

**THE AUSTRALIA AND NEW ZEALAND
SCHOOL OF GOVERNMENT LIMITED
AND ITS CONTROLLED ENTITY**

ACN 102 908 118

CONSOLIDATED GENERAL PURPOSE FINANCIAL REPORT

31 DECEMBER 2022

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Directors' Report

The directors present their report together with the consolidated financial report of The Australia and New Zealand School of Government Limited ("the Company") and its controlled entity (together referred to as "the consolidated entity"), for the 12-month period ended 31 December 2022 and the auditors' report thereon.

Information about the directors

The names and particulars of the directors of the company during or since the end of the 12-month period ended 31 December 2022 are:

<u>Name and Qualifications</u>	<u>Experience and Special Responsibilities</u>
Mr Jeremi Moule BA	Secretary, Department of Premier and Cabinet, VIC Director: ANZSOG Board Member: Finance, Audit and Risk Management Committee Appointed: 3 June 2020
Professor Margaret Elaine Gardner AC BEcon (Hons), PhD (Syd), DUniv (Griffith), FASSA, FAICD, FIML	President & Vice-Chancellor, Monash University, VIC Director: ANZSOG Board Member: Foundation and Investment Committee Member: Remuneration Committee Chair/Member: Academic Board Appointed: 13 January 2015 Reappointed: 18 November 2021 for 2 years
Mr Robert John Setter BEd / BA (Hons)	Chief Executive, Public Service Commission, QLD Director: ANZSOG Board Member: Finance, Audit and Risk Management Committee Member: Remuneration Committee Appointed: 18 December 2015 Maximum Term Served: 17 November 2022
Professor Girol Karacaoglu PhD (Econ)	Head of School of Government, Victoria University of Wellington, NZ Director: ANZSOG Board Member: Member: Finance, Audit and Risk Management Committee Member: Academic Board Appointed: 3 October 2016 Resigned: 30 June 2022
Mr Peter Stanley Hughes CNZM BA, MPA, Post Grad Dip. Business & Administration	Public Service Commissioner, Head of Service – Te Kawa Mataaho Public Service Commission, NZ Chair: ANZSOG Board (until 18 November 2020) Director: ANZSOG Board Appointed: 10 October 2011 Resigned: 18 November 2022

Directors' Report (cont'd)

<u>Name and Qualifications</u>	<u>Experience and Special Responsibilities</u>
Professor Kenneth John Smith AO BSW (Hons), MSW	Dean and CEO ANZSOG, VIC Director: ANZSOG Board Member: Academic Board Appointed: 15 May 2017 Resigned: 31 October 2022
Ms Jodie Elizabeth Ryan BB (Accounting); CPA Fellow	Chief Executive Officer, Department of the Chief Minister, NT Director: ANZSOG Board Member: Finance, Audit and Risk Management Committee Member: Foundation and Investment Committee Appointed: 15 June 2017 Resigned: 19 May 2022
Professor Deborah Jane Terry AO BA(Hons), PhD ANU, HonLLD Aberd., FASSA	Vice Chancellor and President, University of Queensland, QLD Director: ANZSOG Board Member: Academic Board Appointed: 27 June 2017
Mr Peter Woolcott AO	Australian Public Service Commissioner, Commonwealth Chair: ANZSOG Board (from 18 November 2020). Director: ANZSOG Board Member: Foundation and Investment Committee Appointed: 28 March 2019
Ms Kathrina Lo BEc; LLB; LLM; Grad Dip Legal Practice	NSW Public Service Commissioner, NSW Director: ANZSOG Board Appointed: 1 July 2020
Ms Ann Sherry AO BA, Grad Dip IR, FAICD, FIPAA	Independent Director, NSW: ANZSOG Board Member: Finance, Audit and Risk Management Committee Appointed: 18 November 2020 Resigned 30 June 2022
Ms Belinda Clark QSO BA, LLB(Hons) University of Auckland, LLM, New York University	Independent Director, NZ: ANZSOG Board Member: Foundation and Investment Committee Appointed: 18 November 2020
Ms Erma Ranieri	Commissioner for Public Sector Employment SA and Chief Executive, Office of the Commissioner for Public Sector Employment, SA Director: ANZSOG Board Appointed: 27 May 2021

