

**INSEARCH Education International  
Pty Limited**

ABN 82 068 439 912

**Financial statements  
for the year ended 31 December 2014**

**INSEARCH Education International Pty Limited** ABN 82 068 439 912  
**Financial statements - 31 December 2014**

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**Financial statements - 31 December 2014**

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For the financial year ended 31 December 2014 the financial statements covers INSEARCH Education International Pty Limited as an individual entity ("Company").

The financial statements are presented in the Australian currency.

INSEARCH Education International Pty Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

INSEARCH Education International Pty Limited  
Level 9, 187 Thomas Street  
Haymarket, NSW 2000.

**INSEARCH Education International Pty Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2014**

	Notes	2014 \$	2013 \$
<b>Revenue from continuing operations</b>		-	-
Other income	3	168	145
Foreign exchange loss		(5,839)	-
Other expenses		(358)	(319)
<b>Deficit for the year</b>		<u>(6,029)</u>	<u>(174)</u>
 <b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
 <b>Total comprehensive income for the year</b>		<u>(6,029)</u>	<u>(174)</u>

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

**INSEARCH Education International Pty Limited**  
**Statement of financial position**  
**As at 31 December 2014**

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	184,235	160,105
Trade and other receivables	5	-	30,159
<b>Total current assets</b>		<u>184,235</u>	<u>190,264</u>
<b>Total assets</b>		<u>184,235</u>	<u>190,264</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Total current liabilities</b>		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>184,235</u>	<u>190,264</u>
<b>EQUITY</b>			
Contributed equity	6	100,000	100,000
Accumulated funds	7(a)	84,235	90,264
<b>Total equity</b>		<u>184,235</u>	<u>190,264</u>

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

**INSEARCH Education International Pty Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2014**

	Notes	Contributed equity \$	Accumulated funds \$	Total equity \$
<b>Balance at 1 January 2013</b>		100,000	90,438	190,438
Deficit for the year	7	-	(174)	(174)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	(174)	(174)
<b>Balance at 31 December 2013</b>		<b>100,000</b>	<b>90,264</b>	<b>190,264</b>
<b>Balance at 1 January 2014</b>		100,000	90,264	190,264
Deficit for the year	7	-	(6,029)	(6,029)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	<b>(6,029)</b>	<b>(6,029)</b>
<b>Balance at 31 December 2014</b>		<b>100,000</b>	<b>84,235</b>	<b>184,235</b>

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

**INSEARCH Education International Pty Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2014**

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		24,320	9,704
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(358)</u>	<u>(319)</u>
		23,962	9,385
Interest received		168	145
<b>Net cash inflow from operating activities</b>	14	<u>24,130</u>	<u>9,530</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		24,130	9,530
<b>Cash and cash equivalents at end of year</b>	4	<u>160,105</u>	<u>150,575</u>

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

## **1 Company profile**

INSEARCH Education International Pty Limited is a private Company. The Company is incorporated and domiciled in Australia. Its registered place of business is Level 9, 187 Thomas Street, Haymarket, NSW 2000.

The Company was formed in 1995 and is the wholly owned entity of INSEARCH Limited, which is incorporated and domiciled in Australia.

INSEARCH Education International Pty Limited is not a trading Company.

## **2 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board [AASB], and the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. INSEARCH Education International Pty Limited is not for profit entity for the purpose of preparing the financial statements.

For the financial year ended 31 December 2014 the financial statements covers INSEARCH Education International Pty Limited as an individual entity ("Company").

The financial statements were authorised for issue by the directors on 18 March 2015.

#### *(i) Statement of Compliance*

The Company'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 *Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2010* have been used to prepare the Company's financial statements.

#### *(ii) Historical cost convention*

These financial statements have been prepared under the historical cost convention.

#### *(iii) Critical accounting estimates*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates.

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

### **(b) Foreign currency translation**

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

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, INSEARCH Education International Pty Limited's functional and presentation currency.



## 2 Summary of significant accounting policies (continued)

### (b) Foreign currency translation (continued)

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in statement of comprehensive income, except when they are deferred in equity as part of the net investment in a foreign operation.

### (c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

#### (i) Other fees and charges

Fees are recognised as revenue when services are provided.

#### (ii) Other income

Other income including interest received, sale of non-current assets and are recognised on an accrual basis.

### (d) Expense recognition

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

### (e) 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*.

### (f) 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 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.

### (g) 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.

### (h) Impairment of assets

All material assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and at each reporting period.

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). Non-financial assets other than goodwill [if any] that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

## 2 Summary of significant accounting policies (continued)

### (i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash at bank.

Cash at bank is with interest rate of 0.10% (2013: 0.10%).

### (j) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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.

The collectability of trade receivables is reviewed on an ongoing basis. 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 Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in statement of comprehensive income within other expenses. When a trade receivable for which an impairment provision had been recognised becomes uncollectible in a subsequent period, it is written off against the provision account. Subsequent recoveries of amounts previously recognised as uncollectible are brought to account against other expenses in statement of comprehensive income.

### (k) Investments and other financial assets

Investments, with the exception of financial assets at amortised cost, are measured at fair value. Changes in the fair value are either taken to the statement of comprehensive income or to an equity reserve.

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at amortised cost, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

### (l) Leases

Leases of property in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All leases of the Company are operating leases.

Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis, over the period of the lease.

