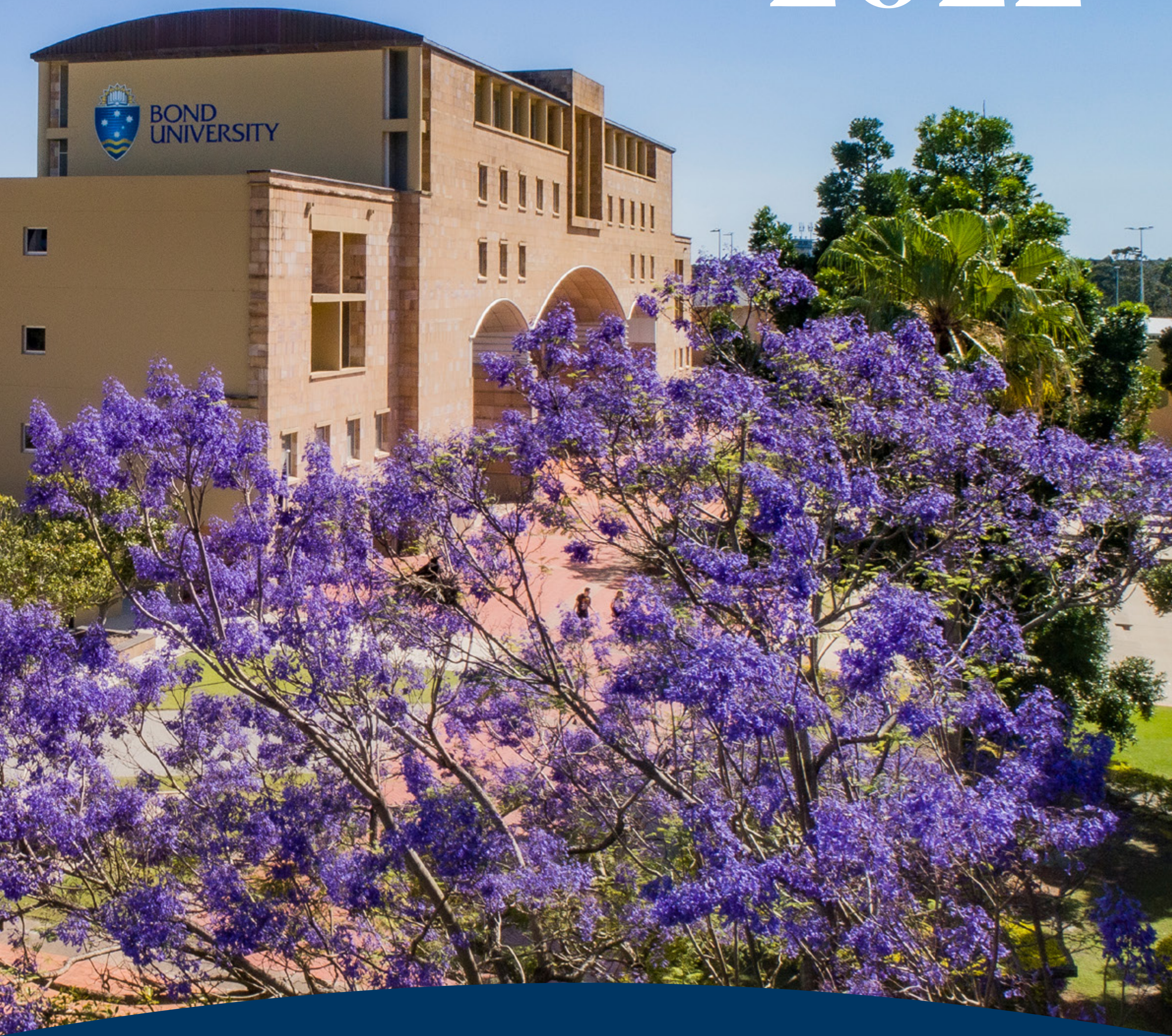
2022



BOND UNIVERSITY

Annual Accounts

BOND UNIVERSITY LIMITED
A.C.N. 010 694 121
AND CONTROLLED ENTITIES

COMPANY PARTICULARS

Directors

Honourable Dr Annabelle Bennett AC SC	(Chancellor)
Professor Timothy Brailsford	(Vice Chancellor)
David Baxby	
Marion Charlton	
Derek Cronin	
Professor Daryl Le Grew AO	
Lisa MacCallum	
Lisa Paul AO PSM	
Dr Emmanuel Pohl AM	
Katherine Vidgen	

Secretary
Michael Dean

Registered Office
Bond University Limited
Level 6, The Arch
Bond University Qld 4229

Auditors
Ernst & Young
111 Eagle Street
Brisbane Qld 4000

Solicitors
Minter Ellison
Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Bankers
Westpac Banking Corporation
260 Queen Street
Brisbane Qld 4000

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Bond University Limited and the entities it controlled ("Group") at the end of, or during, the year ended 31 December 2022.

Directors

The following persons were directors of Bond University Limited during the whole of the financial year and up to the date of this report:

Honourable Dr Annabelle Bennett AC SC
Professor Timothy Brailsford
David Baxby
Derek Cronin
Professor Daryl Le Grew AO
Lisa MacCallum
Lisa Paul AO PSM
Dr Emmanuel Pohl AM
Katherine Vidgen

Victor Hoog Antink was director from the beginning of the financial year until his retirement in April 2022.

Marion Charlton was elected as director in April 2022 and continues in office at the date of this report.

Mission Statement

As Australia's first private non-profit university, Bond University seeks to be recognised internationally as a leading independent university, imbued with a spirit to innovate, a commitment to influence and a dedication to inspire tomorrow's professionals who share a personalised and transformational student experience.

Objectives and Strategies

Objectives:

1. **Distinctive**
   As Australia's first private, independent, non-profit university, we own and have earned a distinctive position. Our private status, self-destiny, sense of community, and enrichment activities are strengths to be leveraged, benefited from, and celebrated.
2. **Relevant**
   Our independence, willingness, and ability to challenge norms enables our culture of innovation. We will continue to embrace constant uncertainty, look to the future, and empower our people to drive change as leaders of innovative practice with societal influence and a focus on human, social, environmental, and economic impact.
3. **Connected**
   Our boundaries extend beyond the physical campus. The impact and achievements of our students, alumni and staff are global. We strive to create an environment that is always connected, impactful and engaged with a culture that embraces opportunities with students, alumni, industry, and the broader community.
4. **Excellent**
   The pursuit of excellence and ambition are hallmarks of Bond. We aim to attract the best students with ambition from around the world, and our determination to build a world-class workforce creates a culture where every individual is inspired to excel.

DIRECTORS' REPORT (continued)

Objectives and Strategies (continued)

Strategies:

1. **Fostering an inspirational and aspirational learning community**
   Foster a scholarly, connected and engaged learning community that advances our status as a globally recognised university with high impact, which recognises the power of interdisciplinary and transdisciplinary scholarship that is demonstrated by the excellence of our education and research.
2. **Expanding reach and making a greater impact**
   Develop and sustain high-quality relationships that strengthen our reputation, enhance our student experience, support our research ambitions, demonstrate our relevance, and create opportunities for engagement.
3. **Advancing our unique identity**
   Stay true to our principles and implement growth strategies that ensure our future sustainability whilst maintaining our unique identity, established by our independence, agility, innovative practice, social responsibility, and engagement.

Principal Activities and Significant Changes in Nature of Activities

The principal activity of the consolidated entity is the promotion and operation of Bond University in Queensland. The University also has an agreement with Business Breakthrough University (BBT) in Japan for the delivery of a Masters of Business Administration program in Japan.