Directors' Report (cont'd)

<u>Name and Qualifications</u>	<u>Experience and Special Responsibilities</u>
<p>Ms Jenny Gale BEd; Dip Teach</p>	<p>Head of State Service and Secretary, Department of Premier and Cabinet, TAS</p> <p>Director: ANZSOG Board Appointed: 27 May 2021</p>
<p>Ms Kathy Leigh BA Griffith University, LLB (Hons) ANU, LLM ANU</p>	<p>Head of Service and Director-General Chief Minister, Treasury and Economic Development Directorate, ACT Government</p> <p>Director: ANZSOG Board Appointed: 27 May 2021</p>
<p>Ms Sharyn O'Neill MEd (Education Administration and Policy)</p>	<p>WA Public Sector Commissioner</p> <p>Director: ANZSOG Board Appointed: 27 May 2021</p>
<p>Professor Mark Hickford BA LLB(Hons) University of Auckland, DPhil University of Oxford, United Kingdom</p>	<p>Pro Vice-Chancellor Government, Law & Business, Victoria University Wellington NZ</p> <p>Director: ANZSOG Board Member: Academic Board Appointed: 25 May 2022</p>
<p>Mr Mark Scott</p>	<p>Vice-Chancellor & President University of Sydney</p> <p>Director: ANZSOG Board Member: Academic Board Appointed: 25 May 2022</p>
<p>Mr Patrick Hetherington</p>	<p>Deputy Australian Public Service Commissioner, Commonwealth</p> <p>Alternative Director: ANZSOG Board Alternative Member: Foundation and Investment Committee Appointed: 26 August 2021 Resigned: 26 May 2022</p>
<p>Ms Megan Barry</p>	<p>Deputy Commissioner, Public Service Commission, QLD</p> <p>Alternative Director: ANZSOG Board Alternative Member: Finance, Audit and Risk Management Committee Appointed: 7 November 2019 Resigned: 4 November 2022</p>
<p>Ms Vicki Telfer PSM MPA, MALP</p>	<p>Commissioner for Public Employment, NT</p> <p>Alternative Director: ANZSOG Board Appointed: 15 April 2021 Director: ANZSOG Board Member: Finance, Audit and Risk Management Committee Appointed: 20 December 2022</p>

Directors' Report (cont'd)

<u>Name and Qualifications</u>	<u>Experience and Special Responsibilities</u>
Mr Toby Hemming LLB, BA (Hons), Grad Dip (Applied Corp Gov), GAICD	Deputy Secretary and General Counsel, Department of Premier and Cabinet, VIC Alternative Director: ANZSOG Board Appointed: 26 August 2021
Dr Damian West	Deputy Director, General Workforce Capability and Governance and Workplace Safety and Industrial Relations Secure Local Jobs Registrar Chief Minister, Treasury and Economic Development Directorate, ACT Government Alternative Director: ANZSOG Board Appointed: 26 August 2021
Ms Jane Hanna	Director, State Service Management Office, Department of Premier and Cabinet, TAS Alternative Director: ANZSOG Board Appointed: 25 November 2021
Ms Rina Bruinsma	Acting Deputy Public Service Commissioner Alternative Director: ANZSOG Board Appointed: 17 May 2022 Resigned: 18 December 2022
Ms Joanne Wright	DVC Education at the University of Sydney Alternative Director: ANZSOG Board Appointed: 25 August 2022
Mr Adam Fennessy	ANZSOG Dean and CEO Director: ANZSOG Board Member: Academic Board Appointed: 3 November 2022

Company Secretary

Ms. Radha Sharma was appointed as Company Secretary on 12 August 2020 and resigned on the 31 January 2023. Ms. Melinda Mears was appointed as acting Company Secretary on the 21 February 2023 with her role concluding on the 27 March 2023. Ms Evelyn Loh was appointed as Company Secretary on the 27 March 2023.

