>	2,505
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(643)	(292)	(530)	(259)
Payments for intangibles		(359)	(1,834)	(359)	(1,834)
Capital contribution to subsidiary		-	-	(747)	(699)
Proceeds from sale of property, plant and equipment		166	1	166	1
<b>Net cash (outflow) from investing activities</b>		<b>(836)</b>	(2,125)	<b>(1,470)</b>	(2,791)
<b>Cash flows from financing activities</b>					
Interest elements of lease payments		(947)	(1,683)	(874)	(1,536)
Principal elements of lease payments		(11,312)	(11,182)	(11,789)	(10,595)
<b>Net cash (outflow) from financing activities</b>		<b>(12,259)</b>	(12,865)	<b>(12,663)</b>	(12,131)
<b>Net decrease in cash and cash equivalents</b>		<b>(17,030)</b>	(12,187)	<b>(17,498)</b>	(12,417)
Cash and cash equivalents at the beginning of the financial year		25,927	37,935	24,022	36,439
Effects of exchange rate changes on cash and cash equivalents		(193)	179	-	-
<b>Cash and cash equivalents at end of the financial year</b>	7	<b>8,704</b>	25,927	<b>6,524</b>	24,022
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 13, UTS Building 10 (CB10) 235 Jones Street, Broadway, NSW 2007. 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 was created to be a holding company to Insearch Lanka (Private) Limited.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Insearch Limited ('company' or 'parent entity') as at 31 December 2022 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.

## 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.

### (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 2022 were authorised for issue in accordance with a resolution of the Directors on 23 March 2023.

#### (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.

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

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

#### *(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 2022:

- 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]*

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 2022 reporting periods and have not been early adopted by the Group. The Group's assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the company's financial statements in the period of initial application.

#### *(vi) Going concern*

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activity and realisation of assets despite the deficit for the year and the net current asset and retained earnings deficiency at year end. As at the reporting date, the Group had a working capital deficiency of \$14,416,655 (2021 surplus: \$3,698,167) and accumulated deficit of \$2,798,894 (2021 surplus: \$16,524,081). The Group also generated a deficit of \$19,322,972 (2021: \$13,716,795) for the year ended 31 December 2022.

Insaerch 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 COVID-19 pandemic, include cost saving initiatives, streamlining our cost base and reducing staff numbers.

Specifically a Letter of Support from the University of Technology Sydney was obtained to provide full financial support if necessary to Insaerch Ltd. As part of this Letter of Support, the university is providing rent free premises from late 2022 on an ongoing basis, cash funding if required and has agreed to defer collection of outstanding invoices.

#### *(vii) 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.

Insaerch 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.

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

### **(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 profit or loss and other 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.

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').

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

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

#### *(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 profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other 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 profit or loss and other 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.

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.

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

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

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 financial year in which the course is delivered in accordance with related performance obligations. Education fees are disclosed net of refunds.

Insearch records a liability for deferred student revenue, comprising of prepaid student fees and unused course credits. These course credits allow students to return to their studies and use up available amounts at a future time. At some point it is deemed that these amounts will no longer be claimed, and the amounts can be recognised as revenue. This happens on a periodic basis based on the judgement of management, typically over 6 years since the last payment date.

#### *(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 recorded when the goods and services are received and 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 non-financial 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% (2021: 0.01% and 2.50%). Deposits at Call are bearing a floating interest rate at 2.85% and 2.95% (2021: 0.01% and 0.15%). Fixed Term Deposits is a bearing interest rate of 18% (2021: 0.11% and 0.19%).

### **(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 profit or loss and other 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 profit or loss and other 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 other comprehensive income 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 profit or loss and other 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)).

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

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

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

### **(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.



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

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

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.

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.

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

### **(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.

#### *(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 3.41% (2021: 0.535%).

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 4.05% (2021: 1.67%).

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.