Bond University provides a range of pathway programs into the University, including English language programs through the Bond University College.

In addition to this, Bond University Limited has two subsidiaries - Campus Operations Pty Ltd operates student accommodation including food and beverage facilities and Lashkar Pty Ltd owns and manages property on behalf of the University, including the Bond Institute of Health and Sport (BIHS) building.

These principal activities have directly contributed to Bond achieving its objectives. As a not-for-profit entity, the University reinvests its surplus from operations back into the University and continues to introduce new courses, maintain and enhance an innovative and agile teaching and learning environment with the increasing use of technology, and invests in research (including collaborations with industry partners).

Key Performance Indicators

The Council and management monitor the Group’s overall performance, from its implementation of the mission statement and strategic plan through to the performance of the Group against its operating plan and budget.

The Council, together with management, have identified key performance indicators (KPIs) that will be used to monitor performance. These KPIs have been developed across each of the key objectives of the University and include measures of financial performance and assessments of teaching quality, student satisfaction, research performance, reputation and external engagement.

Senior management report, on a regular basis, the outcome of these measures to Council.

Dividends

Bond University Limited is a not-for-profit company limited by guarantee. Accordingly, no dividend was declared (2021: nil).

Other Corporate Information

Bond University Limited is incorporated as a company limited by guarantee. Pursuant to the Constitution of the company, each member has undertaken in the event of a deficiency on winding up, to contribute an amount not exceeding $10. At 31 December 2022, the registered membership of the company was 30 (2021: 30) and the collective liability of members was $300 (2021: $300).

DIRECTORS' REPORT (continued)

Review of Operations

The University achieved a net profit of $9.1 million for the year compared with $13.3 million in the prior year.

The net profit was derived from total operating revenue of $198.4 million (2021: $178.9 million) and other income of $11.0 million (2021: $17.1 million), less total operating expenditure of $200.3 million (2021: $182.7 million).

The University includes in other income all research, donations and grants income, for which there can be specific restrictions on their use.

Fair value gains (losses) on financial assets are included in Other Comprehensive Income. The total loss for 2022 amounted to $10.4 million (2021: gain of $43.3 million). The gain in 2021 was primarily attributable to the University's investment in Education Australia Ltd.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected or may significantly affect:

(a) the consolidated entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the consolidated entity's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no likely developments not otherwise disclosed in the accounts to report upon.

Environmental Regulation

The company is subject to environmental regulation only in respect to any tree clearing that may be associated with a new building site or in the case of a specialised building, the management of medical or trade waste.

Information on Directors

Honourable Dr Annabelle Bennett AC SC FAA FAAL *Chair – Non-executive director*

Qualifications

BSc (Hon), PhD (Syd), LLB (UNSW), DUniv honoris causa (ANU), DLaws honoris causa (UNSW), DLaws honoris causa (Syd)

Experience

Independent non-executive director and Chair of Bond University Limited since 19 April 2016. Dr Bennett retired as a Judge of the Federal Court of Australia in March 2016 after a distinguished career in the law. She became a Senior Counsel in New South Wales in 1994. In addition to an appointment as a judge of the Federal Court of Australia, Dr Bennett has served as the President of the Copyright Tribunal of Australia, Arbitrator of the Court of Arbitration for Sport, Presidential Member of the Administrative Appeals Tribunal and an Additional Judge of the Supreme Court of the ACT. In 1998, she joined the Council of the Australian National University and served for over a decade as Pro Chancellor. She has also served as Chair of the National Health and Medical Research Council. In 2005 she was appointed as an Officer of the Order of Australia (AO) for service to the law, particularly in the areas of intellectual property, administrative law and professional conduct, and to the community. In 2019, Dr Bennett was awarded the Companion of the Order of Australia.

Other current directorships

Non-Executive Director, Garvan Institute of Medical Research.
President, Anti-Discrimination Board of New South Wales. (until February 2022)
Chair, Australian Nuclear Science and Technology Organisation (ANSTO).
Chair, Gardior Group of Companies

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Special responsibilities
Chancellor.
Chair of Nominations Advisory Committee.
Member of Audit Risk and Safety Committee.
Member of Bond University Limited.

Professor Timothy Brailsford *Executive director*

Qualifications
PhD Monash, MEc, FCPA, CA, SFFin

Experience
Executive director, Vice-Chancellor and President of Bond University Limited since 11 January 2012. Former Executive Dean of Faculty of Business, Economics, Law and Tourism of the University of Queensland. Former Foundation Head & Dean of the UQ Business School. Former Dean of the Faculty of Economics and Commerce of the Australian National University.

Other current directorships
Director, Education Australia Limited.

Special responsibilities
Vice-Chancellor and President.

David Baxby *Non-executive director*

Qualifications
Bcomm, LLB (Hons) Bond

Experience
Independent non-executive director of Bond University Limited since 17 April 2015. Following his graduation from Bond University with Law and Commerce Degrees, Mr. Baxby completed 8 years with Goldman Sachs both in Sydney and London. He then spent 10 years working for the Virgin Group in Sydney, Shanghai and Geneva culminating in his appointment as Group Co-CEO for the Virgin Group in Geneva. He has spent the past 20 years immersed in a diverse range of industries spanning aviation, banking, mobile telephony and technology. In 2017, Mr. Baxby was appointed Managing Director, Wesfarmers Industrials Division which comprises of Resources, Industrial and Safety, Chemicals, Energy and Fertiliser businesses. More recently, he co-founded Coogee Capital, a growth private equity fund. Mr. Baxby is a 921 alumni of the University. Mr. Baxby is a current member of the Australian Institute of Company Directors; Advance Australia Foundation; Australian Venture Capital Association and Family Office Circle.

Other current directorships
Chair, Workpac Group
Chair, Dynasty Gaming and Media Pte Ltd.
Co-founder, Coogee Capital Pty Ltd.
Non Executive Director, Annecy Capital Partners Pty Ltd.
Non Executive Director, Washington H. Soul Pattinson & Company Limited.
Non Executive Director, Redimed Group Pty Ltd.
Non Executive Director, Sydney Dance Company Limited.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Marion Charlton *Non-executive director*

Qualifications
MBA (SCU), GAICD

Experience
Independent non-executive director of Bond University Limited since 20 April 2022. Ms. Charlton is the Chief Operating Officer of Queensland Airports Ltd, responsible for Gold Coast, Townsville, Mount Isa and Longreach Airports. A highly experienced executive with proven record in complex infrastructure management, commercial, finance, crisis management and project delivery accross a range of sectors including Aviation, Property, Tourism ARTS, and NFP. Worked in Atlanta during the 1996 Olympic Games and leveraged this experience towards the Sydney Airport's successful 2000 Olymic Games delivery. Also led the exemplary handling of the 2018 Commonwealth Games at the Gold Coast Airport. Ms Charlton is currently Chair of Placemakers (Bleach Festival) and a member of the Transition Advisory Committee (TAR) established by the City of Gold Coast as part of its 1 City Program (1CP) project. Ms Charlton has deep roots in the community, was a Trustee of the Currumbin Wildlife Hospital Foundation and a member of the Study Gold Coast Advisory Board.

Other current directorships
Chief Operating Officer, Gold Coast Airport.

Special responsibilities
Member of Bond University Limited.

(Jon) Derek Cronin *Non-executive director*

Qualifications
LLB Bond

Experience
Independent non-executive director of Bond University Limited since 17 April 2015. Mr. Cronin is an experienced lawyer with considerable expertise in dispute resolution and commercial litigation. He brings significant skills and experience in the legal, general business, commercial and community sectors, together with a sound understanding of the higher education sector. Mr. Cronin is an 892 alumni of the University.