The objectives of the Company

ANZSOG is recognised globally as a leading provider of executive-level education for the public sector. ANZSOG was created by government *for* government, with the active collaboration of its member universities. ANZSOG is dedicated to creating value for citizens by:

- Providing world-class education for public sector leaders
- Conducting research and facilitating informed discussion on issues that matter for public sector performance
- Promoting and supporting innovation in the public sector.

Directors' Report (cont'd)

At the core of our ethos is a deep and genuine commitment to good public administration, reflecting the aspirations of and our close relationship to our government owners.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out at note 22. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Principal activities

ANZSOG delivers:

- Post-graduate education incorporating the core disciplines that inform effective public administration.
- Executive education led by distinguished academics from the world's leading education providers and senior officials from among ANZSOG's ten member governments.
- 'Safe' places for high performing senior practitioners to discuss and draw practical learnings from theory, research and case studies, to inform policy debates and service delivery reform.
- Targeted learning environments for senior practitioners across Australia and New Zealand to learn from one another and build lasting professional networks, benefiting governments, communities and citizens.
- Research and Advisory on contemporary public administration matters in collaboration with member governments and universities.

Performance measurement

The Company measures its performance through continuous evaluation of all aspects of program delivery based on feedback from participants, sponsors, academic staff, and other stakeholders and through the underlying growth of its balance sheet.

Review and results of operations

In reviewing the results of operations especially when comparing against previous reporting period, it should be noted that the previous reporting period was for 18 months to 31 December 2022 following the Company's change of reporting year from 30 June to 31 December. The Company developed and delivered post-graduate and executive courses during the 12-month period ended 31 December 2022 and recognised course and other revenue of \$13,579,601(2021: \$17,520,993), grant income totalling \$901,000 (2021: \$1,503,000) and job keeper subsidy income of \$nil (2021: \$1,249,206). In accordance with Australian Accounting Standards, these amounts have been recognised as revenue, which contributed to the consolidated results. The loss for the consolidated entity amounted to \$14,621,072(2021: Profit: \$14,695,547), of which a significant portion is due to realised and unrealised losses from investment portfolios, following a major downturn in domestic and global markets in 2022.

Equity

The Company is limited by guarantee. At 31 December 2022 there were 26 members (2021: 26 members) with a limit of liability of \$50.00 each. The total amount that members of the Company are liable to contribute if the Company is wound up is \$1,300 (2021: \$1,300).

Changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the 12-month period ended 31 December 2022.

Directors' Report (cont'd)

Subsequent events

There have not been any matters or circumstances occurring subsequent to the end of the financial period that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future developments

Disclosures of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Indemnification and insurance of officers and auditors

Indemnification

The consolidated entity has not indemnified or made any relevant agreement for indemnifying against a liability of any person who is or has been an auditor of any entities included in the consolidated entity.

The Company has agreed to indemnify the current directors for all liabilities to another person that may arise from their position, except where the liability arises out of conduct involving a lack of good faith as directors of the company.

Insurance premiums

The Company has paid insurance premiums of \$6,242.50 (2021: \$9,074) in respect of the directors' and officers' liability insurance.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial period January 2022– December 2022 are as follows:

Directors' Report (cont'd)