### 3 Financial risk management (continued)

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>Financial assets at amortised cost \$'000</b>
<b>Consolidated</b>	
<b>Financial assets</b>	
<b>2022</b>	
Cash and cash equivalents	8,704
Trade receivables - current*	404
Other non-current assets	196
	<b>9,304</b>
2021	
Cash and cash equivalents	25,927
Trade receivables - current *	309
Other non-current assets	257
	26,493
	<b>Liabilities at amortised cost \$'000</b>
<b>Consolidated</b>	
<b>Financial liabilities</b>	
<b>2022</b>	
Trade and other payables	2,897
Contract liabilities	8,610
Other current liabilities*	5,015
	<b>16,522</b>
2021	
Trade and other payables	1,541
Contract liabilities	10,768
Other current liabilities*	4,323
	16,632

### 3 Financial risk management (continued)

	<b>Financial assets at amortised cost \$'000</b>
<b>Parent entity</b>	
<b>Financial assets</b>	
<b>2022</b>	
Cash and cash equivalents	6,524
Trade receivables - current *	362
Other non-current assets	2,493
	<b>9,379</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>Liabilities at amortised cost \$'000</b>	
<b>Parent entity</b>	
<b>Financial liabilities</b>	
<b>2022</b>	
Trade and other payables	2,812
Contract liabilities	8,411
Other current liabilities*	4,956
	<b>16,179</b>
<b>2021</b>	
Trade and other payables	1,395
Contract liabilities	10,665
Other financial liabilities*	4,114
	<b>16,174</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.

### 3 Financial risk management (continued)

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

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

The movement in exchange rates in 2022 has contributed to the Australian dollar increase in deficit for Insearch Limited.

##### 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
RMB/AUD exchange rate - increase 10%	-	-	124	152
RMB/AUD exchange rate - decrease 10%	-	-	(124)	(152)
USD/AUD exchange rate - increase 10%	-	-	-	(1)
USD/AUD exchange rate - decrease 10%	-	-	-	1
VND/AUD exchange rate - increase 10%	-	-	2	-
VND/AUD exchange rate - decrease 10%	-	-	(2)	-
INR/AUD exchange rate - increase 10%	-	-	13	15
INR/AUD exchange rate - decrease 10%	-	-	(13)	(15)
LKR/AUD exchange rate - increase 10%	-	-	58	51
LKR/AUD exchange rate - decrease 10%	-	-	(58)	(51)

##### (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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest rates - increase by 1%	87	259	-	-
Interest rates - decrease by 1%	(87)	(259)	-	-

#### (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.

### 3 Financial risk management (continued)

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

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.

#### (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 2022 or 1 January 2022 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 2022 and 31 December 2021 was determined as follows for both trade receivables.

<b>31 December 2022</b>	<b>Current (less than 90 days past due)</b>	<b>90- 180 days past due</b>	<b>More than 180 days past due</b>	<b>Total</b>
Expected loss rate	4%	100.00%	100%	
Gross carrying amount – trade receivables	421	18	61	500
<b>Loss allowance</b>	<b>17</b>	<b>18</b>	<b>61</b>	<b>96</b>
<b>31 December 2021</b>				
	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>

### 3 Financial risk management (continued)

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

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

##### Trade receivables (continued)

##### Parent entity

31 December 2022	Current (less than 90 days past due)	90- 180 days past due	More than 180 days past due	Total
Expected loss rate	4.49%	100.00%	100.00%	
Gross carrying amount – trade receivables	379	18	61	458
<b>Loss allowance</b>	<b>17</b>	<b>18</b>	<b>61</b>	<b>96</b>

  

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>

#### (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.

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	Less than 1 year	Between 1 and 5 years	Later than 5 years	Total contractual cash flows	Less: Imputed interest	Carrying amount
Consolidated entity - At 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	7,243	8,888	-	16,131	(806)	15,325
Consolidated entity - At 31 December 2021						
Lease liabilities	13,357	25,162	2,515	41,034	(3,051)	37,982

### 3 Financial risk management (continued)

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

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

Contractual maturities of lease liabilities	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000	Total contractual cash flows \$'000	Less: Imputed interest \$'000	Carrying amount liabilities \$'000
<b>Parent entity - At 31 December 2022</b>						
Lease liabilities	6,810	8,691	-	15,501	(757)	14,744
<b>Parent entity - At 31 December 2021</b>						
Lease liabilities	12,623	24,200	2,515	39,338	(2,939)	36,399

#### (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

	Consolidated 2022 \$'000	2021 \$'000	Parent entity 2022 \$'000	2021 \$'000
<b>Revenue from contracts with customers</b>				
Fees	49,951	59,835	49,092	59,508

