

# StudyAdelaide

Financial report  
for the year ended  
30 June 2018



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## To the Presiding Officer StudyAdelaide

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of StudyAdelaide for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of StudyAdelaide as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Officer, Chief Executive Officer and the Finance Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of StudyAdelaide. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

## **Responsibilities of the Chief Executive Officer and the members of the Board for the financial report**

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The members of the Board are responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of StudyAdelaide
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal line extending to the right from the end of the signature.

Andrew Richardson

**Auditor-General**

11 September 2018

**STUDYADELAIDE FINANCIAL STATEMENTS**  
**CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the:

- financial statements of StudyAdelaide:
  - are in accordance with the accounts and records of the authority; and
  - comply with relevant Accounting Standards; and
  - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
  
- internal controls employed by StudyAdelaide over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



.....  
Karyn Kent  
Chief Executive Officer



.....  
Sean Keenihan  
Presiding Officer

DATE .....6/9/18.....

**STUDYADELAIDE  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	<u>Note</u>	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>EXPENSES</b>			
Employee Benefits Expenses	3	1,048	945
Supplies and Services	5	2,579	2,674
Depreciation and Amortisation Expense	6	10	5
Other Expenses	7	<u>27</u>	<u>9</u>
<b>Total Expenses</b>		<u>3,664</u>	<u>3,633</u>
<b>INCOME</b>			
Contributions	8	1,236	1,222
Commonwealth Revenues	9	72	111
Interest Revenues		23	22
Membership Income		160	143
Sponsorship Income		77	76
Other Income		<u>31</u>	<u>35</u>
<b>Total Income</b>		<u>1,599</u>	<u>1,609</u>
<b>Net Cost of Providing Services</b>		<u>2,065</u>	<u>2,024</u>
<b>REVENUES FROM SA GOVERNMENT</b>			
Revenues from SA Government	10	<u>2,045</u>	<u>2,024</u>
<b>Net Result</b>		<u>(20)</u>	<u>-</u>
<b>Total Comprehensive Result</b>		<u>(20)</u>	<u>-</u>

The net result and total comprehensive result are attributable to the SA Government as owner.

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

**STUDYADELAIDE  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<u>Note</u>	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	11	598	616
Receivables	12	<u>64</u>	<u>176</u>
<b>Total Current Assets</b>		<u>662</u>	<u>792</u>
<b>NON-CURRENT ASSETS</b>			
Plant and Equipment	13	<u>10</u>	<u>22</u>
<b>Total Non-Current Assets</b>		<u>10</u>	<u>22</u>
<b>TOTAL ASSETS</b>		<u>672</u>	<u>814</u>
<b>CURRENT LIABILITIES</b>			
Payables	14	143	288
Employee Benefits	15	<u>83</u>	<u>84</u>
<b>Total Current Liabilities</b>		<u>226</u>	<u>372</u>
<b>NON-CURRENT LIABILITIES</b>			
Payables	14	7	5
Employee Benefits	15	<u>74</u>	<u>52</u>
<b>Total Non-Current Liabilities</b>		<u>81</u>	<u>57</u>
<b>TOTAL LIABILITIES</b>		<u>307</u>	<u>429</u>
<b>NET ASSETS</b>		<u>365</u>	<u>385</u>
<b>EQUITY</b>			
Retained Earnings		<u>365</u>	<u>385</u>
<b>TOTAL EQUITY</b>		<u>365</u>	<u>385</u>

The total equity is attributable to the SA Government as owner.

Contingent Assets and Liabilities 17

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

**STUDYADELAIDE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	<u>Note</u>	<u>Retained Earnings \$'000</u>	<u>Total Equity \$'000</u>
Balance at 30 June 2016		<u>385</u>	<u>385</u>
Net Result for 2016/17		<u>-</u>	<u>-</u>
Total Comprehensive Result for 2016/17		<u>-</u>	<u>-</u>
Balance at 30 June 2017		<u>385</u>	<u>385</u>
Net Result for 2017/18		<u>(20)</u>	<u>(20)</u>
Total Comprehensive Result for 2017/18		<u>(20)</u>	<u>(20)</u>
Balance at 30 June 2018		<u>365</u>	<u>365</u>

All changes in equity are attributable to the SA Government as owner.

