

ICHM Pty Limited

ACN 080 984 738

2020 Financial Statements

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## Directors' Report

The Directors of ICHM Pty Limited ("the Company") submit the annual financial report of the Company for the year ended 31 December 2020. In order to comply with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*, the Directors report as follows:

### Directors

The names and qualifications of the Directors of the Company that were in office during the year:

Mr Richard Ryan AO	Appointed as a Director on 30 January 2017. Resigned 31 January 2020.
Ms Bodelle Francis	Appointed as a director on 23 August 2017. Resigned 9 December 2020.
Mr Scipio Lipman	Appointed as a director on 05 July 2017. Resigned 14 February 2020.
Professor Simon Maddocks	Appointed as a Director on 30 January 2017. Resigned 31 January 2020.
Mrs Meredith Parry	Appointed as an alternate Director on 23 June 2017. Resigned 31 January 2020.
Mrs Denise Von Wald	Appointed as a Director on 15 February 2018.
Mr Kevin Lynch	Appointed 14 February 2020. Resigned 23 June 2020.
Mr Colm Saunders	Is the Chief Financial Officer at UP Education. Appointed as a Director on 23 April 2020.
Mrs Natalie Simmons	Is the Chief Executive Officer at ICHM Pty Ltd. Appointed as Company Secretary on 3 February 2020 and as a Director on 23 April 2020.
Ms Ana Maria Rivera Rebolledo	Appointed 11 August 2020. Resigned 16 February 2021.

The names of the Directors of the Company that were in office at the date of this report:

Mr Craig Jones	Is the CEO – University Partnerships and Australia at UP Education. Appointed as a director on 16 February 2021.
Mr Colm Saunders	Is the Chief Financial Officer at UP Education. Appointed as a Director on 23 April 2020.
Mrs Natalie Simmons	Is the Chief Executive Officer at ICHM Pty Ltd. Appointed as Company Secretary on 3 February 2020 and as a Director on 23 April 2020.
Mrs Denise Von Wald	Is the Principal of St Anne's College and a professional director. Appointed as a Director on 15 February 2018.

## Directors' Report (continued)

# ICHM Pty Limited

## Directors' Meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director (while they were a Director). During the year four Directors' meetings were held.

		No. of Meetings held while in office	No. of Meetings attended
Mr Richard Ryan AO	Resigned 31 January 2020	0	0
Mr Scipio Lipman	Resigned 14 February 2020	0	0
Professor Simon Maddocks	Resigned 31 January 2020	0	0
Mrs Meredith Parry	Resigned 31 January 2020 (Alternate Director)	0	0
Ms Bodelle Francis	Resigned 9 December 2020	3	1
Mr Kevin Lynch	Appointed 14 February 2020 and resigned 23 June 2020	2	2
Ms Ana Maria Rivera Rebolledo	Appointed 11 August 2020 and resigned 16 February 2021	2	2
Mr Colm Saunders	Appointed 23 April 2020	4	4
Mrs Natalie Simmons	Appointed 23 April 2020	4	4
Mrs Denise von Wald	Appointed 15 February 2018	4	4

## Principal Activities

The principal activity of the Company during the year was to provide hospitality education to students.

## Changes in state of affairs

In December 2019, CDU Amenities Limited executed a share sale agreement to sell 100% ownership of shares in ICHM Pty Ltd to UP Education Australia Pty Ltd. The transfer of ownership occurred on 14 February 2020.

ICHM Pty Ltd repaid the \$400,000 loan from Gerald Lipman on 30 January 2020 and the \$150,000 loan from Charles Darwin University on 28 January 2020.

ICHM's semester 1 in 2020 commenced prior to international travel restrictions which meant that student numbers were not impacted. In response to COVID-19 the Company implemented an alternate operational approach to deliver tuition and support to students online. As a result, there was not a financial impact in semester 1 of 2020. A larger cohort of students continued their studies either on campus or online rather than undertaking industry placement in semester 2 2020. As a result the financial result for the 2020 financial year was in excess of budget.

## Directors' Report (continued)

### Subsequent Events

International travel restriction in place in relation to COVID-19 have resulted in a lower than expected intake of new students into semester 1 2021. ICHM does not expect international students to be exempted from the international travel restrictions in 2021 and as a result expects the semester 2 2021 intake to be lower than budget. In response to the financial impact of reduced new student numbers ICHM has implemented a restructure which includes transferring responsibility for some functions to the UP Education Group Shared Services Division and other staff reductions in line with lower student numbers.

### Dividends

There were no dividends or distributions recommended or declared for payment to members during the year.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included in page 6 of this financial report.

### Rounding Off

The Financial Statements have been rounded off to the nearest dollar.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.



.....  
Mr Colm Saunders  
Director  
Auckland, New Zealand  
Date: 5 July 2021



.....  
Mrs Natalie Simmons  
Director  
Adelaide  
Date: 5 July 2021



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

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To the Directors of ICHM Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

  
KPMG



Neil Ediriweera  
Partner

Adelaide

5 July 2021



# Independent Auditor's Report

To the Shareholder of ICHM Pty Limited

## Opinion

We have audited the **Financial Report**, of ICHM Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of Financial Position as at 31 December 2020.
- ii. Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' Statement of the Company.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Emphasis of matter – Restatement of comparative balances

We draw attention to Note 31 to the financial statements, which states that the amounts reported in the previously issued 31 December 2019 Financial Report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.