Other current directorships
Director, Northcliffe Surf Life Saving Supporters Club.
Director, Forbes Storage Gold Coast Pty Ltd.
Director, Forbes Cronin Investments Pty Ltd.

Professor Daryl Le Grew AO *Non-executive director*

Qualifications
MArch (Melb), DLitt (Hon) (Tas)

Experience
Independent non-executive director of Bond University Limited since 5 May 2017. Former Vice Chancellor of the University of Tasmania and of the University of Canterbury. Professor Le Grew runs his own design consultancy and is an internationally recognised researcher and practitioner who works extensively within the fields of University futures, campus futures, urban Architecture and creative thinking. Professor Le Grew has over 14 years as a Vice Chancellor intertwined with Architectural research and practice. The skills that Professor Le Grew brings to Council are: Education, Governance, Community Service, International and Corporate/Commercial.

Other current directorships
Director, Le Grew Design Pty Ltd.
Director, Australian Centre for Innovation and Design.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Lisa MacCallum *Non-executive director*

Qualifications
BA, BComm (Bond), CPA

Experience
Independent non-executive director of Bond University Limited since 5 May 2017. Ms. MacCallum is Founder and Chief Strategist of Inspired Companies – a corporate advisory firm focused on purpose driven business performance corporate reputation, complex stakeholder leadership, communication and brand transformation. Former Vice President at Nike, Lisa worked internationally for two decades, primarily in the USA and Japan. She held global leadership roles for Nike Inc. in Corporate Strategy, Apparel, Sales and Retail and also led Nike's global Access to Sport and community impact work as Managing Director of the Nike Foundation. Lisa is a Young Global Leader Alumni of the World Economic Forum, Ambassador for the World Benchmarking Alliance and a Commissioner for the Aspen Institute on the Role of Information in Democracy. She has held several non-executive director roles for listed companies, including for British Telecom's Sustainable Business Board Committee in the UK and Adani Transmission in India.

Other current directorships
Director, @inspiredcompanies Pty Ltd.
Non-executive Director, Limeade Limited.
Non-executive Director, Adani Transmission Limited.
Member, ESG Global Advisory Board, KAO Corporation Ltd.

Lisa Paul AO PSM *Non-executive director*

Qualifications
BA (Hons), FAICD, FACEL, FAIM, FIPAA, FANZSOG

Experience
Independent non-executive director of Bond University Limited since 19 April 2016. Ms. Paul was a Chief Executive in the Australian federal government from 2004 to 2016, most recently as the Secretary of the Australian Government Department of Education and Training. She served Prime Ministers Howard, Rudd, Gillard, Abbott and Turnbull. She is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Council for Educational Leaders, National Fellow of the Institute of Public Administration Australia, a Fellow of the Australian Institute of Management, a member of Chief Executive Women and a Fellow of the Australian and New Zealand School of Government. Ms. Paul currently Chairs the Audit Committee for the Australian Academy of Science, is a Director of the Future Battery Industry Cooperative Research Centre and the Australian American Leadership Dialogue. She is a former Enterprise Professor-Public Policy at The University of Melbourne. In 2021 Ms Paul led a Review into the Quality of Initial Teacher Education and a Review in the Defence Portfolio. She is currently Co-Chairing an Independent Review of the National Disability Insurance Scheme. In 2020 Ms Paul led a new initiative under the leadership of Sir Peter Cosgrove within the Business Council of Australia to help bushfire affected communities recover. Ms Paul was awarded National Government Leader of the Year in 2011 as well as being made an Officer in the Order of Australia in that year. In 2003 Ms Paul was awarded a Public Service Medal for leading the Commonwealth's domestic response to the Bali bombings.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Other current directorships
Non-Executive Director, Australia America Education Leadership Foundation.
Non-Executive Director, Advanced Personnel Management Group.
Non-Executive Director, Australian Research Alliance for Children and Youth.
Non-Executive Director and Chair, Curriculum subcommittee, High Resolves.
Member of Advisory Board, Melbourne Accelerator Program.
Member of Advisory Board, Australian Naval Shipbuilding.
Non-Executive Director, Navitas Limited.
Non-Executive Director, Schools Plus.
Non-Executive Director, Social Ventures Australia.

Special responsibilities
Member of Nominations Advisory Committee.

Dr Emmanuel Pohl AM *Non-executive director*

Qualifications
B.Sc (Eng), MBA, DBA, FAICD, MSAA, F Fin

Experience
Independent non-executive director of Bond University Limited since 19 April 2016. Dr. Pohl is currently Chair and CIO of investment house EC Pohl & Co, which he founded in June 2012. EC Pohl & Co is an investment manager that specialises in identifying and investing in quality Australian companies. He has more than thirty years of investment experience and has served on the boards of several major corporations and the Accounting Practices Board in his native South Africa and his adopted home Australia. He has extensive experience in the funds management industry. His past roles have included, Director, Queensland Gas Co Ltd; Director, Growth Equities Corp Ltd; Founding Managing Director and Chair of the Investment Committee, Hyperion Asset Management Limited; Portfolio Manager, Westpac Investment Management and Director and Head of Research, Davis Borkum Hare Inc. He has also been heavily involved in the community sector, particularly with sport, health, environment and arts philanthropic organisations. He was member of the Mater Research Foundation and the Great Barrier Reef Research Foundation and a Trustee of the Currumbin Wildlife Hospital Foundation. In 2019, Dr Pohl was made a member of the Order of Australia for services to finance and to the community.

Other current directorships
Managing Director, Global Masters Fund Limited.
Managing Director, Athelney Trust Plc.
Chair, EC Pohl & Co Pty Ltd.
Chair, ECP Asset Management Pty Ltd.
Chair, EC Pohl & Co Private Equity Limited.
Chair, ECP UCITS ICAV.
Chair, POHL Pty Ltd.
Director, Huysamer International Holdings (Pty) Ltd.
Managing Director, Flagship Investments Ltd.
Director, Mike's Kitchen (Aust) Pty Ltd.
Director, Astuce Group Limited.
Director, Pohl Alpine Properties Gmbh.

Special responsibilities
Chair of Audit Risk and Safety Committee.
Member of Nominations Advisory Committee.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Katherine Vidgen *Non-executive director*

Qualifications
BA (IR), LLB (Hons) Bond

Experience
Independent and non-executive director of Bond University Limited since 19 May 2020. Following graduation from Bond University in Law and International Relations Ms Vidgen has occupied a number of roles, principally in the energy and resources sector. Ms Vidgen has occupied senior roles at Macquarie Group since 1998. Currently, she is Global Head of Clean Fuels and Industrial Transition within the Green Investment Group. Prior to joining Macquarie, she was a solicitor specialising in the energy sector and project finance. She has wide ranging experience across a number of industry sectors including infrastructure, utilities and telecommunications. She is a Non-Executive Director of Aurizon Holdings Ltd. Ms Vidgen has also been the Victorian Chair of Chief Executive Women and a director on the national board. In 2021, Ms Vidgen was appointed as a new member of the Clean Energy Regulator Board.

Other current directorships
Non-Executive Director, Aurizon Holdings Ltd.
Member of the Clean Energy Regulator.

Special responsibilities
Member of Audit Risk and Safety Committee.

Company Secretary

The Company Secretary is Mr. Michael Dean LLB, GDipAppCorpGov, MMgmt, FCIS, FGIS. Mr Dean was appointed to the position of Company Secretary on 8 October 2009.