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

**STUDYADELAIDE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	<u>Note</u>	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Employee Benefit Payments		(1,016)	(932)
Payments for Supplies and Services		<u>(2,916)</u>	<u>(2,718)</u>
<b>Cash Used in Operations</b>		<u>(3,932)</u>	<u>(3,650)</u>
<b>Cash Inflows</b>			
Contributions		1,236	1,222
Interest Received		23	22
Other Receipts		487	335
GST Recovered from the ATO		<u>123</u>	<u>68</u>
<b>Cash Generated from Operations</b>		<u>1,869</u>	<u>1,647</u>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		<u>2,045</u>	<u>2,024</u>
<b>Cash Generated from SA Government</b>		<u>2,045</u>	<u>2,024</u>
Net Cash (Used In)/Provided By Operating Activities		<u>(18)</u>	<u>21</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of Plant and Equipment		<u>-</u>	<u>(25)</u>
<b>Cash Used In Investing Activities</b>		<u>-</u>	<u>(25)</u>
Net Cash Used In Investing Activities		<u>-</u>	<u>(25)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Repayment of Finance Leases		<u>-</u>	<u>(3)</u>
<b>Cash Used in Financing Activities</b>		<u>-</u>	<u>(3)</u>
Net Cash Used in Financing Activities		<u>-</u>	<u>(3)</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(18)	(7)
Cash and Cash Equivalents at the Beginning of the Period		<u>616</u>	<u>623</u>
Cash and Cash Equivalents at the End of the Period	11	<u>598</u>	<u>616</u>

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

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

1. Basis of Financial Statements
2. Objectives of StudyAdelaide
3. Employee Benefits
4. Remuneration of Board and Committee Members
5. Supplies and Services
6. Depreciation and Amortisation Expense
7. Other Expenses
8. Contributions
9. Commonwealth Revenues
10. Revenues from SA Government
11. Cash and Cash Equivalents
12. Receivables
13. Plant and Equipment
14. Payables
15. Employee Benefits – Liability
16. Unrecognised Contractual Commitments
17. Contingent Assets and Liabilities
18. Related Party Transactions
19. Financial Risk Management / Financial Instruments
20. Events after the End of Reporting Period

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1      BASIS OF FINANCIAL STATEMENTS**

**1.1      REPORTING ENTITY**

StudyAdelaide is a Statutory Corporation of the State Government of South Australia and is a subsidiary of the Minister for Trade, Tourism and Investment, established pursuant to the *Public Corporations Act 1993*.

The normal business activities of StudyAdelaide are dependent on the continuation of grants from the State Government, universities and other bodies. StudyAdelaide believes funding will continue in the foreseeable future. Accordingly, this financial report has been prepared on a going concern basis.

**1.2      STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

StudyAdelaide has applied Australian Accounting Standards that are applicable to not-for-profit entities, as it is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by StudyAdelaide for the year ended 30 June 2018.

**1.3      BASIS OF PREPARATION**

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1      BASIS OF FINANCIAL STATEMENTS CONTINUED**

**1.4      TAXATION**

StudyAdelaide is not subject to income tax. StudyAdelaide is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**Note 2      OBJECTIVES AND ACTIVITIES**

**2.1      OBJECTIVES**

The functions of StudyAdelaide are limited to the following:

- engaging in marketing campaigns promoting Adelaide as a viable and attractive destination for international students (destination marketing);
- engaging in other high level marketing campaigns that support StudyAdelaide's destination marketing;
- fostering community support for international students in South Australia;
- communications management, as required from time to time, of any situation that may adversely affect South Australia's reputation as an education destination;

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 2 OBJECTIVES AND ACTIVITIES CONTINUED**

**2.1 OBJECTIVES CONTINUED**

- acquisition and management of resources and services of StudyAdelaide in accordance with the laws of this jurisdiction and any other jurisdiction in which StudyAdelaide carries out its functions;
- to carry out any other function (consistent with the StudyAdelaide's strategic direction) that is conferred on StudyAdelaide by the Minister.

**Note 3 EMPLOYEE BENEFITS**

**3.1 EMPLOYEE BENEFIT EXPENSES**

	<u>2018</u>	<u>2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries & Wages	907	834
Long Service Leave	24	2
Annual Leave	4	4
Employment on Costs – Superannuation*	91	77
Employment on Costs – Payroll Tax	3	9
Workers Compensation	4	3
Other Employee Related Expenses	<u>15</u>	<u>16</u>
<b>Total Employee Benefit Expenses</b>	<u><b>1,048</b></u>	<u><b>945</b></u>

\*The superannuation employment on-cost charge represents StudyAdelaide's contributions to superannuation plans in respect of current services of current employees.

**3.2 KEY MANAGEMENT PERSONNEL**

Key management personnel of StudyAdelaide include the Minister, the Board, the Chief Executive Officer and the other members of the Executive Team who have responsibility for the strategic direction and management of StudyAdelaide.