#### (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

Consolidated 2022	Australia \$'000	Subcontinent \$'000	Total \$'000
Timing of revenue recognition - external customers			
At a point in time - Other fees	3,509	-	3,509
Over time - Education course fees	45,583	859	46,442
	49,092	859	49,951



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

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

Consolidated 2021	Australia \$'000	Subcontinent \$'000	Total \$'000
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>Parent entity 2022</b>			<b>Australia \$'000</b>
Timing of revenue recognition - external customers			
At a point in time - Other fees			<b>3,509</b>
Over time - Education course fees			<b>45,583</b>
			<u><b>49,092</b></u>
Parent entity 2021			Australia \$'000
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) Liabilities related to contracts with customers

	<b>Consolidated 2022 \$'000</b>	2021 \$'000	<b>Parent entity 2022 \$'000</b>	2021 \$'000
Total prepaid course fees	<u><b>8,610</b></u>	10,768	<u><b>8,411</b></u>	10,665

#### 5 Other income

	<b>Consolidated 2022 \$'000</b>	2021 \$'000	<b>Parent entity 2022 \$'000</b>	2021 \$'000
JobKeeper grant income	-	1,386	-	1,386
Net gains on disposal of non-current assets	<b>115</b>	-	<b>115</b>	-
Interest	<b>179</b>	50	<b>156</b>	40
Distributions from interest in associate	-	-	<b>(505)</b>	124
Other	<b>253</b>	276	<b>252</b>	276
<b>Total other income</b>	<u><b>547</b></u>	1,712	<u><b>18</b></u>	1,826

## 6 Expenses

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Expenses from continuing operations</b>				
<b>(a) Employee benefits expenses</b>				
Salaries and wages	28,310	29,957	27,320	29,070
Superannuation	2,744	2,674	2,724	2,654
Payroll tax	1,596	1,310	1,596	1,310
Other	117	403	74	382
Total employee benefits expenses	<b>32,767</b>	34,344	<b>31,714</b>	33,416
<b>(b) Depreciation and amortisation expense</b>				
	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<i>Depreciation</i>				
Office equipment	257	467	240	439
Motor vehicles	32	46	32	46
Furniture and fittings	2,520	2,648	2,437	2,518
Computer equipment	521	833	478	770
Right of use assets	9,841	11,572	9,315	10,863
Total depreciation	<b>13,171</b>	15,566	<b>12,502</b>	14,636
<i>Amortisation</i>				
Curriculum	27	127	27	127
Software	1,349	1,664	1,349	1,664
Total amortisation	<b>1,376</b>	1,791	<b>1,376</b>	1,791
Total depreciation and amortisation expense	<b>14,547</b>	17,357	<b>13,878</b>	16,427

## 6 Expenses (continued)

### (c) Other expenses

	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Occupancy	1,679	1,455	1,459	1,335
Security	322	173	305	152
Communications	286	247	166	97
Homestay and welcome	136	7	136	7
Educational expenses	1,571	1,328	1,555	1,320
Scholarships	266	332	266	332
Promotion and channel partner commissions	9,670	9,952	11,608	11,923
Travel	556	182	402	40
Staff appointments	295	81	294	81
IT costs	3,095	2,765	3,089	2,758
Staff wellbeing	459	444	24	26
Sponsorships	11	3	7	3
Audit and accounting fees	342	331	264	240
Legal fees	200	247	193	245
Consultancy	436	626	403	594
Subscription and membership	231	272	228	268
Printing and stationery	49	53	29	36
Loss or gain on foreign exchange	61	37	61	37
Net losses on disposal of non-current assets	-	1,849	-	1,849
Impairment losses of investments	-	-	441	793
Other	1,417	769	1,355	603
<b>Total other expenses</b>	<b>21,082</b>	<b>21,153</b>	<b>22,285</b>	<b>22,739</b>

## 7 Cash and cash equivalents

	Consolidated		Parent entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	3,667	6,402	1,868	4,497
Deposits at call	4,656	2,525	4,656	2,525
Term deposits	381	17,000	-	17,000
<b>Total cash and cash equivalents</b>	<b>8,704</b>	<b>25,927</b>	<b>6,524</b>	<b>24,022</b>

