

**Insearch Education International Pty
Limited**

ABN 82 068 439 912

**Annual report
for the year ended 31 December 2018**

Insearch Education International Pty Limited

ABN 82 068 439 912

Annual report - 31 December 2018

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This financial statements cover Insearch Education International Pty Limited as an individual entity. The financial statements are presented in 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 2018

	Notes	2018 \$	2017 \$
Revenue from continuing operations		-	-
Other income	4	179	178
Other expenses		(520)	(444)
Deficit for the year		(341)	(266)
<i>Other comprehensive income</i>			
Other comprehensive income for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(341)	(266)

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 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	<u>182,970</u>	183,569
Total current assets		182,970	183,569
Non-current assets			
Other financial assets	6	<u>258</u>	-
Total assets		183,228	183,569
LIABILITIES			
Current liabilities			
Total current liabilities		<u>-</u>	-
Total liabilities		-	-
Net assets		183,228	183,569
EQUITY			
Contributed equity	7	100,000	100,000
Accumulated funds	8	<u>83,228</u>	83,569
Total equity		183,228	183,569

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 2018

	Notes	Contributed equity \$	Accumulated funds \$	Total equity \$
Balance at 1 January 2017		100,000	83,835	183,835
Deficit for the year	8	-	(266)	(266)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		-	(266)	(266)
Balance at 31 December 2017		100,000	83,569	183,569
Balance at 1 January 2018		100,000	83,569	183,569
Deficit for the year	8	-	(341)	(341)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		-	(341)	(341)
Balance at 31 December 2018		100,000	83,228	183,228

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 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(520)	(444)
Interest received		179	178
Net cash (outflow) from operating activities	15	<u>(341)</u>	<u>(266)</u>
Cash flows from investing activities			
Payment for acquisition of associate		<u>(258)</u>	-
Net cash (outflow) inflow from investing activities		<u>(258)</u>	-
Net (decrease) in cash and cash equivalents			
		(599)	(266)
Cash and cash equivalents at the beginning of the financial year		<u>183,569</u>	<u>183,835</u>
Cash and cash equivalents at end of year	5	<u>182,970</u>	<u>183,569</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. The company has a 10% ownership of Insearch India LLP. Insearch India LLP is a partnership between Insearch Ltd (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 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, Interpretations, 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 2015*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. Insearch Education International Pty Limited is a not for profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the Directors on 18 March 2019.

(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 2015* 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) New and amended standards adopted by the company

The company has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2018:

- AASB 9 *Financial Instruments*
- AASB 2016-5 *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions*
- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers to Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration*.

The company also elected to adopt the following amendments early:

- AASB 2018-1 *Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle*.

The company had to change its accounting policies following the adoption of AASB 9. However these amendments did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) New standards and interpretations not yet adopted

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

(v) 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.

(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.

(c) Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

(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) 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.

2 Summary of significant accounting policies (continued)

(e) Goods and Services Tax (GST) (continued)

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.

(f) 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.

(g) Impairment of assets

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

(h) Cash and cash equivalents

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

Cash at bank is interest bearing with an interest rate of 0.10% (2017: 0.10%).

(i) 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.

(j) 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.

(k) 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.

(l) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

2 Summary of significant accounting policies (continued)

(l) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) 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 3 discloses the risks and management of those risks of the financial instruments.

3 Financial risk management

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:

	Financial assets at amortised cost \$	Total \$
Financial assets		
2018		
Cash and cash equivalents	182,970	182,970
Other financial assets	258	258
	<u>183,228</u>	<u>183,228</u>
2017		
Cash and cash equivalents	<u>183,569</u>	<u>183,569</u>

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

(a) 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.

3 Financial risk management (continued)

(a) Market risk (continued)

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

(b) 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.

(c) 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.

4 Other income

	2018	2017
	\$	\$
Interest received	179	178

5 Cash and cash equivalents

	2018	2017
	\$	\$
Current assets		
Cash at bank	182,970	183,569

6 Other financial assets

	2018	2017
	\$	\$
Non-current assets		
Share in associates	258	-

7 Contributed equity

Share capital

	2018	2017
	\$	\$
Ordinary shares		
100,000 fully paid, ordinary shares	100,000	100,000

8 Accumulated funds

(a) Accumulated funds

Movements in accumulated funds were as follows:

	2018	2017
	\$	\$
Balance 1 January	83,569	83,835
Net deficit for the year	(341)	(266)
Balance 31 December	83,228	83,569

9 Key management personnel disclosures

Directors

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

A Murphy
 P Harris

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

10 Remuneration of auditors

The fee for the audit of the financial statements for the period ended 31 December 2018 and 2017 was borne by the ultimate parent entity.

11 Contingencies

The company had no contingent assets or liabilities at 31 December 2018 (2017: nil).

12 Commitments

The company had no commitments at 31 December 2018 (2017: nil).

13 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 2018.

14 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.

15 Cash flow information

Reconciliation of deficit after income tax to net cash (outflow) from operating activities

	2018	2017
	\$	\$
Deficit for the year	<u>(341)</u>	<u>(266)</u>
Net cash (outflow) from operating activities	<u>(341)</u>	<u>(266)</u>

END OF AUDITED FINANCIAL STATEMENTS

**Insearch Education International Pty Limited
Directors' declaration
31 December 2018**

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 2015*, including:
 - (i) complying with Accounting Standards, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the company's financial position as at 31 December 2018 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 2019



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

Opinion

I have audited the accompanying financial report of Insearch Education International Pty Limited (the Company), which comprises, the Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, 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.

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 Report' section of my report.

I am independent of the Company 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' (APES 110).

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

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

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

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

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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
- 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 report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Caroline Karakatsanis
Director Financial Audit Services

18 March 2019
SYDNEY



To the Directors

Insearch Education International Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of Insearch Education International Pty Limited for the year ended 31 December 2018, 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.

Caroline Karakatsanis
Director Financial Audit Services

18 March 2019
SYDNEY