Director	Board		Committees							
	A	B	Foundation & Investment		Finance, Audit & Risk		Remuneration		Academic Board	
			A	B	A	B	A	B	A	B
Mr Jeremi Moule	5	2	-	-	2	0	-	-	-	-
Professor Margaret Elaine Gardner AC	5	3	4	2	-	-	1	1	1	1
Mr Robert John Setter	5	3	-	-	4	4	1	-	-	-
Professor Girol Karacaoglu	2	0	-	-	2	2	-	-	-	-
Mr Peter Stanley Hughes CNZM	5	2	-	-	-	-	-	-	-	-
Professor Kenneth John Smith	4	4	-	-	-	-	-	-	1	1
Ms Jodie Elizabeth Ryan	5	1	1	0	1	1	-	-	-	-
Professor Deborah Jane Terry AO	5	1	-	-	-	-	-	-	1	0
Mr Peter Woolcott AO	5	4	4	4	-	-	1	-	-	-
Ms Kathrina Lo	5	3	-	-	-	-	-	-	-	-
Ms Ann Sherry AO	2	1	-	-	2	1	-	-	-	-
Ms Belinda Clark QSO	5	3	4	3	-	-	-	-	-	-
Ms Erma Ranieri	5	4	-	-	-	-	-	-	-	-
Ms Jenny Gale	5	0	-	-	-	-	-	-	-	-
Ms Kathy Leigh	5	2	-	-	-	-	-	-	-	-
Ms Sharyn O'Neill	5	4	-	-	-	-	-	-	-	-
Ms Megan Barry (Alt Director)	5	0	-	-	-	-	-	-	-	-
Ms Vicki Telfer (Alt Director)	5	2	-	-	-	-	-	-	-	-
Mr Toby Hemming (Alt Director)	5	3	-	-	2	2	-	-	-	-
Dr Damian West (Alt Director)	5	2	-	-	-	-	-	-	-	-
Ms Jane Hanna (Alt director)	5	3	-	-	-	-	-	-	-	-
Ms Joanne Wright (Alt Director)	2	1	-	-	-	-	-	-	-	-
Mr Adam Fennessy	1	1	-	-	-	-	-	-	-	-
Ms Dawn Oldham	-	-	4	4	-	-	-	-	-	-
Mr Robert Johanson	-	-	4	4	-	-	-	-	-	-
Prof David Boymal	-	-	-	-	4	4	-	-	-	-
Professor Mark Scott AO	2	1	-	-	-	-	-	-	1	1
Professor Mark Hickford	3	2	-	-	-	-	-	-	1	1
Ms Rina Bruinsma (Alt Director)	5	0	4	0	-	-	-	-	-	-

A - Number of meetings held during the time the director held office during the period B - Number of meetings attended

Share options

No options over issued shares or interest in the company or a controlled entity were granted during or since the end of the financial 12 month period ended 31 December 2022 and there were no options outstanding at the date of this report.

Dividends

The Company is limited by guarantee and is prohibited by its Memorandum of Association from paying a dividend to members.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the consolidated entity or company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all of those proceedings. The company was not a party to any proceedings during the 12 month period ended 31 December 2022.

Company limited by guarantee

The Company is incorporated in Australia under the *Corporations Act 2001* as a company limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up during the time that they are a member, or within one year after they cease to be a member, for:

- payment of the debts and liabilities of the Company contracted before the time at which they ceased to be a member;
- the costs, charges and expenses of winding up, and

Directors' Report (cont'd)

- c. the adjustment of the rights of contributories among themselves, provided that such an amount will not exceed \$50.

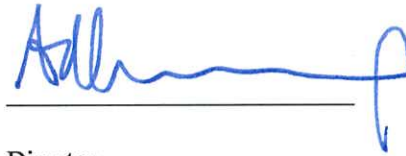
Auditor's independence declaration

The auditor's independence declaration is included on page 8 of the financial report.

Signed in accordance with a resolution of the directors:



Director



Director

Melbourne, 24 MAY 2023

The Board of Directors
The Australia and New Zealand School of Government Limited
Level 8, 700 Swanston Street,
Carlton, VIC, 3053

24 May 2023

Dear Board Members

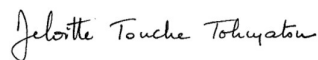
The Australia and New Zealand School of Government Limited

In accordance with the Australian Charities and Not-for profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of The Australia and New Zealand School of Government Limited.