Total compensation for key management personnel was \$272,000 in 2017/18 and \$274,000 in 2016/17.

The compensation disclosed in the note excludes salaries and other benefits the Minister of Investment and Trade receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 3      EMPLOYEE BENEFIT EXPENSES CONTINUED**

**3.3          REMUNERATION OF EMPLOYEES**

The number of employees of StudyAdelaide whose remuneration received or receivable falls within the following bands:

	<u>2018</u> <u>Number</u>	<u>2017</u> <u>Number</u>
\$239,001 - \$249,000	<u>1</u>	<u>1</u>
<b>Total Number of Employees</b>	<u>1</u>	<u>1</u>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$248,000 (2017 \$244,000).

**Note 4          REMUNERATION OF BOARD AND COMMITTEE MEMBERS**

Members during the 2018 financial year were:

**STUDYADELAIDE BOARD OF DIRECTORS**

Bill Spurr (Chair) *	(term ceased 31 December 2017)
Sean Keenihan (Chair) *	(appointed 1 January 2018)
Nigel Relph	(term ceased 31 December 2017)
Nancy Cromar	
Susan Clearihan	(term ceased 31 December 2017)
Angela Allison	
Gerald Lipman	
Vincenzina Ciccarello	(term ceased 31 December 2017)
George Chin	(term ceased 31 December 2017)
Peter Klar	
Marilyn Sleath	
Kristin Alford	(appointed 2 February 2018)
Priscilla Corbell-Moore	(appointed 2 February 2018/resigned 10 May 2018)
Brett Mahoney	(appointed 2 February 2018)
Henrik (Sebastian) Raneskold	(appointed 2 February 2018)
Gabrielle Rolan	(appointed 2 February 2018)
Jing Li	(appointed 2 February 2018)

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 4 REMUNERATION OF BOARD AND COMMITTEE MEMBERS  
CONTINUED**

**STUDYADELAIDE AUDIT COMMITTEE**

Angela Allison (Chair)	
Bill Spurr	(term ceased 31 December 2017)
Brett Mahoney	(appointed 2 February 2018)
Gerald Lipman	(appointed 2 February 2018)
Nigel Relph	(term ceased 31 December 2017)
Peter Klar	

\*The only Board members entitled to remuneration were Mr Bill Spurr and Mr Sean Keenihan.

The number of members whose remuneration received or receivable falls with the following bands:

	<u>2018</u> <u>Number</u>	<u>2017</u> <u>Number</u>
\$0 - \$9,999	-	1
\$10,000 - \$19,999	2	-
\$20,000 - \$29,999	-	1
<b>Total Number of Members</b>	<u>2</u>	<u>2</u>

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$24,000 (2017 \$30,000).

**Note 5 SUPPLIES AND SERVICES**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
Advertising, Promotion and Entertainment	2,087	2,107
Travel Expenses	106	95
Office Accommodation	87	82
Couriers and Freight	23	41
Web Site Development	68	97
Printing	4	3
Consultants	15	55
Office Expenses	54	62
Other Expenses	<u>135</u>	<u>132</u>
<b>Total Supplies and Services</b>	<u>2,579</u>	<u>2,674</u>

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5 SUPPLIES AND SERVICES CONTINUED**

**5.1 OPERATING LEASES**

Operating lease payments (included under office accommodation and printing) are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the leased use of the leased assets. These payments totalled \$89,000 (2017 \$84,000).

**5.2 CONSULTANTS**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2018		2017	
	Number	\$'000	Number	\$'000
Below \$10,000	4	15	4	10
Above \$10,000	-	-	3	45
Total paid/payable to the consultants engaged	4	15	7	55

**Note 6 DEPRECIATION AND AMORTISATION EXPENSE**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>Depreciation</b>		
Furniture and equipment	10	4
<b>Amortisation</b>		
Equipment under lease	-	1
<b>Total Depreciation and Amortisation Expense</b>	<u>10</u>	<u>5</u>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6      DEPRECIATION AND AMORTISATION EXPENSE CONTINUED**

**6.1      USEFUL LIFE**

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of Asset</b>	<b>Useful Life (years)</b>
Furniture and Equipment	3 – 10
Equipment under Lease	3 – 10

The useful lives of intangible assets are assessed to be either finite or indefinite. StudyAdelaide does not have any intangible assets.

**6.2      REVISION OF ACCOUNTING ESTIMATES**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

During the year StudyAdelaide has not reassessed the residual value, useful life or amortisation method of any assets.