The Financial Report of the Company for the year ended 31 December 2019 was audited by another auditor who issued an unmodified opinion on that financial report on 18 June 2020.



## Other information

Other Information is financial and non-financial information in ICHM Pty Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our 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. They 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*, we exercise professional judgement and maintain professional scepticism throughout the audit.





We also:

- i. 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 our 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.
- ii. Obtain an understanding of internal control relevant to the Audit 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 registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern.
- v. 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.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
KPMG

  
Neil Ediriweera  
Partner

Adelaide

5 July 2021

## Directors' Statement

In the opinion of the Directors of ICHM Pty Limited (the Company):

- (a) the ICHM Pty Limited (the Company) is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 11 to 40 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:
  - (i) Giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Auckland, New Zealand on 5 July of 2021.



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Mr Colm Saunders  
Director

## Financial Statements

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 \$	2019 \$
Revenue	7	8,064,836	7,020,819
Cost of sales	10	(1,414,190)	(1,749,579)
<b>Gross surplus</b>		<b>6,650,646</b>	<b>5,271,240</b>
Interest income	8	1,778	14,056
Other revenue	9	1,691,467	253,983
Administration expenses	11	(244,096)	(207,795)
Amortisation	17	(28,504)	(61,871)
Bad debt expense		(35,344)	-
Lease depreciation expense	29	(420,706)	(452,615)
Lease interest expense	29	(6,967)	(7,063)
Building costs	12	(54,886)	(72,991)
Depreciation	18	(93,936)	(99,199)
Employee related expenses	13	(4,631,487)	(4,578,379)
Other expenses	14	(656,892)	(653,280)
<b>Surplus/ (Deficit) for the year</b>		<b>2,171,073</b>	<b>(593,914)</b>
Other comprehensive income		-	-
<b>Total Surplus/ (Deficit) and comprehensive income for the year</b>		<b>2,171,073</b>	<b>(593,914)</b>

*The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes*

## Statement of Financial Position

As at 31 December 2020

	Notes	2020 \$	2019* Restated \$	1 January 2019* \$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	23(a)	2,454,627	1,615,311	1,126,717
Trade and other receivables	15	334,912	87,644	33,568
Right of use assets	29	-	424,815	-
Other assets	16	91,239	72,413	113,497
<b>Total current assets</b>		<b>2,880,778</b>	<b>2,200,183</b>	<b>1,273,782</b>
<b>Non-current assets</b>				
Intangible assets	17	94,582	100,743	162,368
Property, plant and equipment	18	178,994	184,829	246,595
Right of use assets	29	1,227,909	-	-
<b>Total non-current assets</b>		<b>1,501,485</b>	<b>285,572</b>	<b>408,963</b>
<b>Total assets</b>		<b>4,382,263</b>	<b>2,485,755</b>	<b>1,682,745</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	20	517,119	366,433	491,755
Lease liability		393,402	429,382	-
Other liabilities	21	778,221	1,696,001	799,872
Provisions	22	436,446	601,494	511,923
Related party loan	24	-	550,000	400,000
<b>Total current liabilities</b>		<b>2,125,188</b>	<b>3,643,310</b>	<b>2,203,550</b>
<b>Non-current liabilities</b>				
Provisions	22	70,329	61,771	104,606
Lease liability		834,999	-	-
<b>Total non-current liabilities</b>		<b>905,328</b>	<b>61,771</b>	<b>104,606</b>
<b>Total liabilities</b>		<b>3,030,516</b>	<b>3,705,081</b>	<b>2,308,156</b>
<b>Net assets / (liabilities)</b>		<b>1,351,747</b>	<b>(1,219,326)</b>	<b>(625,412)</b>
<b>Equity</b>				
Ordinary share capital	19	400,002	2	2
Retained earnings		951,745	(1,219,328)	(625,414)
<b>Total equity</b>		<b>1,351,747</b>	<b>(1,219,326)</b>	<b>(625,412)</b>

\*Refer to Note 31 Restatement of comparative balances

*The above Statement of Financial Position should be read in conjunction with the accompanying note*

## Statement of Changes in Equity

For the year ended 31 December 2020

	Retained earnings \$	Ordinary shares \$	Total \$
<b>Balance at 1 January 2019</b>	(625,414)	2	(625,412)
Deficit for the period	(593,914)	-	(593,914)
<b>Balance at 1 January 2020</b>	<b>(1,219,328)</b>	<b>2</b>	<b>(1,219,326)</b>
Share issue	-	400,000.00	400,000
Surplus for the period	2,171,073	-	2,171,073
<b>Balance at 31 December 2020</b>	<b><u>951,745</u></b>	<b><u>400,002</u></b>	<b><u>1,351,747</u></b>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes*

## Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from student fees and other customers		8,565,607	8,116,855
Payments to suppliers and employees		(7,035,877)	(7,299,526)
Net cash provided by / (used in) operating activities	23 (b)	<b>1,529,730</b>	<b>817,329</b>
<b>Cash flows from investing activities</b>			
Interest received		1,778	14,056
Payments for property, plant & equipment		(87,775)	(37,574)
Payments for intangible assets		(22,669)	(105)
Net cash used in investing activities		<b>(108,666)</b>	<b>(23,623)</b>
<b>Cash flows from financing activities</b>			
Payments for leases		(431,748)	(455,112)
Additional borrowing from a related party		150,000	150,000
Repayment of borrowings from a related party		(700,000)	-
Issued Share Capital		400,000	-
Net cash used in financing activities		<b>(581,748)</b>	<b>(305,112)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>839,316</b>	<b>488,594</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>		<b>1,615,311</b>	<b>1,126,717</b>
<b>Cash and cash equivalents at the end of the financial period</b>	23 (a)	<b>2,454,627</b>	<b>1,615,311</b>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes*

## Notes to the Financial Statements

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## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 1: Reporting Entity

ICHM Pty Limited is a not-for-profit entity incorporated and operating in Australia. ICHM Pty Limited's registered office and principal place of business is:

Registered office at the date of the financial report:

137 Days Road, Regency Park, SA 5010, Australia

Registered office at the date of the directors' report:

137 Days Road, Regency Park, SA 5010, Australia

Principal place of business:

137 Days Road, Regency Park, SA 5010, Australia

### Note 2: Basis of preparation

In the opinion of the directors the Company is not publicly accountable. These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards - Reduced Disclosure Requirements.

They were authorised for issue by the Board of Directors on 5 July 2021.

Details of the Company's accounting policies are included in note 6.

### Note 3: Going Concern and economic dependency

The Company has derived a surplus for the year ended 31 December 2020 of \$2,171,073 (2019: loss of \$593,914). As at 31 December 2020, the Company has a net surplus in working capital of \$755,590 (2019: working capital negative of \$1,867,942) and positive net assets of \$1,351,747 (2020: net liability of \$1,219,326).

Whilst the Company has reported improved financial performance in FY2020, this improved financial performance is largely attributable to the receipt of additional government COVID-19 economic stimulus subsidies (refer note 9) rather than improved underlying operating performance. Directors anticipate that these subsidies will not be received subsequent to March 2021. Furthermore, international travel restrictions in place in relation to COVID-19 are anticipated to result in a lower student intake by the Company until at least July 2022. For these reasons, Directors anticipate that the Company will incur losses until at least July 2022 and will be reliant on financial support from the Company's ultimate parent entity, New Zealand Holdco 2018 Limited, for at least this period. Subject to Government decisions in relation to the return of international students under the SA Government proposed arrangements, ICHM may need the financial supporting from December 2021.

The Company's ultimate parent entity has provided an undertaking of financial support to guarantee and be responsible for any financial liability or obligation of the Company for a period of at least 12 months after the date that the financial report of the Company for the year ended 31 December 2020 is signed by Directors.



Accordingly, Directors have prepared these financial statements on a going concern basis.

## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 4: Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

### Note 5: Judgements and estimates

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except as mentioned otherwise.

### Note 6: Significant accounting policies

#### Adoption of new and revised Accounting Standards

In the current year the Company has not adopted any new or revised Standards or Interpretations issued by the Australian Accounting Standards Board (AASB).

At the date of the financial report, a number of Standards and Interpretations were issued but not yet effective and have not been early adopted.

## Notes to the Financial Statements

For the year ended 31 December 2020

Standard	Application date	Implications
AASB17 <i>'Insurance Contracts'</i>	1-Jan-2023	There will be no material impact to the entity
AASB 2020-8 <i>'Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform'</i>	1-Jan-2021	There will be no material impact to the entity
2020-1 <i>'Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current'</i>	1-Jan-2023	There will be no material impact to the entity
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	1-Jan-2021	There will be no material impact to the entity
DDVE#535306# <i>Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments</i>	1-Jan-2022	There will be no material impact to the entity

The following Significant accounting policies have been adopted in the preparation and presentation of the financial report:

**(a) Cash and cash equivalents**

For statement of cash flow presentation purposes, 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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Notes to the Financial Statements

For the year ended 31 December 2020

### **(b) Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and the liability is capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Contributions to retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions.

### **(c) Financial assets**

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

### **(d) Loans and receivables**

Trade receivables and other current financial assets that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost.

### **(e) Financial instruments**

The classification and measurement model for financial assets is outlined below.

Financial assets at amortised cost

A financial asset is measured at amortised cost if the following conditions are met:

- the objective of the Company's business model is to hold the asset to collect contractual cash flows;
- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding;
- the Company does not irrevocably elect at initial recognition to measure the instrument at fair value through profit or loss to minimise an accounting mismatch.

## Notes to the Financial Statements

For the year ended 31 December 2020

Amortised cost instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the carrying amount of amortised cost instruments is determined using the effective interest method, less any impairment losses. Interest income is recognised in profit or loss as part of finance income.

i. Financial assets at fair value

Financial assets at fair value through other comprehensive income

The Company classifies financial assets at fair value through other comprehensive income (FVOCI) where the following conditions are met:

- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding;
- the objective of the Company's business model is achieved both by collecting contractual cash flows and by selling the financial assets.

These investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss is recognised in profit or loss.