As lead audit partner for the audit of the financial statements of The Australia and New Zealand School of Government Limited for the 12-month period ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Australian Charities and Not-for profits Commission Act 2012, in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner
Chartered Accountants

Independent Auditor's Report to the members of The Australia and New Zealand School of Government Limited

Opinion

We have audited the financial report of The Australia and New Zealand School of Government Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by the directors as set out on pages 13 to 42.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Group's financial position as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards or Australian Accounting Standards – Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the "ACNC Act").

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 auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' report included in the Group's financial report, but does not include the financial report and our auditor's report thereon.

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

Deloitte.

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 Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act 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 related 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 judgement 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 Director's 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.

Deloitte.

- 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's 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 24 May 2023

Directors' Declaration

The directors declare that:

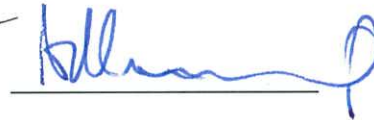
- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Directors



Director



Director

Melbourne, 24 MAY 2023

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 \$	18-month Period ended 31 December 2021 \$
Revenue	4	14,480,601	20,273,199
Cost of sales		(10,962,286)	(14,524,924)
Gross profit		3,518,315	5,748,275
Administration and governance expense		(4,630,999)	(6,497,413)
Strategic expenses		(674,899)	(699,787)
Office facilities expense		(213,003)	(191,114)
Marketing and business development expense		(1,179,147)	(1,606,259)
Results from operating activities		(3,179,733)	(3,246,298)
Finance income	7	2,092,593	3,245,582
(Loss) / gain on sale of investments		(4,969,967)	936,258
(Loss) / gain on fair value adjustment		(8,174,697)	14,385,973
Investment management expense		(339,623)	(551,397)
Foreign exchange loss		(49,645)	(74,571)
Net investment and finance income		(11,441,339)	17,941,845
(Loss) / profit before income tax	5	(14,621,072)	14,695,547
Income tax expense	3(e)	-	-
(Loss) / profit for the year / period		(14,621,072)	14,695,547
Other comprehensive income for the year / period, net of tax		-	-
Total comprehensive (loss) / income for the year / period		(14,621,072)	14,695,547

The accompanying notes form part of these financial statements.

Consolidated statement of financial position at 31 December 2022

	Notes	31 December 2022 \$	31 December 2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	8,080,882	9,140,225
Trade and other receivables	9	2,038,974	1,579,927
Other assets	10	1,305,337	1,138,644
Total current assets		11,425,193	11,858,796
Non-current assets			
Other financial assets	11	58,697,162	72,325,265
Plant and equipment	12	627,980	661,775
Intangible assets	12	480,397	568,130
Right-of -use assets	13	4,819,528	5,322,535
Total non-current assets		64,625,067	78,877,705
Total assets		76,050,260	90,736,501
Liabilities			
Current liabilities			
Trade and other payables	14	1,800,131	2,464,919
Provisions	15	651,015	675,248
Lease liabilities	16	527,867	471,090
Deferred income	17	9,185,364	9,631,847
Total current liabilities		12,164,377	13,243,104
Non-current liabilities			
Provisions	15	279,564	282,943
Lease liabilities	16	4,355,694	4,782,624
Deferred income	17	1,443,867	-
Total non-current liabilities		6,079,125	5,065,567
Total liabilities		18,243,502	18,308,671
Net assets		57,806,758	72,427,830
Equity			
Capital reserve		25,478,597	25,478,597
Retained earnings		32,328,161	46,949,233
Total equity		57,806,758	72,427,830

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022

	Notes	Capital reserve \$	Fair value reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2020		28,108,574	-	29,623,709	57,732,283
Profit for the 18-month period		-	-	14,695,547	14,695,547
Other comprehensive income for the period		-	-	-	-
Total other comprehensive income for the period		-	-	14,695,547	14,695,547
Transfer between equity accounts	18	(2,629,977)	-	2,629,977	-
Balance at 31 December 2021		25,478,597	-	46,949,233	72,427,830