**Note 7      OTHER EXPENSES**

	<u><b>2018</b></u> <u><b>\$'000</b></u>	<u><b>2017</b></u> <u><b>\$'000</b></u>
Capital Expenditure	26	8
Plant and Equipment Write-Offs	<u>1</u>	<u>1</u>
<b>Total Other Expenses</b>	<u><u>27</u></u>	<u><u>9</u></u>

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 8      CONTRIBUTIONS**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
Adelaide City Council	255	250
Flinders University	327	324
University of Adelaide	327	324
University of South Australia	<u>327</u>	<u>324</u>
<b>Total Contributions</b>	<u><u>1,236</u></u>	<u><u>1,222</u></u>

Contributions refers to income governed by a Funding Agreement between StudyAdelaide and the entity. Contributions are recognised as an asset and income when StudyAdelaide obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Generally, StudyAdelaide has obtained control or the right to receive:

- contributions with unconditional stipulations – this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- contributions with conditional stipulations – this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

**Note 9      COMMONWEALTH REVENUES**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
Export Market Development Grants	<u>72</u>	<u>111</u>
<b>Total Commonwealth Revenues</b>	<u><u>72</u></u>	<u><u>111</u></u>

All Commonwealth revenues received by StudyAdelaide have been contributions with unconditional stipulations attached and have been recognised as income upon receipt.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note 10</b>	<b>REVENUES FROM SA GOVERNMENT</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
		<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
	Department of State Development	1,895	1,874
	Department for Education and Child Development	75	75
	TAFE SA	<u>75</u>	<u>75</u>
	<b>Total Revenues from SA Government</b>	<b><u>2,045</u></b>	<b><u>2,024</u></b>

<b>Note 11</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
		<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
	Cash on Hand and at Bank	243	300
	Short Term Deposits with SAFA	<u>355</u>	<u>316</u>
	<b>Total Cash and Cash Equivalents</b>	<b><u>598</u></b>	<b><u>616</u></b>

Cash is measured at nominal amounts.

**11.1 SHORT-TERM DEPOSITS**

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with the South Australian Government Financing Authority (SAFA) and earn interest at the respective short-term deposit rates.

<b>Note 12</b>	<b>RECEIVABLES</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
		<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
	<b>Current</b>		
	Prepayments	18	29
	GST Input Tax Recoverable	31	44
	Receivables	<u>15</u>	<u>103</u>
	<b>Total Current Receivables</b>	<b><u>64</u></b>	<b><u>176</u></b>

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 12      RECEIVABLES CONTINUED**

**12.1      INTEREST RATE AND CREDIT RISK**

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that StudyAdelaide will not be able to collect the debt.

**Note 13      PLANT AND EQUIPMENT**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>Furniture and Equipment</b>		
Furniture and Equipment at Cost (deemed fair value)	25	40
Accumulated Depreciation	<u>(15)</u>	<u>(18)</u>
<b>Total Furniture and Equipment</b>	<u>10</u>	<u>22</u>
<b>Total Plant and Equipment</b>	<u>10</u>	<u>22</u>

**13.1      ACQUISITION AND RECOGNITION**

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$5,000 are capitalised.

**13.2      CARRYING AMOUNT OF PLANT AND EQUIPMENT**

All items of plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 13 PLANT AND EQUIPMENT CONTINUED**

**13.3 RECONCILIATION OF PLANT AND EQUIPMENT DURING 2017/18**

	<b>Furniture and Equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	22	22
Acquisitions	-	-
Disposals	(2)	(2)
Depreciation and amortisation	(10)	(10)
Carrying amount at the end of the period	<u>10</u>	<u>10</u>

**13.4 RECONCILIATION OF PLANT AND EQUIPMENT DURING 2016/17**

	<b>Furniture and Equipment</b>	<b>Equipment under Lease</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	1	2	3
Acquisitions	25	-	25
Disposals	-	(1)	(1)
Depreciation and amortisation	(4)	(1)	(5)
Carrying amount at the end of the period	<u>22</u>	<u>-</u>	<u>22</u>

**STUDYADELAIDE  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 14      PAYABLES**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>Current</b>		
Creditors	59	202
Accrued Expenses	26	31
GST Payable	1	2
Employment On-Costs <sup>^</sup>	13	9
Other Payables	<u>44</u>	<u>44</u>
<b>Total Current Payables</b>	<u>143</u>	<u>288</u>
<b>Non-Current</b>		
Employment On-Costs <sup>^</sup>	<u>7</u>	<u>5</u>
<b>Total Non-Current Payables</b>	<u>7</u>	<u>5</u>
<b>Total Payables</b>	<u>150</u>	<u>293</u>

<sup>^</sup>Employment on-costs include payroll tax, Return to Work levies and superannuation contributions. StudyAdelaide makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2017 rate (40%) to 41% and the average factor for the calculation of employer superannuation cost on-cost from the 2017 rate (10.1%) to 9.9%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is minimal for the employment on-cost and an increase in the employee benefits expense of \$7,000.