Meetings of Directors

The numbers of meetings that each Director was eligible to attend and the number they attended for the year ended 31 December 2022 were:

	MEETINGS OF DIRECTORS		**MEETINGS OF COMMITTEES**			
	Scheduled Meetings & Attendance		**Nominations Advisory Committee**		**Audit, Risk & Safety Committee**	
	No. of Mtgs Held*	No. of Mtgs Attended	No. of Mtgs Held*	No. of Mtgs Attended	No. of Mtgs Held*	No. of Mtgs Attended
A. Bennett	4	4	1	1	3	3
T. Brailsford	4	4	1	1	3	3
D. Baxby	4	3	**	**	**	**
M. Charlton	3	3	**	**	**	**
D. Cronin	4	3	**	**	**	**
V. Hoog Antink	1	1	**	**	1	1
D. Le Grew	4	4	**	**	**	**
L. MacCallum	4	3	**	**	**	**
L. Paul	4	3	1	1	**	**
E. Pohl	4	3	1	1	3	3
K. Vidgen	4	4	**	**	3	2

* Number of meetings held during the time the director held office or was a member of the committee during the year and was eligible to attend (including avoiding conflicts of interest).

** Not a member of the relevant committee.

All committees have one or more independent members who are not members of the board of directors.

DIRECTORS' REPORT (continued)

Insurance of Officers

The company has entered into an agreement with its insurer to insure all directors of the company including executive officers of the company and its controlled entities and independent members of committees.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as directors or executive officers or independent members of committees of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty or the improper use of inside information or position to gain advantage or to cause detriment to the company.

Disclosure of the amount of premium paid is prohibited under the terms of the insurance contract.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Rounding of Amounts

The company is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor and Auditor's Independence Declaration

A copy of the auditor’s independence declaration as required under Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on the next page.

This report is made in accordance with a resolution of the directors.

Honourable Dr Annabelle Bennett AC SC	Professor Tim Brailsford
Director and Chancellor	Vice Chancellor and President

Gold Coast
17 March 2023

Building a better
working world

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

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ey.com/au

Auditor's independence declaration to the directors of Bond University Limited

In relation to our audit of the financial report of Bond University Limited for the financial year ended 31 December 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of Bond University Limited and the entities it controlled during the financial year.

Ernst + Young.

Ernst & Young

Susie Kuo
Partner

17 March 2023

FINANCIAL REPORT

31 DECEMBER 2022

CONTENTS

Bond University Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bond University Limited
Level 6, The Arch
Bond University Qld 4229

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 1 - 2, which does not form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Revenue from continuing operations	5	**198,361**	178,910
Other income	6	**10,953**	17,149
Salaries and related expenses	7(a)	**(134,800)**	(118,750)
Teaching and other expenses	7(b)	**(15,647)**	(16,725)
Facilities management and maintenance		**(14,472)**	(12,770)
Utilities and outgoings		**(5,215)**	(4,952)
Marketing and promotional expenses		**(7,512)**	(6,968)
Food and beverage – cost of goods sold		**(2,676)**	(1,871)
Service fee – external programs		**(982)**	(1,093)
Consumables		**(1,555)**	(1,352)
Minor equipment		**(859)**	(1,366)
Earnings before interest, tax, depreciation and amortisation		**25,596**	**30,212**
Depreciation and amortisation expenses	7(c)	**(15,483)**	(16,257)
Finance costs	7(d)	**(1,031)**	(620)
Profit before income tax		**9,082**	**13,335**
Income tax expense	2.3(f)	**-**	-
Profit for the year		**9,082**	**13,335**

As a not-for-profit University, any profit is reinvested into the University's activities and facilities.

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Profit for the year		**9,082**	13,335
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Net (loss) gain on equity instruments designated at fair value through other comprehensive income	21	**(10,376)**	43,343
Other comprehensive (loss) income for the year, net of tax		**(10,376)**	**43,343**
Total comprehensive (loss) income for the year, net of tax		**(1,294)**	**56,678**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
ASSETS			
CURRENT ASSETS			
Cash and short-term deposits	8	**165,753**	120,876
Cash - Restricted	9	**24,609**	22,982
Trade and other receivables	10	**26,156**	26,852
Prepayments		**5,751**	6,228
Inventories	11	**335**	310
Other current financial assets	12	**23**	24
TOTAL CURRENT ASSETS		**222,627**	177,272
NON-CURRENT ASSETS			
Trade receivables	10	**15**	19
Prepayments		**65**	-
Property, plant and equipment	13	**195,081**	181,448
Right-of-use assets	14	**3,827**	832
Intangible assets	15	**1,757**	1,798
Other non-current financial assets	12	**16,352**	69,053
TOTAL NON-CURRENT ASSETS		**217,097**	253,150
TOTAL ASSETS		**439,724**	430,422
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	**17,473**	15,391
Interest-bearing loans and borrowings	17	**1,376**	519
Provisions	18	**27,149**	25,860
Contract liabilities	19	**20,978**	17,101
TOTAL CURRENT LIABILITIES		**66,976**	58,871
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	**32,922**	30,329
Provisions	18	**1,435**	1,537
TOTAL NON-CURRENT LIABILITIES		**34,357**	31,866
TOTAL LIABILITIES		**101,333**	90,737
NET ASSETS		**338,391**	339,685
EQUITY			
Contributed equity	20	**-**	-
Reserves	21	**23,072**	95,444
Retained earnings		**315,319**	244,241
TOTAL EQUITY		**338,391**	339,685

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
As at 1 January 2021		-	52,101	230,906	283,007
Profit for the year		-	-	13,335	13,335
Other comprehensive income		-	43,343	-	43,343
Total comprehensive income		-	43,343	13,335	56,678
As at 31 December 2021		-	95,444	244,241	339,685
Profit for the year		-	-	9,082	9,082
Other comprehensive loss	21	-	(10,376)	-	(10,376)
Total comprehensive (loss) income		-	(10,376)	9,082	(1,294)
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings			(61,996)	61,996	-
As at 31 December 2022	21	-	23,072	315,319	338,391

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Operating Activities			
Receipts from customers		**206,526**	190,015
Payments to suppliers and employees		**(180,364)**	(163,653)
Dividend received		**380**	1,663
Interest received		**1,127**	139
Interest paid		**(1,026)**	(617)
Net cash flows from operating activities		**26,643**	**27,547**
Investing Activities			
Payments for property, plant and equipment		**(24,022)**	(17,522)
Payments for intangible assets		**(1,107)**	(286)
Proceeds from distribution of other financial asset		**2,254**	5,260
Proceeds from sale of other financial asset		**42,052**	-
Proceeds from sale of property, plant and equipment		**47**	32
Net cash flows from (used in) investing activities		**19,224**	**(12,516)**
Financing Activities			
Payment of principal portion of lease liabilities		**(959)**	(602)
Net cash flows used in financing activities		**(959)**	**(602)**
Net increase in cash and cash equivalents		**44,908**	14,429
Net foreign exchange difference		**(31)**	1
Cash and short-term deposits at 1 January		**120,876**	106,446
Cash and short-term deposits at 31 December	8	**165,753**	120,876

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

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Corporate information

The consolidated financial statements of Bond University Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 17 March 2023. Bond University Limited (the Company or the parent) is a not-for-profit company limited by guarantee incorporated in Australia.

The Group is principally engaged in the promotion and operation of Bond University. The Group's principal place of business is Robina, Queensland, Australia. Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in Note 4. Information on other related party relationships of the Group is provided in Note 23.