	Notes	Capital reserve \$	Fair value reserve \$	Retained earnings \$	Total \$
Balance at 1 January 2021		25,478,597	-	46,949,233	72,427,832
Profit for the year		-	-	(14,621,072)	(14,621,072)
Other comprehensive income for the year		-	-	-	-
Total other comprehensive income for the year		-	-	(14,621,072)	(14,621,072)
Transfer between equity accounts	18	-	-	-	-
Balance at 31 December 2022		25,478,597	-	32,328,163	57,806,760

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2022

	Year ended 31 December 2022 \$	18-month period ended 31 December 2021 \$
Cash flows from operating activities		
Cash receipts in the course of operations	16,874,433	21,159,926
Cash payments in the course of operations	(19,147,519)	(22,332,948)
Finance cost on lease liabilities	(140,224)	(78,939)
Net cash used in operating activities	21(b) (2,413,310)	(1,251,961)
Cash flows from investing activities		
Payments for property, plant and equipment	(135,327)	(642,744)
Payments for intangible assets	(188,183)	(767,345)
Payments for investments	(26,701,917)	(30,871,295)
Proceeds from sale of investments	27,185,356	32,584,132
Dividends received	1,378,362	2,720,291
Interest received	161,484	291,571
Franking credit rebates	154,309	109,182
Net cash provided by investing activities	1,854,084	3,423,792
Cash flows from financing activities		
Repayment of lease liabilities	(500,117)	(496,525)
Net cash used in financing activities	(500,117)	(496,525)
Net increase in cash and cash equivalents	(1,059,343)	1,675,306
Cash and cash equivalents at the beginning of the year / period	9,140,225	7,464,919
Cash and cash equivalents at the end of the year / period	21(a) 8,080,882	9,140,225

The accompanying notes form part of these financial statements.

1. General information

The Australia and New Zealand School of Government Limited (the “Company”) is limited by guarantee and domiciled in Australia. The consolidated entity is primarily involved in the provision of educational services. The Company’s registered office and its principal place of business are as follows:

Level 8
700 Swanston Street
Carlton VIC 3053

2. Adoption of new and revised Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2022.

The new and revised Accounting Standard and Interpretation effective for the current year that was most relevant to the Group was *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. The Group has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. The adoption of AASB 1060 has not had a material impact on the Group’s financial statements.

2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and Amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15	1 July 2022
AASB 2020-1 Amendments to Australian Accounting Standards- Classification of Liabilities as Current or Non-Current	1 January 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023

The above mentioned new and revised standards and interpretations are not expected to have a material impact on the Group’s financial statements.

3. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australia Accounting Standards – Simplified Disclosures and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the consolidated entity. For the purposes of preparing the consolidated financial statements, the Company is a not-for-profit entity.

The financial statements were authorised for issue by the directors on 24/05/2023.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company, The Australia and New Zealand School of Government Foundation (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the consolidated entity's ownership interests in subsidiaries that do not result in the consolidated entity losing control are accounted for as equity transactions.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described below, the directors are required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Employee benefits

Management judgement is applied in determining the following key assumptions used in the calculation of employee benefits at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

Property, plant and equipment and intangible assets

Useful lives and residual values of property, plant and equipment and intangible assets are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment and intangible assets. Any reassessment of useful lives and residual value in a particular period / year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

4. Significant accounting policies (cont'd)

(a) Revenue recognition

Revenue is measured based on the consideration to which the Consolidated entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Entity recognises revenue when it transfers control of a product or service to a customer.

The company recognises revenue from the following major sources:

- Course revenue
- Grant revenue
- Dividend and interest income.

Information about the performance obligations arising under each of the above categories of revenue, including a description of when the Consolidated entity typically satisfies its performance obligations, the significant payment terms, the nature of the goods and services provided, obligations for refunds and other obligations is provided together with the accounting policies for revenue as set out below.

Course revenue

Course revenue includes income derived by way of fee income from postgraduate and executive courses. Course revenue is recognised in profit or loss over time based on the program in which courses are delivered.