At initial recognition, the Company may also make an irrevocable election (on an instrument-by-instrument basis) to recognise the change in fair value of investments in equity instruments in other comprehensive income (FVOCI). This election is only permitted for equity instruments that are not held for trading purposes.

These equity investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss is transferred directly to retained earnings and is not recognised in profit or loss.

The fair value of the Company's investments in listed equities, interest bearing notes and other instruments are determined with reference to their quoted closing price at the reporting date.

Financial assets at fair value through profit or loss

The Company classifies financial assets at fair value through profit and loss (FVTPL) if they are not an equity investment and the assets contractual cash flows are not solely principal and interest. These investments are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in the profit and loss.

## Notes to the Financial Statements

For the year ended 31 December 2020

Dividends or other distributions received from investments are recognised in profit or loss as part of finance income

### ii Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

### iii Financial liabilities

The Company's financial liabilities are classified as measured at amortised cost. These liabilities are measured at amortised cost using the effective interest method with interest expense recognised in profit or loss. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its term are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

## (f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. 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 Company and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2020	2019
Computer costs	2-3 years	2-3 years
Furniture and fittings	2-13 years	2-13 years
Leasehold improvements	5-13 years	5-13 years

## Notes to the Financial Statements

For the year ended 31 December 2020

### **(g) Repairs and maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

### **(h) Intangible assets**

#### *Degree and Masters curriculum*

Degree and Masters curriculum expenditure is initially recorded as the cost of expenditure on the development of the new course curriculum and is amortised over 5 years. Degree and Masters curriculum expenditure is tested annually for impairment and carried at cost less accumulated impairment losses.

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

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

### **(j) Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and rebates.

Revenue from rendering of a service is recognised upon delivery of the service to the customers. Fees and charges are recognised as income in the year an invoice is issued, except to the extent that fees and charges relate to courses to be held in future periods. Such invoices (or portion thereof) are treated as income in advance in other liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

### **(k) Government Grants / subsidies**

Assets (including cash) arising from government grants or subsidies in the scope of AASB 1058 *Income for Not-for-profits* are recognised at their fair value when the right to receive the asset is established. Income is also recognised at the same time and is not offset against the related expense which the grant or subsidy are intended to compensate."

### **(l) Taxation**

The Company is income tax exempt under Subdivision 50-B of the *Income Tax Assessment Act 1997*. The Company completed an income tax status review on the 12 December 2017 and determined that the Company was a non-profit organisation due to a change in the Company's circumstances. The effective date for the Company to be exempt from income tax is 22 February 2018. The Company conducted another review of the Company's tax status on 16 June 2020 to confirm that the Company is satisfied that it continues to be eligible for exemption from income tax.

## Notes to the Financial Statements

For the year ended 31 December 2020

### *Goods and Services Tax*

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the Australian Tax Office, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### *Payroll Tax*

The Company incurs Payroll Tax at the rate determined by the state and territory governments for payments made to and benefits received by employees.

### (k) **Leases**

The Company has both IT equipment and tenancy leases. These leases are recognised in accordance with AASB 16 and result in Right of Use Assets and Lease Liabilities. The Right of Use Asset is initially measured at cost. The Right of Use Assets are depreciated on a straight-line basis. The depreciation expense and interest expense are recognised through the profit and loss. The Lease Liability is initially measured at the present value of the lease payments. Subsequently the lease liability is measured at amortised cost using the effective interest method.

The Company has applied the practical expedient in AASB 16 which allows lessees not to account for rent concession as lease modifications if they occur as a direct consequence of COVID-19 and meet all the following conditions:

- The revised consideration is substantially the same as or less than the original consideration;
- The reduction in lease payments relates to payments due on or before 30 June 2021; and
- No other substantive changes have made to the terms of the lease.

The practical expedient has been applied by the Company to the only rent concession received that met the above criteria. The amount recognised in profit or loss to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient was \$295,794 for the year ended 31 December 2020. The income has been disclosed on Note 9.

## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 7: Revenue

	2020 \$	2019 \$
Accommodation	485,346	828,456
Application fees	32,818	17,088
Equipment hire	-	22,891
Course fees	7,486,308	6,049,565
Material & resource fee	60,364	91,706
Career week income	-	11,113
<b>Total revenue</b>	<b>8,064,836</b>	<b>7,020,819</b>

### Note 8: Investment income

	2020 \$	2019 \$
Interest income	1,778	14,056
<b>Total Investment income</b>	<b>1,778</b>	<b>14,056</b>

### Note 9: Other revenue

	2020 \$	2019 \$
Commission	2,480	2,748
Fundraising and donations	5,000	500
Licensed income	329,193	250,735
JobKeeper and Government Subsidies	1,059,000	-
Rent relief	295,794	-
<b>Total other revenue</b>	<b>1,691,467</b>	<b>253,983</b>

The Australian Federal Government established the JobKeeper Payment Scheme as a subsidy for business significantly affected by COVID-19. Details of the scheme are available at <https://www.ato.gov.au/general/jobkeeper-payment/>

Government Subsidy includes the Federal Government cash flow booster (details available at [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/)) and payroll tax relief.