2. Significant accounting policies

2.1 Basis of preparation

Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and Australian Accounting Standards – Simplified Disclosures. The Group is a not-for-profit entity for the purpose of preparing financial statements.

The Group has opted to adopt AASB 1060 General Purpose Financial Statements – Simplified Disclosures For-Profit and Not-For-Profit Tier 2 Entities on 1 January 2022. Other than the change in the disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Group's previous financial statements complied with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report has been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and donated artworks, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Bond University Limited and its subsidiaries (the Group) as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, the Group controls a subsidiary if and only if the Group has:

- Power over the subsidiary (i.e. existing rights that give it the current ability to direct the relevant activities of the subsidiary);
- Exposure, or rights, to variable returns from its involvement with the subsidiary; and
- The ability to use its power over the subsidiary to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of a subsidiary, the Group considers all relevant facts and circumstances in assessing whether it has power over a subsidiary, including:

- The contractual arrangement(s) with the other vote holders of the subsidiary;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

2. Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

(a) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Group’s share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group’s share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within ‘Share of profit of an associate’ in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Summary of significant accounting policies (continued)

(b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

(c) Fair value measurement

The Group measures financial instruments such as equity investments and non-financial assets such as donated artworks at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.3 Summary of significant accounting policies (continued)

(d) Revenue recognition

Revenue from contacts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Rendering of services

Revenue from tuition, accommodation and pre-paid student food and packages is recognised over time as and when the services are provided to students. Other food and beverage income is recognised upon provision to customers.

When tuition or services have been paid in advance by students (e.g. before starting the academic period) the University recognises a contract liability until the services are delivered.

Tuition revenue is net of financial aid provided to students by the University.

Research

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

Funds received for research that relate to an enforceable agreement with sufficiently specific performance obligations are recognised as income when the performance obligations have been met. The portion of funding received that relates to unsatisfied performance obligations is recognised as a contract liability.

Grants and donations

Grants and donation revenues that are not linked to specific enforceable outcomes are recognised immediately when the funds are received. Any funds received that relate to an enforceable agreement with sufficiently specific performance obligations are recognised as income when the performance obligations have been met. The portion of funding received that relates to unsatisfied performance obligations is recognised as a contract liability.

Contract liabilities

A contract liability is recognised if a payment is received before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.3 Summary of significant accounting policies (continued)

(f) Taxes

Income tax

The Company, Bond University Ltd, and its controlled entities, Campus Operations Pty Ltd and Lashkar Pty Ltd are exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

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 GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(g) Foreign Currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates when the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

(h) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

For the purpose of the consolidated statement of cash flows, cash excludes cash balances with restrictions on their use, such as endowment fund, research and other restricted funds.

2.3 Summary of significant accounting policies (continued)

(i) Property, Plant and Equipment

Construction in progress and all property, plant and equipment (except donated artworks) are stated at cost, net of accumulated depreciation. Such cost includes expenditure that is directly attributable to the acquisition of the items. Donated artworks are capitalised at their fair value at the date of acquisition with the corresponding amount going to donation income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Where assets which would otherwise be classified as investment properties are held to meet service delivery objectives rather than to earn rental or for capital appreciation, they are classified as property in the financial statements.

Land and artworks are not depreciated but are tested for impairment. Depreciation on other assets is calculated using the straight line basis over their estimated useful lives or, in the case of certain leased plant and equipment, the shorter lease term. The assets have been depreciated as follows:

Buildings	10 to 50 years
Computer Equipment	3 years
Other Plant and Equipment	5 years
Furniture and Fitout	5 years
Library Books and Journals	5 years
Motor vehicles	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if appropriate.

2.3 Summary of significant accounting policies (continued)

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The Group considers the substance of the leasing arrangements and the likelihood of continuance of the leases through exercise of renewal options in order to determine the appropriate accounting treatment. Management has included renewal options in the measurement of lease liabilities when it would be reasonably certain that an option to extend a lease would be exercised.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leased plant and equipment	3 to 4 years
Leased motor vehicles	3 to 4 years
Leased property	4 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

2.3 Summary of significant accounting policies (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of plant and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(l) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.3 Summary of significant accounting policies (continued)

(l) Intangible Assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Computer software

Computer software has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of computer software over its estimated useful life of 3 years.

Software-as-a-Service (SaaS) arrangements

SaaS arrangement are arrangements in which the Group does not control the underlying software used in the arrangement. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. When costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides these services. When such costs incurred do not provide a distinct service, the costs are recognised as expenses over the duration of the SaaS contract.

Research and development costs - Course Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability to use
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment loss. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in operating expense. During the period of development, the asset is tested for impairment annually.

2.3 Summary of significant accounting policies (continued)

(m) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases and sales of financial assets are recognised on the trade date – the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in these categories:

- Financial assets at amortised cost (trade receivables)
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (trade receivables)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.3 Summary of significant accounting policies (continued)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other revenue in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the financial assets have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.3 Summary of significant accounting policies (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables or loans and borrowings, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the 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.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as part of the loan and amortised over the period of the facility to which it relates.

2.3 Summary of significant accounting policies (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(o) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(p) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled.

Long service leave

The Group recognises a liability for long service leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date that match, as closely as possible, the estimated future cash outflows.

2.3 Summary of significant accounting policies (continued)

(q) Post-employment benefits

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined contribution plan that receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first-time AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, which is effective for annual periods beginning on or after 1 July 2021. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Standards issued but not yet effective

Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards on the required effective date. The nature and impact of each new standard or amendment is described below:

AASB 2021-1 Amendments to AASs - Classification of Liabilities as Current or Non-current

A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. These amendments to AASB 101 Presentation of Financial Statements clarify the requirements for classifying liabilities as current or non-current. Specifically:

• The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.

• Management intention or expectation does not affect classification of liabilities.

• In cases where an instrument with a conversion option is classified wholly as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

These amendments are effective for annual reporting periods beginning on or after 1 January 2023 and are not expected to have a significant financial impact on the Group's consolidated financial statements.

2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates

Provides amendments in:

• AASB Practice Statement 2 - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

• AASB 101 - replacing the requirement for entities to disclose their 'significant' accounting policies with requirement to disclose their 'material' accounting policies

• AASB 108 Definition of Accounting Estimates - to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors

• AASB 7 Financial Intruments: Disclosures - to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements

These amendments are effective for annual reporting periods beginning on or after 1 January 2023 and are not expected to have a significant financial impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Investment in Education Australia Limited

The Group fair values its investment in Education Australia Limited. The fair value of the Group's investment in Education Australia Limited was based on the remaining net assets of Education Australia Limited following the divestment of its shareholding in IDP Education Ltd. Refer to Note 12 and 21 for further disclosures.

Provision for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of the trade receivable's actual default in the future. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Employee provisions and other provisions

Liabilities for wages, salaries and annual leave vesting to employees are recognised in respect of employees’ services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers’ compensation insurance, superannuation and payroll tax. Other employee benefits are recognised as a provision where they are incurred as a result of a past event, there is a legal or constructive obligation that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Refer to Note 18 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

4. Group information

Information about subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.2.

Name of Entity	Country of Incorporation	Class of shares	Cost of Parent Entity's Investment		Equity Holding *	
			2022	2021	**2022**	2021
			$	$	**%**	%
Campus Operations Pty Ltd.	Australia	Ordinary	**2**	2	**100**	100
Lashkar Pty Ltd.	Australia	Ordinary	**1**	1	**100**	100
			3	3		

* The proportion of ownership interest is equal to the proportion of voting power held.