Grant revenue

Grants received are recognised as revenues when the consolidated entity gains control of the contributions. The nature of the consolidated entity's operations permits it to raise funds from the governments and universities who have subscribed or are invited to subscribe to the Memorandum of Association of the Company.

Contributions are recognised as revenue where there is no obligation to refund the monies. Where there is an obligation to refund these grants, contributions received are recognised as liabilities until the specific conditions attached to the contribution are achieved.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets carrying amount on initial recognition.

3. Significant accounting policies (cont'd)

(b) Foreign currency

The financial statements of the consolidated entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

(c) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the consolidated entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise losses on disposal of available for sale assets and finance management fees.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

(e) Income tax

The Company and its controlled entity are exempt from income tax under Section 50-5 of the Income Tax Assessment Act (1997).

(f) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment. Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other revenue" in profit or loss.

3. Significant accounting policies (cont'd)

(f) Plant and equipment (continued)

Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

- Plant and equipment 3 years
- Leasehold improvements 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(g) Intangible assets

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulate amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. Significant accounting policies (cont'd)

(h) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(i) Financial instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are initially measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

By default, all financial assets are measured subsequently at fair value through profit or loss (FVTPL).

3. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Despite the foregoing, the entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition; and
- Debt instruments that do not meet the amortised cost criteria

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The entity recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. Significant accounting policies (cont'd)

Financial liabilities and Equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(j) Goods and Services Tax (GST)

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

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. 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 operating cash flows.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the company prior to the end of the financial period / year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, the short- term highly liquid investments with original maturities of three months or less.

3. Significant accounting policies (cont'd)

(m) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy above.

(n) Comparatives

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current financial period.

(o) Working capital

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 31 December 2022 for the consolidated entity results in a deficit of net current assets of \$739,184 (2021: \$1,384,308).

Contributing factors to this deficiency are:

- i. The requirement to recognise a lease liability of \$528,867 (2021: \$471,090) as a current liability in accordance with the requirements of AAS 116 Leases with the related Right of Use Asset recognised as a non-current asset; and
- ii. The requirement to present accumulated employee benefits where a present entitlement exists as a current liability notwithstanding that it is unlikely that this balance will require payment in full in the forthcoming next twelve months. The current liability is \$651,015 (2021: \$675,248).

At the date of this report and having considered the above position, the Directors believe that the consolidated entity will be able to continue as a going concern and pay its liabilities as and when they fall due.

	Year ended 31 December 2022	18 months Period ended 31 December 2021
	\$	\$
4. Revenue		
<i>Course revenue</i>		
Executive Master of Public Administration	4,376,110	6,819,375
Executive Fellows Program	2,005,000	1,655,850
Executive Education	4,643,619	5,639,877
Events	1,631,750	2,183,499
Other Income	923,122	1,222,392
	<u>13,579,601</u>	<u>17,520,993</u>
 <i>Grant revenue</i>		
Victoria Government	500,000	750,000
Queensland Government	100,000	150,000
Australian Capital Territory Government	20,000	30,000
New South Wales Government	141,000	423,000
South Australia Government	50,000	50,000
Western Australia Government	50,000	50,000
Tasmania Government	20,000	20,000
Northern Territory Government	20,000	30,000
	<u>901,000</u>	<u>1,503,000</u>
Job-keeper Subsidy income	-	1,249,206
Total revenue	<u>14,480,601</u>	<u>20,273,199</u>
 5. Loss / profit for the year / period		
Loss / profit for the year / period has been arrived at after charging the following items of expense:		
Depreciation and amortisation	1,073,035	925,466
Contributions to defined contribution superannuation funds	1,153,613	1,482,052
Wages and salaries	7,275,303	10,319,973
	<u>9,501,951</u>	<u>12,727,491</u>
 6. Auditors' remuneration		
Audit of financial reports	89,000	69,000
Other services	-	8,500
	<u>89,000</u>	<u>77,500</u>
 The auditor of the consolidated entity for the year ended 31 December 2022 was Deloitte Touche Tohmatsu.		
Other auditors:		
Internal audit and other regulatory audit services	37,150	32,376