TAFE SA provided rent relief to the Company for the period from 1 April 2020 to 31 December 2020



## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 10: Cost of sales

	2020	2019
	\$	\$
Accommodation expense	465,580	814,415
Course costs	691,134	504,237
Materials	147,662	271,986
Student related expenses	109,814	158,941
<b>Total cost of sales</b>	<b>1,414,190</b>	<b>1,749,579</b>

### Note 11: Administration expenses

	2020	2019
	\$	\$
Consultant fees	152,932	98,022
Insurance	27,903	16,368
Licences, fees and registrations	15,351	-
Printing, postage & stationery	18,776	33,820
Subscriptions & memberships	29,134	59,585
<b>Total administration expenses</b>	<b>244,096</b>	<b>207,795</b>

### Note 12: Building costs

	2020	2019
	\$	\$
Repairs and maintenance	1,526	42,073
Telephone & internet	53,360	30,918
<b>Total building costs</b>	<b>54,886</b>	<b>72,991</b>

### Note 13: Employee related expenses

	2020	2019
	\$	\$
Salaries and wages	3,877,396	3,768,463
Superannuation	359,882	349,132
Other staff costs	394,209	460,784
<b>Total employee related expenses</b>	<b>4,631,487</b>	<b>4,578,379</b>

## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 14: Other expenses

	2020	2019
	\$	\$
Bank fees	11,577	13,632
Computer costs	103,612	133,521
General expense	39,909	22,010
Interest	914	11,000
Promotions - Domestic	41,903	91,073
Promotions - General	303,531	137,274
Promotions - International	44,649	244,770
Government subsidy related expenditure	110,797	-
<b>Total other expenses</b>	<b>656,892</b>	<b>653,280</b>

### Note 15: Trade and other receivables

	2020	Restated 2019*
	\$	\$
<b>Current</b>		
Trade receivables - students	63,059	-
Trade receivables - general	514	34,854
Provision for impairment	(31,500)	-
	<b>32,073</b>	<b>34,854</b>
Fee Help	301,748	
Other receivables	1,091	52,790
<b>Total current trade and other receivables</b>	<b>334,912</b>	<b>87,644</b>

\*Refer to Note 31: Restatement of comparative balances

As of 31 December 2020, trade receivables with a nominal value of \$31,559 (2019: \$29,028) were past due but not impaired. These relate to receivables from students on extended payment plan arrangements in relation to semester 2 2020.

The ageing analysis of trade receivables that were past due but not impaired is as follows:

	2020	2019
	\$	\$
The ageing of these receivables is:		
Less than 3 months	31,559	27,028
3 to 6 months	-	2,000
<b>Total</b>	<b>31,559</b>	<b>29,028</b>

## Notes to the Financial Statements

For the year ended 31 December 2020

### (a) Impaired receivables

As at 31 December 2020, current receivables with a nominal value of \$31,500 (2019: \$0) were impaired. The provision for 2020 was \$31,500 (2019: \$0).

	2020 \$	2019 \$
Movements in the provision for impaired receivables as follows:		
At beginning of the period	-	-
Provisions for impairment during the year	(31,500)	-
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	-	-
<b>At 31 December 2020</b>	<b>(31,500)</b>	<b>-</b>

### Note 16: Other assets

	2020 \$	2019 \$
Prepayments	79,383	72,413
GST Receivable	11,856	-
<b>Total other assets</b>	<b>91,239</b>	<b>72,413</b>

### Note 17: Intangible assets

	2020 \$	2019 \$
<b><i>At beginning of the period</i></b>		
Cost	537,282	537,036
Accumulated amortisation	(436,539)	(374,668)
Net book amount	<b>100,743</b>	<b>162,368</b>
<b><i>Period Ended 31 December</i></b>		
<i>Opening Net Book Amount</i>	100,743	162,368
Additions	-	246
Work in progress	22,343	-
Amortisation charge	(28,504)	(61,871)
Closing net book amount	<b>94,582</b>	<b>100,743</b>

## Notes to the Financial Statements

For the year ended 31 December 2020

	2020 \$	2019 \$
Cost	559,624	537,282
Accumulated amortisation	(465,042)	(436,539)
Net book amount	<b>94,582</b>	<b>100,743</b>

### Note 18: Property, plant and equipment

2020

	Leasehold Improvements \$	Computer Costs \$	Furniture & Fittings \$	Closing balance \$
<b><i>At 1 January 2020</i></b>				
- Cost	135,584	517,455	85,016	738,055
- Accumulated Depreciation	(68,907)	(445,313)	(39,006)	(553,226)
<b>Net Book Amount</b>	<b>66,677</b>	<b>72,142</b>	<b>46,010</b>	<b>184,829</b>
<b><i>Year Ended 31 December 2020</i></b>				
Opening Net Book Amount	66,677	72,142	46,010	184,829
Additions	-	83,371	4,731	88,102
Disposals	-	(117,694)	(4,605)	(122,299)
Depreciation Expense	(27,191)	(57,677)	(9,068)	(93,936)
Add back depreciation on disposal	-	117,693	4,605	122,298
<b>Closing Net Book Amount</b>	<b>39,486</b>	<b>97,835</b>	<b>41,673</b>	<b>178,994</b>
<b><i>At 31 December 2020</i></b>				
- Cost	135,584	483,132	85,142	703,858
- Accumulated Depreciation	(96,098)	(385,297)	(43,469)	(524,864)
<b>Net Book Amount</b>	<b>39,486</b>	<b>97,835</b>	<b>41,673</b>	<b>178,994</b>