5. Revenue

From continuing operations	**2022 $'000**	2021 $'000
5.1 Disaggregated revenue information		
Tuition revenue – University	**176,327**	160,928
Tuition revenue – Bond University College	**2,393**	2,736
Tuition revenue – External Programs	**1,808**	2,014
Sale of goods – food and beverages	**5,307**	3,992
Student accommodation rent	**5,144**	4,280
Consulting income	**359**	1,245
Other student fees and charges	**511**	351
Sports centre income	**221**	200
Student activities fee income	**1,202**	1,054
Sundry income	**1,539**	1,385
	194,811	178,185
Other Revenue		
Interest	**2,815**	437
Dividends	**735**	288
	198,361	**178,910**

Tuition revenue is net of scholarships provided by the University to students which amounted to $18.43 million (2021: $16.37 million).

5.2 Performance obligations

Information about the Group's performance obligations are summarised below:

Tuition revenue

Tuition revenue is recognised over time as and when the course is delivered to students over the semester. When the courses have been paid in advance by students the University recognises a contract liability until the services are delivered. The University does not have obligations to return or refund fees once census date of each academic period is passed.

Student accommodation and dining

Student accommodation and dining revenue is recognised over time as and when the service is delivered to students over the semester. Payments are made in advance and recognised as a contract liability until the services are delivered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

6. Other Income

6.1 Disaggregated revenue information

	2022 $'000	2021 $'000
Donations	**4,527**	6,483
Research grants	**5,860**	10,077
Other grants	**566**	589
	10,953	17,149

Donations include donated artworks which amounted to $2.5 million (2021: $0.59 million).

6.2 Performance obligations

Information about the Group's performance obligations are summarised below:

Donations

Donations consist of voluntary gifts where no material benefit is received by the donor. The income is recognised immediately when the funds are received.

Research and other grants

Revenue recognition for research and other grants funding is dependent upon the source of the funding and the nature of the transaction. Where the grant agreements contain specific performance obligations, the revenue is recognised over time as the grant funds are expended.

7. Expenses

Profit before income tax includes the following specific expenses:	2022 $'000	2021 $'000
(a) Salaries and related expenses		
Operating salaries and related expenses	**120,582**	106,013
Defined contribution superannuation expense	**14,218**	12,737
Total Salaries and related expenses	**134,800**	118,750
(b) Teaching and other expenses		
Teaching and other expenses	**15,647**	16,725
Total Teaching and other expenses	**15,647**	16,725
(c) Depreciation and Amortisation		
Depreciation		
Buildings	**4,473**	4,596
Plant and equipment	**3,454**	3,882
Furniture and fitout	**4,146**	5,020
Motor vehicles	**21**	33
Library, books and journals	**878**	867
Total depreciation	**12,972**	14,398
Amortisation		
Plant and equipment under finance leases	**507**	518
Motor vehicles under finance leases	**25**	25
Property under finance leases	**831**	58
Course Development Cost	**153**	162
Computer software	**995**	1,096
Total amortisation	**2,511**	1,859
Total depreciation and amortisation	**15,483**	16,257
(d) Finance costs		
Interest and finance charges paid/payable	**1,031**	620
Total Finance costs	**1,031**	620

8. Cash and short-term deposits

	2022 $'000	2021 $'000
Cash at banks and on hand	**35,753**	24,876
Short-term deposits	**130,000**	96,000
	165,753	120,876

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for periods of six months or less, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

9. Cash - Restricted

	2022 $'000	2021 $'000
Cash - Restricted	**24,609**	22,982

Of the above balance, a total amount of $3.08 million (2021: $2.77 million) is set aside in the Endowment Fund and a total of $21.53 million (2021: $20.21 million) represents grants, donations and other funds set aside for restricted purposes.

Restricted funds include funds granted by external parties under conditions that they may only be utilised for specified expenditure purposes and cannot be allocated to general purpose expenditure. The grantor of the funds specifies how the funds are to be used.

10. Trade and Other receivables

	2022 $'000	2021 $'000
Current		
Trade receivables	**907**	176
Other receivables	**25,249**	26,676
	26,156	26,852
Non-current		
Trade receivables	**15**	19
	15	19

Other receivables are debtors other than students and Campus Operations debtors. There is no interest charged on overdue amounts. Collateral is not normally obtained.

Other receivables include $22.76 million (2021: $25.01 million) of franking credits refund receivable relating to the divestment by Education Australia Ltd of its shareholding in IDP Education Ltd. Refer to Note 12 for further details.

Expected credit losses of trade receivables recognised amounted to $0.11 million during the year ended 31 December 2022 (2021: $0.11 million).

See below for the movements in allowance for expected credit losses:

	Trade $'000	Other $'000	Total $'000
At 1 January 2021	**188**	**129**	317
Provision for expected credit losses	**(11)**	**-**	(11)
Write-off	**(69)**	**(129)**	(198)
As at 31 December 2021	**108**	**-**	108
Provision for expected credit losses	**14**	**-**	14
Write-off	**(11)**	**-**	(11)
As at 31 December 2022	**111**	**-**	111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

11. Inventories

	2022 $'000	2021 $'000
At cost		
Food	**74**	75
Beverages	**71**	63
General stores	**30**	18
Merchandise stock	**160**	154
	335	310

Cost of inventories sold to customers amounting to $2.68 million was recognised as an expense during the year (2021: $1.87 million).

12. Financial assets and liabilities

12.1 Financial assets

	2022 $'000	2021 $'000
Quoted equity shares	**23**	24
Financial assets measured at fair value though profit or loss	**23**	24
Quoted equity shares	**15,597**	68,312
Unquoted equity shares	**755**	741
Financial assets measured at fair value through OCI	**16,352**	69,053
Cash and short-term deposits (Note 8)	**165,753**	120,876
Cash - Restricted (Note 9)	**24,609**	22,982
Trade and other receivables (Note 10)	**26,171**	26,871
Financial assets measured at amortised cost	**216,533**	170,730

Financial assets at fair value through profit or loss include equity shares of listed companies, fair values of these quoted securities are determined by reference to published price quotations in an active market. Changes in fair values are recorded in other income or other expense in the consolidated statement of profit or loss.

Financial assets designated at fair value through OCI include investments in equity shares of listed companies that are not held for trading and equity shares of non-listed companies.

Changes in fair values are recognised in the financial asset reserve in other comprehensive income – refer to note 21.

The quoted equity shares other than IDP were derived from donations by external parties under conditions that they may only be utilised for specified purposes.