**14.1      INTEREST RATE AND CREDIT RISK**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 15**      **EMPLOYEE BENEFITS – LIABILITY**

	<u>2018</u> <u>\$'000</u>	<u>2017</u> <u>\$'000</u>
<b>Current</b>		
Annual Leave	50	47
Accrued Salaries and Wages	<u>33</u>	<u>37</u>
<b>Total Current Employee Benefits</b>	<u>83</u>	<u>84</u>
<b>Non-Current</b>		
Long Service Leave	<u>74</u>	<u>52</u>
<b>Total Non-Current Employee Benefits</b>	<u>74</u>	<u>52</u>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**15.1**      **SALARIES AND WAGES, ANNUAL LEAVE AND SICK LEAVE**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

**15.2**      **LONG SERVICE LEAVE**

The liability for long service leave is 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 using the projected unit credit method.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The portion of long service leave expected to be taken within 12 months of the reporting date is classified as current. The remaining portion of the long service leave provision is classified as non current.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 15      EMPLOYEE BENEFITS – LIABILITY CONTINUED**

**15.2      LONG SERVICE LEAVE CONTINUED**

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds remains unchanged at 2.5%.

As there was no change in the bond yield, which is used as the rate to discount future long service leave cash flows, this results in no change in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$7,000 and minimal to the employee benefits expense. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as StudyAdelaide does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

**Note 16      UNRECOGNISED CONTRACTUAL COMMITMENTS**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO the commitments and contingences are disclosed on a gross basis.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 16 UNRECOGNISED CONTRACTUAL COMMITMENTS CONTINUED**

**16.1 OPERATING LEASE COMMITMENTS**

	<u>2018</u>	<u>2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	93	87
Later than one year but no longer than five years	<u>48</u>	<u>129</u>
<b>Total Operating Lease Commitments</b>	<u>141</u>	<u>216</u>

StudyAdelaide's operating leases are for office accommodation and equipment.

The office accommodation is sub-leased from the Minister for Transport & Infrastructure (previously known as Minister for Infrastructure), who lease from Conservatory on Hindmarsh Square Pty Ltd. The lease is for a term of three years and does not have a right of renewal. The rent is payable monthly in advance.

The equipment is a photocopier leased from Fuji Xerox Australia for a term of five years with rental charges payable monthly in advance. Title in the equipment does not at any time pass to StudyAdelaide.

**Note 17 CONTINGENT ASSETS AND LIABILITIES**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. StudyAdelaide is not aware of any contingent assets or liabilities.

**Note 18 RELATED PARTY TRANSACTIONS**

**18.1 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND OTHER RELATED PARTIES**

Compensation of Key Management Personnel is disclosed at Note 3.2.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 19      FINANCIAL RISK MANAGEMENT / FINANCIAL INSTRUMENTS**

**19.1      FINANCIAL RISK MANAGEMENT**

Risk management is managed by StudyAdelaide's corporate services section. Departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

StudyAdelaide's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

**19.2      LIQUIDITY RISK**

StudyAdelaide is funded principally from appropriation by the SA Government through the Department for Trade, Tourism and Investment. Funding is provided through SA Government budgetary processes to meet the expected cash flows.

**19.3      CATEGORISATION OF FINANCIAL INSTRUMENTS**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

**STUDYADELAIDE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 19 FINANCIAL RISK MANAGEMENT / FINANCIAL INSTRUMENTS CONTINUED**

**19.3 CATEGORISATION OF FINANCIAL INSTRUMENTS CONTINUED**

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Loans and receivables
- Financial liabilities measured at cost.

	Notes	2018 Carrying Amount (\$'000)	2017 Carrying Amount (\$'000)
<b>Financial Assets</b>			
Cash and Equivalent			
- Cash and Cash Equivalents	11	598	616
Loans and Receivables			
- Receivables	12	15	103
<b>Total Financial Assets</b>		<b>613</b>	<b>719</b>
<b>Financial Liabilities</b>			
Financial Liabilities at Cost			
- Payables	14	85	234
<b>Total Financial Liabilities</b>		<b>85</b>	<b>234</b>

**Note 20 EVENTS AFTER THE END OF REPORTING PERIOD**

There were no events after the end of the reporting period that have material financial implications on these financial statements.