## Notes to the Financial Statements

For the year ended 31 December 2020

2019

	Leasehold Improvements \$	Computer Costs \$	Furniture & Fittings \$	Closing balance \$
<b>At 1 January 2019</b>				
- Cost	141,350	632,284	81,326	854,960
- Accumulated Depreciation	(47,557)	(531,933)	(28,874)	(608,364)
<b>Net Book Amount</b>	<b>93,793</b>	<b>100,351</b>	<b>52,452</b>	<b>246,596</b>
<b>Year Ended 31 December 2019</b>				
Opening Net Book Amount	93,793	100,351	52,452	246,596
Additions	-	33,742	3,690	37,432
Disposals	(5,766)	(148,571)	-	(154,337)
Depreciation Expense	(27,116)	(61,951)	(10,132)	(99,199)
Add back depreciation on disposal	5,766	148,571	-	154,337
<b>Closing Net Book Amount</b>	<b>66,677</b>	<b>72,142</b>	<b>46,010</b>	<b>184,829</b>
<b>At 31 December 2019</b>				
- Cost	135,584	517,455	85,016	738,055
- Accumulated Depreciation	(68,907)	(445,313)	(39,006)	(553,226)
<b>Net Book Amount</b>	<b>66,677</b>	<b>72,142</b>	<b>46,010</b>	<b>184,829</b>

### Note 19: Capital and reserves

(a) Share Capital

	Ordinary Shares 2020 \$	Ordinary Shares 2019 \$
<b>In issue at 1 January</b>	2	2
Issued for cash	400,000	0
<b>In Issue at 31 December</b>	<b>400,002</b>	<b>2</b>

## Notes to the Financial Statements

For the year ended 31 December 2020

(a) Share Capital (continued)

(i) Ordinary Shares

ICHM Pty Ltd does not have authorised capital or par value in respect of its issued shares. All issues shares are fully paid.

(ii) Issue of ordinary shares

In 31 January 2020, the general meeting of shareholders decided on the issue of 400,000 ordinary shares at an exercise price of \$1 per share (2019 \$1 per share)

### Note 20: Trade and other payables

	2020 \$	2019 \$
Trade payables	38,764	146,395
Accrued expenses	-	87,143
Related party payable *	220,000	-
Other payables	121,607	13,394
Payroll payables	136,748	119,501
<b>Total trade and other payables</b>	<b>517,119</b>	<b>366,433</b>

\* Refer to Note 24: Related party disclosures

### Note 21: Other liabilities

	2020 \$	Restated 2019 * \$
Income received in advance	778,221	1,696,001
<b>Total other liabilities</b>	<b>778,221</b>	<b>1,696,001</b>

\* Refer to Note 31: Restatement of comparative balances

## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 22: Provisions

*Current provisions expected to be settled within 12 months*

#### Employee benefits

Annual leave

Long service leave

#### Total current provisions

*Non-current provisions*

#### Employee benefits

Long service leave

#### Total non-current provisions

#### Total provisions

	2020	2019
	\$	\$
	252,255	273,103
	184,191	328,391
	436,446	601,494
	70,329	61,771
	70,329	61,771
	506,775	663,265

### Note 23: Note to the Statement of Cash Flows

- (a) For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in term deposits. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents

	2020	2019
	\$	\$
	2,454,627	1,615,311
	2,454,627	1,615,311

## Notes to the Financial Statements

For the year ended 31 December 2020

(b) Reconciliation of operating result after income tax to net cash flows from operating activities.

	2020	Restated 2019*
	\$	\$
Surplus/ (Deficit) for the year	2,171,073	(593,914)
Amortisation	28,504	61,871
Depreciation	93,936	99,199
Interest Income	(1,778)	(14,056)
Lease interest expense	6,967	7,063
Lease depreciation	420,706	452,615
<u>Changes in net assets and liabilities:</u>		
Movement in receivables	(237,572)	589,695
Movement in other assets	(18,826)	41,084
Movement in trade and other payables	140,990	(125,322)
Movement in other liabilities	(917,780)	252,358
Movement in provisions	(156,490)	46,736
<b>Net cash provided by operating activities</b>	<b>1,529,730</b>	<b>817,329</b>

\*Refer to Note 31: Restatement of comparative balances



## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 24: Related party disclosures

#### (a) Ultimate controlling entity

The controlling entity of the Company is New Zealand Holdco 2018 Limited.

#### (b) Details of Key Management Personnel

The Directors and other members of key management personnel of the Company during the year were:

##### Non-Executive Directors

Ms Bodelle Francis	Resigned 9 December 2020
Mr Scipio Lipman	Resigned 14 February 2020
Mr Kevin Lynch	Resigned 23 June 2020
Professor Simon Maddocks	Resigned 31 January 2020
Mrs Meredith Parry	Resigned 31 January 2020
Ms Ana Maria Rivera Rebolledo	Resigned 16 February 2021
Mr Richard Ryan AO	Resigned 31 January 2020
Mrs Denise Von Wald	Appointed 15 February 2018
Mr Colm Saunders	Appointed 23 April 2020

##### Executive Officer

Mrs Natalie Simmons	Chief Executive Director appointed 23 April 2020
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#### (c) Remuneration of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	2020 \$	2019 \$
Short-term benefits	260,647	280,598
Post-employee benefits*	24,294	30,150
Long term benefits **	695	12,073
	<b>285,636</b>	<b>322,821</b>

\* Superannuation is included in post-employee benefits.