12.2 Financial liabilities

	2022 $'000	2021 $'000
Trade and other payables (Note 16)	**17,473**	15,391
Interest-bearing loans and borrowings (Note 17)	**34,298**	30,848
Financial liabilities measured at amortised cost	**51,771**	46,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

13. Property, Plant and Equipment

	Land	Buildings	Artworks	Plant & Equipment	Furniture, fitout & other assets	Fitout - Work in progress	Motor vehicles	Library	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost									
At 1 January 2021	39,282	182,080	13,782	47,648	73,994	552	344	20,430	378,112
Additions	13,573	-	594	1,922	946	698	19	877	18,629
Disposals	-	-	-	(3,344)	(141)	-	-	(81)	(3,566)
Transfers	-	-	-	-	552	(552)	-	-	-
At 31 December 2021	52,855	182,080	14,376	46,226	75,351	698	363	21,226	393,175
Additions	228	17,630	2,479	4,311	1,026	-	58	889	26,621
Disposals	-	-	-	(1,041)	(72)	-	-	(56)	(1,169)
Transfers	-	-	-	-	453	(453)	-		-
At 31 December 2022	53,083	199,710	16,855	49,496	76,758	245	421	22,059	418,627
Depreciation									
At 1 January 2021	-	80,895	-	38,970	62,241	-	287	18,128	200,521
Depreciation charge for the year	-	4,596	-	3,882	5,020	-	33	867	14,398
Disposals	-	-	-	(2,976)	(141)	-	-	(75)	(3,192)
At 31 December 2021	-	85,491	-	39,876	67,120	-	320	18,920	211,727
Depreciation charge for the year	-	4,473	-	3,454	4,146	-	21	878	12,972
Disposals	-	-	-	(1,029)	(72)	-	-	(52)	(1,153)
At 31 December 2022	-	89,964	-	42,301	71,194	-	341	19,746	223,546
Net book value									
At 31 December 2021	52,855	96,589	14,376	6,350	8,231	698	43	2,306	181,448
At 31 December 2022	**53,083**	**109,746**	**16,855**	**7,195**	**5,564**	**245**	**80**	**2,313**	**195,081**

(a) Non-current assets pledged as security

Refer to note 17 for information on non-current assets pledged as security by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

14. Right-of-use assets

Group as lessee

The Group has finance lease contracts for various items of motor vehicles, plant and equipment and office space used in its operations with lease terms between three to ten years. Certain lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of plant and equipment with lease terms of 12 months or less and leases of plant and equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The amount of expense relating to leases of low-value assets recognised in profit or loss during the year ended 31 December 2022 was $0.70 million (2021: $0.70 million).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Building	Plant & Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
As at 1 January	181	607	44	832
Additions	3,708	657	-	4,365
Disposals	-	(6)	-	(6)
Depreciation expenses	(831)	(507)	(26)	(1,364)
As at 31 December	3,058	751	18	3,827

Presented below is a maturity analysis of future lease payments:

	2022	2021
	$'000	$'000
Not later than 1 year	1,376	519
Later than 1 year and not more than 5 years	2,885	337
	4,261	856

15. Intangible Assets

	Computer software	Computer software - work in progress	Course Development Costs	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 January 2021	22,095	539	1,015	23,649
Additions - separately acquired	27	455	-	482
Disposals	(2,019)	(197)	-	(2,216)
Transfers - internally developed	101	(101)	-	-
Transfers - separately acquired	242	(242)	-	-
At 31 December 2021	**20,446**	**454**	**1,015**	**21,915**
Additions - separately acquired	599	97	-	696
Additions - internally developed	410	-	-	410
Disposals	(1,037)	-	-	(1,037)
Transfers - separately acquired	455	(455)	-	-
At 31 December 2022	**20,873**	**96**	**1,015**	**21,984**
Amortisation				
At 1 January 2021	18,619	-	698	19,317
Amortisation	1,096	-	162	1,258
Disposals	(458)	-	-	(458)
At 31 December 2021	**19,257**	**-**	**860**	**20,117**
Amortisation	995	-	152	1,147
Disposals	(1,037)	-	-	(1,037)
At 31 December 2022	**19,215**	**-**	**1,012**	**20,227**
Net book value				
At 31 December 2021	1,189	454	155	1,798
At 31 December 2022	**1,658**	**96**	**3**	**1,757**

16. Trade and other payables

	2022	2021
	$'000	$'000
Trade payables	**16,385**	14,155
Other payables	**1,088**	1,236
	17,473	15,391

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Other payables relate to Fee-help payable to the Department of Education and are normally settled annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

17. Interest-bearing loans and borrowings

	2022	2021
	$'000	$'000
Current interest-bearing loans and borrowings		
Lease liabilities (Note 14)	**1,376**	519
Total current interest-bearing loans and borrowings	**1,376**	519
Non-current interest-bearing loans and borrowings		
Lease liabilities (Note 14)	**2,885**	337
Secured bank loan	**30,037**	29,992
Total non-current interest-bearing loans and borrowings	**32,922**	30,329
Total interest-bearing loans and borrowings	**34,298**	30,848

The secured bank loan has been drawn down under a cash advance facility. The bank loan currently bears a floating interest rate of 3.72% (2021: 0.71%). The amortised balance of the loan establishment fee capitalised as at 31 December 2022 is $0.13 million (2021: $0.17 million). The maturity date of this bank facility is 22 November 2025.

Collateral

Lease liabilities are effectively secured as the rights to the leased asset recognised in the financial statements revert to the lessor in the event of default.

The bank loan is secured by:

- first registered mortgages over freehold land and buildings;
- first registered company charge over all assets and undertakings of all entities in the Group;
- cross guarantee between Bond University Limited and all entities in the Group.

Covenants

From 1 January 2021, the following financial covenant applies to the bank loan using terms defined therein:

Liquidity Covenant - unrestricted cash must at all times be equal to or greater than 1.25 times the outstanding loan amount at any time.

The company complied at all times during the year with the above covenant. Compliance testing is performed at the end of each semester. Based on forward projections, the Group continues to maintain comfortable headroom in its compliance with covenants for up to 12 months past the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

17. Interest-bearing loans and borrowings (continued)

The carrying amounts of assets pledged as security for interest-bearing loans and borrowings are:

	2022	2021
	$'000	$'000
Current		
Floating charge		
Cash and Short-term deposits	**165,753**	120,876
Cash - Restricted	**24,609**	22,982
Receivables	**26,156**	26,852
Prepayments and other assets	**5,751**	6,228
Inventories	**335**	310
Other current financial assets	**23**	24
Total current assets pledged as security	**222,627**	177,272

	2022	2021
	$'000	$'000
Non-current		
First mortgage		
Freehold land and buildings	**135,325**	122,168
Finance lease		
Plant and equipment under finance lease	**751**	607
Motor vehicles under finance lease	**18**	44
Property under finance lease	**3,058**	181
Floating charge		
Receivables	**15**	19
Other financial assets	**16,352**	69,053
Plant and equipment	**32,252**	32,004
Intangible assets	**1,757**	1,798
Total non-current assets pledged as security	**189,528**	225,874
Total assets pledged as security	**412,155**	403,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

18. Provisions

	2022 $'000	2021 $'000
Current		
Annual leave	**11,388**	11,142
Long service leave	**15,761**	14,718
	27,149	25,860
Non-current		
Long service leave	**1,435**	1,537
	1,435	1,537
Total	**28,584**	27,397

19. Contract liabilities

	2022 $'000	2021 $'000
Deferred income		
- student fees	**15,491**	13,173
- research and grants	**5,487**	3,928
	20,978	17,101

20. Contributed equity

Bond University Limited was incorporated as a company limited by guarantee on 12 February 1987. Pursuant to the Constitution of the company, every member has undertaken in the event of a deficiency on winding up to contribute an amount not exceeding $10. At 31 December 2022, Bond University Limited had 30 (2021: 30) members.

21. Reserves

	2022 $'000	2021 $'000
Fair value reserve of financial assets designated at FVOCI	**23,072**	95,444
Movements:		
Balance 1 January	**95,444**	52,101
Fair value gain on distribution of IDP shares from EAL	**-**	32,526
Fair value gain (loss) on financial assets designated at FVOCI	**(10,376)**	10,817
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings	**(61,996)**	-
Balance 31 December	**23,072**	95,444

Nature and purpose of reserves

The fair value reserve of financial assets at Fair Value through Other Comprehensive Income (FVOCI) is used to record the changes in the fair value of financial assets designated at FVOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

22. Commitments and contingencies

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabililities is as follows:

	2022	2021
	$'000	$'000
Buildings		
Within one year	**24,795**	-

Contingent liabilities

From time to time, the Group may be subject to changes in regulatory requirements, and claims or litigations from third parties, that have arisen in the ordinary course of business. The directors have given consideration to any such matters at the year-end and, unless specific provisions have been made where it is probable that the Group will incur costs either in progressing its defence of a claim or ultimately in settlement, are of the opinion that no material contingent liability exists as at 31 December 2022 and 31 December 2021.