## 8 Trade receivables

	Consolidated		Parent entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	500	330	458	318
Loss allowance (see note 3(b))	(96)	(21)	(96)	(21)
	<b>404</b>	<b>309</b>	<b>362</b>	<b>297</b>

## 8 Trade receivables (continued)

### (a) Loss allowance

The current trade receivables of the Group with a nominal value of \$95,760 (2021: \$21,226) 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>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
At 1 January	21	94	21	94
Increase/(decrease) in loss allowance recognised in profit or loss during the year	105	5	105	(4)
Receivables written off during the year as uncollectable	(30)	(78)	(30)	(69)
At 31 December	<u>96</u>	<u>21</u>	<u>96</u>	<u>21</u>

The creation and release of the loss allowance has been included in other expenses in the statement of profit or loss and other 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>					
	<b>2022</b>			2021		
	<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
Other receivables	<u>2,134</u>	-	<u>2,134</u>	2,554	-	2,554
	<u>2,134</u>	-	<u>2,134</u>	2,554	-	2,554
	<b>Parent entity</b>					
	<b>2022</b>			2021		
	<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
Other receivables	<u>2,001</u>	-	<u>2,001</u>	2,495	-	2,495
	<u>2,001</u>	-	<u>2,001</u>	2,495	-	2,495

**10 Other assets**

	<b>Consolidated</b>					
	<b>2022</b>	<b>2022</b>	<b>Total</b>	<b>2021</b>	<b>2021</b>	<b>Total</b>
	<b>Current</b>	<b>Non-current</b>	<b>\$'000</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Prepayments	3,491	-	3,491	3,314	-	3,314
Security deposits	-	196	196	-	257	257
Interest in associate and joint venture	-	-	-	-	-	-
Insearch (Shanghai) Limited	-	-	-	-	-	-
Insearch India LLP	-	-	-	-	-	-
Insearch Global/Insearch Lanka	-	-	-	-	-	-
	<b>3,491</b>	<b>196</b>	<b>3,687</b>	<b>3,314</b>	<b>257</b>	<b>3,571</b>

  

	<b>Parent entity</b>					
	<b>2022</b>	<b>2022</b>	<b>Total</b>	<b>2021</b>	<b>2021</b>	<b>Total</b>
	<b>Current</b>	<b>Non-current</b>	<b>\$'000</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Prepayments	3,399	-	3,399	3,233	-	3,233
Security deposits	-	26	26	-	33	33
Interest in associate and joint venture	-	81	81	-	81	81
Insearch (Shanghai) Limited	-	1,349	1,349	-	1,306	1,306
Insearch India LLP	-	259	259	-	207	207
Insearch Global/Insearch Lanka	-	778	778	-	567	567
	<b>3,399</b>	<b>2,493</b>	<b>5,892</b>	<b>3,233</b>	<b>2,194</b>	<b>5,427</b>

**11 Investments accounted for using the equity method**

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Share of losses</b>				
Associate	(290)	(474)	-	-

**11 Investments accounted for using the equity method (continued)**

	<b>Consolidated</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Carrying amount of investment in associated entity	<b>(286)</b>	(505)
<b>Share of assets and liabilities</b>		
Current assets	<b>190</b>	409
Non-current assets	<b>1,410</b>	1,167
Total assets	<b>1,600</b>	1,576
Current liabilities	<b>1,850</b>	2,046
Non-current liabilities	<b>36</b>	35
Total liabilities	<b>1,886</b>	2,081
Net (liabilities)	<b>(286)</b>	(505)
<b>Share of revenue and expenses</b>		
Revenues	<b>1,788</b>	1,331
Expenses	<b>(2,078)</b>	(1,805)
Net losses	<b>(290)</b>	(474)

**(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 or losses.

## 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 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)**

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 2022</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
<b>Year ended 31 December 2022</b>							
Opening net book amount	554	15	10,410	1,055	400	32,544	44,978
Exchange differences	(15)	-	(165)	(30)	-	(375)	(585)
Additions	20	-	70	23	530	-	643
Disposals	(40)	-	(33)	(260)	(249)	(1,171)	(1,753)
Lease variation	-	-	-	-	-	(9,906)	(9,906)
Transfers	25	93	-	439	(557)	-	-
Depreciation charge	(257)	(32)	(2,520)	(521)	-	(9,841)	(13,171)
Closing net book amount	287	76	7,762	706	124	11,251	20,206
<b>At 31 December 2022</b>							
Cost	2,053	310	22,052	4,173	124	29,685	58,397
Accumulated depreciation	(1,766)	(234)	(14,290)	(3,467)	-	(18,434)	(38,191)
Net book amount	287	76	7,762	706	124	11,251	20,206