\*\* Long service leave is included in long term benefits.

## Notes to the Financial Statements

For the year ended 31 December 2020

### (d) Transaction with key management personnel

During the year, the Company entered into the following transactions with key management personnel:

	2020 \$	2019 \$
Mr Richard Ryan - Consulting fees		(1,460)
Loan interest paid to Mr Gerald Lipman	-	(11,000)
Mr G Lipman - Loan / (repayment)	<b>(400,000)</b>	400,000

### (e) Transactions with Related Party

During the year, the following transactions with related parties occurred:

	2020 \$	2019 \$
Charles Darwin University - Lecturer professional development and insurance		(16,115)
Up Education Pty Ltd - Marketing expenses	<b>(220,000)</b>	
Charles Darwin University - Increase in loan	<b>150,000</b>	150,000
- Repayment of loan	<b>(300,000)</b>	

### (f) Transactions with Related Party

	2020 \$	2019 \$
UP Education	<b>220,000</b>	-
Mr G Lipman	-	400,000
Charles Darwin University	-	150,000

## Note 25: Financial instruments

### (a) Capital risk management

## ICHM Pty Limited

ICHM Pty Limited does not have significant exposure to capital risk as the Company does not have any investments.

## Notes to the Financial Statements

For the year ended 31 December 2020

### (b) Financial risk management objectives

ICHM Pty Limited has an appointed Board to make all of the financial decisions for the Company.

### (c) Market risk

ICHM Pty Limited does not have significant exposure to market risk as the Company does not have any significant financial instruments.

### (d) Credit risk

ICHM Pty Limited does not have significant exposure to credit risk.

### (e) Interest rate risk management

ICHM Pty Limited exposure to interest rate risk is minimised as there are no borrowings other than the related party loan.

#### *Interest rate sensitivity:*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of cash, term deposits and liquid investments:

	Increase/ Decrease in Basis Points	Effect on profit
For the year ended 31 December 2020	+50	12,273
	-50	(12,273)
For the year ended 31 December 2019	+50	8,077
	-50	(8,077)

### Note 26: Remuneration of auditors

Amount received, or due and receivable, by the auditors for auditing the financial report of:

	2020	2019
	\$	\$
KPMG	25,875	
Auditor- General for the Northern Territory	-	30,000

In the prior year, above audit services were supplied by the Auditor- General for the Northern Territory with KPMG acting as the subcontractor auditor for the Auditor-General for the Northern Territory.

## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 27: Contingencies

#### Contingent liabilities

No claim has been made or threatened against the Company by any party. In addition, there are no known circumstances likely to give rise to any such claim.

### Note 28: Commitments

#### (a) Capital Commitments

ICHM Pty Limited does not have any capital commitments as at 31 December 2020 (2019 - \$Nil).

### Note 29: Leases

The Company leases a property. This lease runs for a period of 3 year period with an option to renew after that date. The Company recognised the lease up to 2023 as ICHM does not plan to exercise the option for renewal. The lease payments are subject to rent reviews based on CPI.

The company also leases office equipment. However, these are not material.

#### (a) Right of Use Assets

## ICHM Pty Limited

2020	Land and Buildings	Office Equipment	Total
<i>Balance as at 1 January 2020</i>	412,138	12,677	<b>424,815</b>
Adjustment for early replacement of lease	-	(4,109)	<b>(4,109)</b>
Depreciation charge for the year	(412,138)	(8,568)	<b>(420,706)</b>
Additions to right of use assets	1,179,359	48,550	<b>1,227,909</b>
<i>Balance as at 31 December 2020</i>	<b>1,179,359</b>	<b>48,550</b>	<b>1,227,909</b>

  

2019	Land and Buildings	Office Equipment	Total
<i>Balance as at 1 January 2019</i>	852,075	25,355	<b>877,430</b>
Depreciation charge for the year	(439,937)	(12,678)	<b>(452,615)</b>
<i>Balance as at 31 December 2019</i>	<b>412,138</b>	<b>12,677</b>	<b>424,815</b>

## Notes to the Financial Statements

For the year ended 31 December 2020

### (b) Amounts recognised in profit and loss

2020	Land and Buildings	Office Equipment	Total
<i>Leases under AASB 16</i>			
Interest on lease liabilities	6,038	929	<b>6,967</b>
Depreciation on right of use asset	412,138	8,568	<b>420,706</b>
<i>Total recognised in profit and loss</i>	<b>418,176</b>	<b>9,497</b>	<b>427,673</b>

  

2019	Land and Buildings	Office Equipment	Total
<i>Leases under AASB 16</i>			
Interest on lease liabilities	6,523	540	<b>7,063</b>
Depreciation on right of use asset	439,937	12,678	<b>452,615</b>
<i>Total recognised in profit and loss</i>	<b>446,460</b>	<b>13,218</b>	<b>459,678</b>