23. Related party disclosures

The ultimate parent

The ultimate parent entity within the Group is Bond University Limited.

Transactions with key management personnel

There are no transactions with key management personnel during the year other than salary payments.

Compensation of key management personnel of the Group

	2022	2021
	$'000	$'000
Total compensation paid to key management personnel	**4,006**	4,138

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

24. Auditor's remuneration

The auditor of Bond University Ltd is Ernst & Young Australia

	2022	2021
	$'000	$'000
Fees for auditing statutory financial report	**233**	207

25. Events after the reporting period

There has not been any matter or circumstances not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

26. Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2022	2021
Information relating to Bond University Ltd.	**$'000**	$'000
Current assets	**268,569**	223,274
Total assets	**437,618**	429,311
Current liabilities	**64,869**	56,812
Total liabilities	**99,227**	88,677
Issued capital	**-**	-
Reserves	**23,072**	95,444
Retained earnings	**315,319**	244,241
Total shareholder's equity	**338,391**	339,685
Profit of the Parent entity	**9,082**	13,335
Total comprehensive (loss) income of the Parent entity	**(1,294)**	**56,678**

(b) Guarantees entered into by the parent entity

Cross guarantees have been executed between Bond University Ltd and all of its subsidiaries to satisfy the requirements of the Group's financing arrangement. The Group has not sought relief under ASIC Class Order 98/1418. However, these entities are not required to prepare accounts on the basis that they do not meet the criteria to be classified as large proprietary companies.

(c) Contingent liabilities of the parent entity

From time to time, the Parent entity may be subject to changes in regulatory requirements, and claims or litigations from third parties, that have arisen in the ordinary course of business. The directors have given consideration to any such matters at the year-end and, unless specific provisions have been made where it is probable that the Parent entity will incur costs either in progressing its defence of a claim or ultimately in settlement, are of the opinion that no material contingent liability exists as at 31 December 2022 and 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

27. Acquittal of Australian Government Financial Assistance Parent Entity (University) Only

(a) Higher Education Loan Programs (excl OS-HELP)

	FEE-HELP		SA-HELP		Total	
	2022	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Cash Payable/(Receivable) at beginning of year	**1,236**	908	**1**	-	**1,237**	908
Financial assistance received in Cash during the reporting period	**75,376**	72,742	**107**	98	**75,483**	72,840
Cash available for the period	**76,612**	73,650	**108**	98	**76,720**	73,748
Revenue Earned	**75,526**	72,414	**106**	97	**75,632**	72,511
Cash Payable at end of year	**1,086**	1,236	**2**	1	**1,088**	1,237

(b) Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2022	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Financial assistance received in Cash during the reporting period	**1,545**	1,847	**923**	2,622	**2,467**	4,469
Net accrual adjustments	**-**	-	**-**	-	**-**	-
Revenue for the period	**1,545**	1,847	**923**	2,622	**2,467**	4,469
Surplus from the previous year	**-**	-	**-**	-	**-**	-
Total revenue including accrued revenue	**1,545**	1,847	**923**	2,622	**2,467**	4,469
Expenses including accrued expenses	**1,545**	1,847	**923**	2,622	**2,467**	4,469
Surplus for the reporting period	**-**	-	**-**	-	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

27. Acquittal of Australian Government Financial Assistance Parent Entity (University) Only (continued)

(c) Total Higher Education Provider Research Training Program expenditure

	Total domestic students		Total overseas students	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Research Training Program Fees offsets	**1,012**	1,330	**58**	52
Research Training Program Stipends	**443**	433	**32**	31
Total for all types of support	**1,455**	1,763	**90**	83

Supplemental Schedule - United States Department of Education

		2022 $'000	2021 $'000
	Primary Reserve Ratio		
	Expendable Net Assets		
Statement of Financial Position - Net assets	Net assets	**338,391**	339,685
Statement of Financial Position	Net assets without donor restrictions	**313,782**	316,703
Statement of Financial Position - Cash restricted	Net assets with donor restrictions	**24,609**	22,982
	Secured and Unsecured related party receivable	**-**	-
Notes to the Financial Statements - Property, Plant and Equipment - Subtotal Property, Plant and Equipment	Property, plant and equipment, net	**195,081**	181,448
	Construction in process	**-**	-
Notes to the Financial Statements - Property, Plant and Equipment - Subtotal Lease right-of-use assets	Lease right-of-use asset, net	**3,827**	832
Statement of Financial Position - Intangible assets	Intangible assets	**1,757**	1,798
Notes to the Financial Statements - Interest bearing loans and borrowings - Secured bank loan (Non-current)	Long-term debt - for long term purposes	**30,037**	29,992
Notes to the Financial Statements - Interest bearing loans and borrowings - Obligations under leases (current and non-current)	Lease right-of-use asset liability	**4,261**	856
	Total Expenses and Losses		
Statement of Profit or Loss	Total Expenses	**200,232**	182,724
	Non-Operating and Net Investment	**-**	-
	Net investment losses	**-**	-
	Pension-related changes other than net periodic costs	**-**	-
	Equity Ratio:		
	Modified Net Assets		
Statement of Financial Position	Net assets without donor restrictions	**313,782**	316,703
Statement of Financial Position - Cash restricted	Net assets with donor restrictions	**24,609**	2,298
Statement of Financial Position - Intangible assets	Intangible assets	**1,757**	1,798
	Secured and Unsecured related party receivable	**-**	-
	Net Income Ratio:		
Statement of Financial Position	Change in Net Assets Without Donor Restrictions	**(2,921)**	52,566
Statement of Profit or Loss	Total Revenues and Gains	**209,313**	196,059

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bond University Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of Bond University Limited for the financial year ended 31 December 2022 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012,* including:

(i) Giving a true and fair view of its financial position as at 31 December 2022 and performance for the year ended on that date; and

(ii) Complying with Accounting Standards - Simplified Disclosures (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Regulation 2013.*

(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.

On Behalf of the Board

Honourable Dr Annabelle Bennett AC SC	Professor Tim Brailsford
Director and Chancellor	Vice Chancellor and President

Gold Coast

17 March 2023

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Independent auditor's report to the members of Bond University Limited

Report on the Financial Report

Opinion

We have audited the financial report of Bond University Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Group in accordance with 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 Group'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 Group to cease to continue as a going concern.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Report on the audit of the Supplemental Schedule

Opinion on the Supplemental Schedule

We have also audited the Supplemental Schedule accompanying the financial report for the year ended 31 December 2022.

In our opinion, the Supplemental Schedule of Bond University Limited for the year ended 31 December 2022 complies with the requirements of the US Department of Education per Federal Register Volume 84, Number 184 and the Student Assistance General Provisions, Federal Family Education Loan Program and William D. Ford Federal Direct Loan.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Supplemental Schedule in accordance with the requirements of the US Department of Education per Federal Register Volume 84, Number 184 and the Student Assistance General Provisions, Federal Family Education Loan Program and William D. Ford Federal Direct Loan. Our responsibility is to express an opinion on the Supplemental Schedule, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Susie Kuo	Alison de Groot
Partner	Partner
Brisbane	Brisbane
17 March 2023	17 March 2023

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