**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

**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 2022</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
<b>Year ended 31 December 2022</b>							
Opening net book amount	506	15	9,982	943	400	31,097	42,943
Additions	-	-	-	-	530	-	530
Disposals	(39)	-	(32)	(259)	(249)	(1,171)	(1,750)
Lease variation	-	-	-	-	-	(9,906)	(9,906)
Transfers	25	93	-	439	(557)	-	-
Depreciation charge	(240)	(32)	(2,437)	(478)	-	(9,315)	(12,502)
Closing net book amount	252	76	7,513	645	124	10,705	19,315
<b>At 31 December 2022</b>							
Cost	1,948	310	21,566	3,928	124	27,809	55,685
Accumulated depreciation	(1,696)	(234)	(14,053)	(3,283)	-	(17,104)	(36,370)
Net book amount	252	76	7,513	645	124	10,705	19,315

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 2021</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
<b>Year ended 31 December 2022</b>				
Opening net book amount	-	3,514	1,475	4,989
Additions	-	-	359	359
Disposals	-	-	(42)	(42)
Transfers	413	158	(571)	-
Amortisation charge	(27)	(1,349)	-	(1,376)
Closing net book amount	386	2,323	1,221	3,930
<b>At 31 December 2022</b>				
Cost	3,765	11,186	1,221	16,172
Accumulated amortisation and impairment	(3,379)	(8,863)	-	(12,242)
Net book amount	386	2,323	1,221	3,930

## 14 Trade and other payables

	<b>Consolidated</b>					
	<b>Current \$'000</b>	<b>2022 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>
Trade and other payables	2,828	-	2,828	1,460	-	1,460
Other creditors	69	-	69	81	-	81
	<b>2,897</b>	<b>-</b>	<b>2,897</b>	<b>1,541</b>	<b>-</b>	<b>1,541</b>

	<b>Parent entity</b>					
	<b>Current \$'000</b>	<b>2022 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>
Trade and other payables	2,812	-	2,812	1,395	-	1,395
Other creditors	-	-	-	-	-	-
	<b>2,812</b>	<b>-</b>	<b>2,812</b>	<b>1,395</b>	<b>-</b>	<b>1,395</b>

## 15 Lease liabilities

	<b>Consolidated</b>					
	<b>Current \$'000</b>	<b>2022 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>
Lease liabilities	7,131	8,194	15,325	13,115	24,867	37,982

	<b>Parent entity</b>					
	<b>Current \$'000</b>	<b>2022 Non- current \$'000</b>	<b>Total \$'000</b>	<b>Current \$'000</b>	<b>2021 Non- current \$'000</b>	<b>Total \$'000</b>
Lease liabilities	6,705	8,039	14,744	12,409	23,990	36,399

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>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Interest expense (included in finance cost)	<b>947</b>	1,682	<b>874</b>	1,535
Expense relating to short-term leases (included in occupancy cost)	<b>222</b>	306	<b>99</b>	251

The total cash outflow for leases in 2022, excluding short-term leases, was \$13,166,825 (2021: \$12,864,003) for the Group and \$12,622,990 (2021: \$12,129,535) for the parent entity.

## 16 Employee benefit obligations

	<b>Consolidated</b>					
	<b>2022</b>		2021			
	<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	<b>2,885</b>	-	<b>2,885</b>	2,796	-	2,796
Leave obligations - long service leave	<b>2,325</b>	<b>1,007</b>	<b>3,332</b>	2,754	1,420	4,174
Total employee benefit obligations	<b>5,210</b>	<b>1,007</b>	<b>6,217</b>	5,550	1,420	6,970