### (c) Amounts recognised in statement of cash flows

## ICHM Pty Limited

2020	Land and Buildings	Office Equipment	Total
Total cash outflow for leases	422,568	9,180	<b>431,748</b>
2019	Land and Buildings	Office Equipment	Total
Total cash outflow for leases	442,068	13,044	<b>455,112</b>

### Note 30: Events occurring after the balance sheet date

International travel restriction in place in relation to COVID-19 have resulted in a lower than expected intake of new students into semester 1 2021. ICHM does not expect international students to be exempted from the international travel restrictions in 2021 and as a result expects the semester 2 2021 intake to be lower than budget. In response to the financial impact of reduced new student numbers ICHM has implemented a restructure which includes transferring responsibility for some functions to the UP Education Group Shared Services Division and other staff reductions in line with lower student numbers.

## Notes to the Financial Statements

For the year ended 31 December 2020

### Note 31: Restated prior year balance

During the year ended 31 December 2020, it was identified that fees invoiced to students relating to education services offered for enrolment in a period subsequent to the Company's financial year end were recognised as a trade receivable and income received in advance. Students are invoiced at the same time an enrolment offer is issued for future study period. Therefore, the invoice does not create any legal rights or obligations between the Company and the student. A contract only exists once an offer has been accepted by the student. As a consequence, trade receivables and income received in advance have been overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods.

The restatement only impacts the Statement of Financial Position. The associated income fee revenue was only ever recognised in the associated enrolled study period, therefore the restatement does not impact the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019. There is also no impact on the total operating, investing or financing cash flows for the year ended 31 December 2019.

## Notes to the Financial Statements

For the year ended 31 December 2020

The following disclosure summarises the impact of the amendment on the comparative balances.

	Notes	Restated 31 December 2019 \$	Restatement \$	Original 31 December 2019 \$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		1,615,311	-	1,615,311
Trade and other receivables		87,644	2,952,046	3,039,690
Right of use assets		424,815	-	424,815
Other assets		72,413	-	72,413
<b>Total current assets</b>		<b>2,200,183</b>	<b>2,952,046</b>	<b>5,152,229</b>
<b>Non-current assets</b>				
Intangible assets		100,743	-	100,743
Property, plant and equipment		184,829	-	184,829
<b>Total non-current assets</b>		<b>285,572</b>	<b>-</b>	<b>285,572</b>
<b>Total assets</b>		<b>2,485,755</b>	<b>2,952,046</b>	<b>5,437,801</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		366,433	-	366,433
Lease liability		429,382	-	429,382
Other liabilities		1,696,001	2,952,046	4,648,047
Provisions		601,494	-	601,494
Related party loan		550,000	-	550,000
<b>Total current liabilities</b>		<b>3,643,310</b>	<b>2,952,046</b>	<b>6,595,356</b>
<b>Non-current liabilities</b>				
Provisions		61,771	-	61,771
Lease liability		-	-	-
<b>Total non-current liabilities</b>		<b>61,771</b>	<b>-</b>	<b>61,771</b>
<b>Total liabilities</b>		<b>3,705,081</b>	<b>2,952,046</b>	<b>6,657,127</b>
<b>Net liabilities</b>		<b>(1,219,326)</b>	<b>-</b>	<b>(1,219,326)</b>
<b>Equity</b>				
Ordinary share capital		2	-	2
Retained earnings		(1,219,328)	-	(1,219,328)
<b>Total equity</b>		<b>(1,219,326)</b>	<b>-</b>	<b>(1,219,326)</b>



## Notes to the Financial Statements

For the year ended 31 December 2020

	Restated 1 January 2018	Restatement	As previously reported 31 December 2018
	\$	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,126,717	-	1,126,717
Trade and other receivables	33,568	3,595,817	3,629,385
Other Assets	113,497		113,497
<b>Total current assets</b>	<b>1,273,782</b>	<b>3,595,817</b>	<b>4,869,599</b>
<b>Non-current assets</b>			
Intangible assets	162,368	-	162,368
Property, plant and equipment	246,595	-	246,595
<b>Total non-current assets</b>	<b>408,963</b>	<b>-</b>	<b>408,963</b>
<b>Total assets</b>	<b>1,682,745</b>	<b>3,595,817</b>	<b>5,278,562</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	491,755	-	491,755
Other liabilities	799,872	3,595,817	4,395,689
Provisions	511,923	-	511,923
Related party loan	400,000	-	400,000
<b>Total current liabilities</b>	<b>2,203,550</b>	<b>3,595,817</b>	<b>5,799,367</b>
<b>Non-current liabilities</b>			
Provisions	104,606	-	104,606
<b>Total non-current liabilities</b>	<b>104,606</b>	<b>-</b>	<b>104,606</b>
<b>Total Liabilities</b>	<b>2,308,156</b>	<b>3,595,817</b>	<b>5,903,973</b>
<b>Net Assets (liabilities)</b>	<b>(625,412)</b>	<b>-</b>	<b>(625,412)</b>
<b>Equity</b>			
Ordinary share capital	2	-	2
Retained earnings	(625,414)	-	(625,414)
<b>Total equity</b>	<b>(625,412)</b>	<b>-</b>	<b>(625,412)</b>