### (m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company 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.

### (n) Provisions

The provisions of the Company are recognised when the Company 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 the amount has been 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 reporting period.

## 2 Summary of significant accounting policies (continued)

### (o) Financial Instruments

Financial instruments generate financial assets or liabilities for the Company. These include cash and cash equivalents, receivables, payables and other financial assets and liabilities. Note 15 discloses the risks and management of those risks of the financial instruments.

### (p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 Financial Instruments (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2018)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. When adopted, the standard will affect in particular the Company accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Company had no such gains in other comprehensive income.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Company has not yet decided when to adopt AASB 9.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### (q) Comparative information

Comparative data has been reclassified where necessary to enhance comparability in respect of changes in the current year. Where prior year data was not disclosed or where it is not practical to calculate the information, comparative data has been omitted.

## 3 Other income

	2014 \$	2013 \$
Interest received	168	145

## 4 Current assets - Cash and cash equivalents

	2014 \$	2013 \$
Cash at bank	184,235	160,105

**5 Current assets - Trade and other receivables**

	2014	2013
	\$	\$
Related party receivable	-	30,159

**(a) Impaired trade receivables**

None of the current receivables are impaired as at 31 December 2014.

**(b) Past due but not impaired**

As at 31 December 2014, there were no trade and other receivables past due.

**6 Contributed equity**

**(a) Share capital**

	2014	2013
	\$	\$
Ordinary shares		
100,000 fully paid, ordinary shares	100,000	100,000

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings each ordinary share entitles to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**7 Accumulated funds**

**(a) Accumulated funds**

Movements in accumulated funds were as follows:

	2014	2013
	\$	\$
Balance 1 January	90,264	90,438
Net deficit for the year	(6,029)	(174)
Balance 31 December	84,235	90,264

**8 Key management personnel disclosures**

**(a) Directors**

The following persons were members of the board of directors of INSEARCH Education International Pty Limited during the financial year:

A Murphy

Remuneration of key management personnel was borne by the ultimate parent entity.

**9 Remuneration of auditors**

The fee for the audit of the financial statements for the period ended 31 December 2014 and 2013 was borne by the ultimate parent entity.

**10 Contingencies**

The Company had no contingent assets or liabilities at 31 December 2014 (2013: nil).

**11 Commitments**

The Company had no commitments at 31 December 2014 (2013: nil).

**12 Related party transactions**

**(a) Parent entities**

The controlling entity of INSEARCH Education International Pty Limited is INSEARCH Limited. INSEARCH Education International Pty Limited entered into no transactions with INSEARCH Limited during 2014.

**(b) Outstanding balances from related parties**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2014	2013
	\$	\$
<i>Current and non-current receivables</i>		
Current assets - trade and other receivables	-	30,159

**13 Events occurring after the reporting period**

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**14 Reconciliation of deficit after income tax to net cash inflow from operating activities**

	2014	2013
	\$	\$
Deficit for the year	(6,029)	(174)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	30,159	9,704
Net cash inflow from operating activities	24,130	9,530

## 15 Financial instruments

INSEARCH Education International Pty 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 operation. INSEARCH Education International Pty Limited does not enter into or trade in financial instruments.

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

INSEARCH Education International Pty Limited principal financial instruments:

	2014 \$	2013 \$
<b>Financial assets</b>		
Cash and cash equivalents	184,235	160,105
Trade and other receivables	-	30,159
	<u>184,235</u>	<u>190,264</u>

The fair value of the above financial instruments is equal to their carrying value.

### (a) Credit risk

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

### (b) Liquidity risk

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

Liquidity is managed by the Company through the preparation and review of monthly cash flow statements 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.

All of the Company's financial liabilities are non-interest bearing and are due and payable within 12 months.

### (c) Market risk

The primary areas of market risk that INSEARCH Education International Pty Limited is exposed to are foreign exchange risk and interest rate risk.

#### (i) Foreign exchange risk

INSEARCH Education International Pty Limited had operations in Thailand which were 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 on the statement of financial position of the Company.

INSEARCH Education International Pty Limited's views these exposures to movements in exchange rates as long term and therefore does not hedge against foreign exchange movements.

#### (ii) Interest rate risk

INSEARCH Education International Pty Limited has no interest-bearing borrowings and therefore no associated payable risk as a result of fluctuating interest rates. INSEARCH Education International Pty Limited does have an exposure to changes in income due to fluctuations in interest rates.

Cash investments are non-interest bearing. Cash investments are reviewed monthly as part of the management reporting process.

**END OF AUDITED FINANCIAL STATEMENTS**

**INSEARCH Education International Pty Limited**  
**Directors' declaration**  
**31 December 2014**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 1 to 12 are in accordance with the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*, including:
  - (i) complying with Accounting Standards, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the financial year ended on that date, and
- (b) 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 directors.



A Murphy  
Director

Sydney  
18 March 2015



## INDEPENDENT AUDITOR'S REPORT

### Insearch Education International Pty Limited

To Members of the New South Wales Parliament and Members of Insearch Education International Pty Limited

I have audited the accompanying financial statements of Insearch Education International Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010.

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

### Directors' Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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



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

My opinion does *not* provide assurance:

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

## **Independence**

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

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



Caroline Karakatsanis  
Director, Financial Audit Services

15 April 2015  
SYDNEY