	<b>Parent entity</b>					
	<b>2022</b>		2021			
	<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	<b>2,885</b>	-	<b>2,885</b>	2,796	-	2,796
Leave obligations - long service leave	<b>2,325</b>	<b>1,007</b>	<b>3,332</b>	2,754	1,420	4,174
Total employee benefit obligations	<b>5,210</b>	<b>1,007</b>	<b>6,217</b>	5,550	1,420	6,970

### 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 \$5,210,212 (2021: \$5,550,313) 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)

### Leave obligations (continued)

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Current annual leave obligations expected to be settled after 12 months	<b>1,200</b>	1,117	<b>1,200</b>	1,117
Current long service leave obligations expected to be settled after 12 months	<b>762</b>	888	<b>762</b>	888

## 17 Other liabilities

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Current liabilities</b>				
Accrued expenses	<b>4,013</b>	2,473	<b>3,958</b>	2,264
Liabilities in interest in associated undertaking	<b>286</b>	505	<b>-</b>	-
Others	<b>1,002</b>	1,850	<b>998</b>	1,850
<b>Total other current liabilities</b>	<b>5,301</b>	4,828	<b>4,956</b>	4,114

## 18 Provisions

	<b>Consolidated</b>					
	<b>2022</b>			<b>2021</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Make good provision	-	<b>4,675</b>	<b>4,675</b>	-	4,591	4,591
	-	<b>4,675</b>	<b>4,675</b>	-	4,591	4,591

	<b>Parent entity</b>					
	<b>2022</b>			<b>2021</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Make good provision	-	<b>4,675</b>	<b>4,675</b>	-	4,591	4,591
	-	<b>4,675</b>	<b>4,675</b>	-	4,591	4,591

## 18 Provisions (continued)

### (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.

### (b) Movements in provisions

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

<b>Consolidated 2022</b>	<b>Make good \$'000</b>
<b>Current and non-current</b>	
Carrying amount at start of year	4,591
Charged to the profit or loss	84
Carrying amount at end of year	4,675
<b>Parent entity 2022</b>	<b>Make good \$'000</b>
<b>Current and non-current</b>	
Carrying amount at start of year	4,591
Charged to the profit or loss	84
Carrying amount at end of year	4,675

## 19 Reserves and accumulated deficit/retained surplus

### (a) Reserves

	<b>Consolidated 2022 \$'000</b>	2021 \$'000	<b>Parent entity 2022 \$'000</b>	2021 \$'000
Foreign currency translation reserve	(1,160)	(876)	-	-

#### **Movements:**

#### *Foreign currency translation reserve*

Balance 1 January	(876)	(960)	-	-
Currency translation differences arising during the year	(284)	84	-	-
Balance 31 December	(1,160)	(876)	-	-

## 19 Reserves and accumulated deficit/retained surplus (continued)

### (b) Accumulated deficit/retained surplus

Movements in accumulated deficit/retained surplus were as follows:

	Consolidated		Parent entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance 1 January	16,524	30,241	16,039	29,067
Deficit for the year	<u>(19,324)</u>	<u>(13,717)</u>	<u>(19,830)</u>	<u>(13,028)</u>
Balance 31 December	<u>(2,800)</u>	16,524	<u>(3,791)</u>	16,039

## 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

Dr A Dwyer

Emeritus Vice-Chancellor R D Milbourne AO

Mr M Leigh

Mr G Freeland

Ms N Anderson

Professor C Rhodes

### (b) Other key management personnel

Mr A Murphy

Ms C.A Churches

Mr T. Laurence

Mr N Patrick

Mr P Harris

Ms S Chatterjee



## 20 Key management personnel disclosures (continued)

### (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.

	Consolidated 2022	2021	Parent entity 2022	2021
<b>Remuneration of Directors</b>				
\$0 to \$49,999	3	4	3	4
\$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>8</b>	<b>9</b>	<b>8</b>	<b>9</b>
	<b>Consolidated 2022</b>	<b>2021</b>	<b>Parent entity 2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>705,306</b>	685,522	<b>705,306</b>	685,522
Post-employment benefits	<b>56,919</b>	54,230	<b>56,919</b>	54,230
	<b>762,225</b>	739,752	<b>762,225</b>	739,752

## 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.

## 21 Related party transactions (continued)

### (c) Transactions with related parties

The following transactions occurred with related parties:

- Donation to the University of Technology Sydney \$nil (2021: \$167,000), this includes \$nil (2021: \$167,000) in respect of UTS staff acting as Directors on the Insearch Board.
- Sales of services and fees to the University of Technology Sydney \$34,988 (2021: \$54,266).
- Services rendered by the University of Technology Sydney to Insearch Limited \$3,516,232 (2021: \$2,521,807).
- Consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,630,004 (2021: \$1,728,462).
- Consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,630,004 (2021: \$1,728,462).
- Consulting service income between Insearch India LLP and Insearch Limited \$657,433 (2021: \$535,722).
- Consulting service expense between Insearch Limited and Insearch India LLP \$657,433 (2021: \$535,722).
- Consulting Service Income between Insearch Education International Pty Ltd and Insearch Limited \$1,000 (2021: \$4,000).
- Consulting service expense between Insearch Limited and Insearch Education International Pty Ltd \$1,000 (2021: \$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>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
<i>Current receivables (sales of goods and services)</i>				
Insearch (Shanghai) Limited	-	-	<b>4,915</b>	4,915
Insearch Lanka (Private) Limited	-	-	-	214,131
Insearch India LLP	-	-	<b>877</b>	-
<i>Current payables (sales of goods and services)</i>				
Insearch India LLP	-	-	<b>69,185</b>	11,752
University of Technology Sydney*	<b>2,962,076</b>	-	<b>2,962,076</b>	-

\*Amounts included in note 17 Other liabilities as Accrued expenses.

## 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	
			2022 %	2021 %
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

#### *Audit and other assurance services*

	Consolidated		Parent entity	
	2022 \$	2021 \$	2022 \$	2021 \$
Audit and review of financial statements	153,900	122,500	102,900	90,000
<b>Total auditor's remuneration</b>	<b>153,900</b>	<b>122,500</b>	<b>102,900</b>	<b>90,000</b>

## 24 Contingent liabilities

The Group has given bank guarantees in respect of rental leases amounting to \$689,908 (2021: \$1,912,008).

## 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 , no other matter or circumstance has arisen since 31 December 2022 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>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Deficit for the year	<b>(19,324)</b>	(13,717)	<b>(19,830)</b>	(13,028)
Depreciation and amortisation	<b>14,547</b>	17,357	<b>13,878</b>	16,427
Impairment losses on investments	-	-	<b>441</b>	793
Interest expense classified as financing cash flows	<b>947</b>	1,683	<b>874</b>	1,536
Net losses on sale of non-current assets	<b>177</b>	1,849	<b>177</b>	1,849
Share of loss of associates	<b>290</b>	474	-	-
Bad debt provisions	<b>105</b>	5	<b>105</b>	(4)
Doubtful debts written off	<b>(30)</b>	-	<b>(30)</b>	-
Change in operating assets and liabilities:				
(Increase)/Decrease in trade and other receivables	<b>(170)</b>	(147)	<b>1,835</b>	(365)
Decrease/(Increase) in other operating assets	<b>1,189</b>	718	<b>(166)</b>	699
Decrease/(Increase) in other non-current assets	<b>61</b>	(11)	-	-
Increase in trade and other payables	<b>408</b>	1,964	<b>1,432</b>	2,032
Increase in provisions	<b>84</b>	81	<b>84</b>	81
Decrease in contract liabilities	<b>(2,158)</b>	(7,077)	<b>(2,254)</b>	(7,161)
Decrease in employee benefit obligations	<b>(753)</b>	(871)	<b>(753)</b>	(871)
Increase in other liabilities	<b>692</b>	495	<b>842</b>	517
Net cash (outflow)/inflow from operating activities	<b>(3,935)</b>	2,803	<b>(3,365)</b>	2,505

#### (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 \$nil (2021: \$530,000) for the Group and \$nil (2021: \$264,000) for the parent entity - note 12.

**END OF AUDITED FINANCIAL STATEMENTS**

**Insearch Limited  
Directors' declaration  
31 December 2022**

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 50 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 2022 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  
23 March 2023



## 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 Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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 2022 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).

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 22 March 2023, 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 2022 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 Regulation Treasurer's Directions, and the *Corporations Act 2001*. The Directors' responsibilities also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company 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:

[http://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

27 March 2023  
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 2022, 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

22 March 2023  
SYDNEY