	Year ended 31 December 2022	Period ended 31 December 2021
	\$	\$
7. Finance income		
Interest income on bank deposits	184	291
Interest income on financial assets at FVTPL	161,300	291,280
Dividend and other related income on financial assets at FVTPL	1,776,800	2,844,829
Franking credit rebates	154,309	109,182
Investment and finance income	2,092,593	3,245,582
8. Cash and cash equivalents		
Cash on hand	-	245
Bank balances including call deposits maturing in 3 months or less	8,080,882	9,139,980
	8,080,882	9,140,225

The consolidated entity's exposure to interest rate risk and a sensitivity analysis for financial assets is disclosed in note 20.

9. Trade and other receivables

Trade receivables	1,485,987	985,686
Other receivables	552,987	594,241
	2,038,974	1,579,927

There are no impairment losses recognised in Trade receivables for consolidated entity (2021: \$nil).

The consolidated entity's exposure to credit and impairment losses related to trade and other receivables is disclosed in note 20.

10. Other assets

Prepayments	450,430	283,737
Bank guarantees	854,907	854,907
	1,305,337	1,138,644

11. Other financial assets

Non-current investments

Financial assets at FVTPL– floating interest rate	5,254,066	5,729,337
Financial assets at FVTPL – equity securities	53,443,096	66,595,928
	58,697,162	72,325,265

The consolidated entity's exposure to credit and interest rate risks is noted in note 20.

12. Plant and equipment

Plant and equipment

At cost	725,773	591,829
Accumulated depreciation	(462,509)	(348,856)
	263,264	242,973

Leasehold improvements

At cost	1,691,570	1,695,159
Accumulated depreciation	(1,326,854)	(1,276,357)
	364,716	418,802
Total plant and equipment	627,980	661,775

	Year ended 31 December 2022	Period ended 31 December 2021
	\$	\$
Intangible assets		
At cost	1,054,376	1,125,811
Accumulated depreciation	(573,979)	(588,551)
	<u>480,397</u>	<u>537,260</u>
Intangible assets WIP	-	30,870
	<u>480,397</u>	<u>568,130</u>
Total intangible assets	480,397	568,130
Reconciliations		
Plant and equipment		
Carrying amount at beginning of the period / year	242,972	109,736
Additions	135,327	247,779
Disposals	(1,384)	(7,023)
Depreciation	(113,651)	(107,519)
Carrying amount at end of the period / year	<u>263,264</u>	<u>242,973</u>
Leasehold improvements		
Carrying amount at beginning of the period / year	418,803	37,283
Additions	-	394,965
Disposals	(3,590)	-
Transfer from intangible assets	-	15,200
Depreciation	(50,497)	(28,646)
Carrying amount at end of the period / year	<u>364,716</u>	<u>418,802</u>
Intangible assets		
Carrying amount at beginning of the period / year	568,130	543,991
Additions	188,183	767,345
Transfer to leasehold improvements	-	(15,200)
Disposals	-	(358,794)
Depreciation	(275,916)	(369,212)
Carrying amount at end of the period / year	<u>480,397</u>	<u>568,130</u>
13. Right-of-use assets		
At cost	5,962,485	5,832,521
Accumulated depreciation	(1,142,957)	(509,986)
	<u>4,819,528</u>	<u>5,322,535</u>

The consolidated entity's operating leases predominantly consist of office premises leases, which expire no later than ten years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations of the written down values at the beginning and end of the current period and previous financial year are set out below:

	Year ended 31 December 2022	Period ended 31 December 2021
Reconciliations		
Carrying amount the beginning of the period and/or the year	5,322,535	212,946
Additions	129,964	5,529,678
Depreciation	(632,971)	(420,089)
Carrying amount at end of the period / year	<u>4,819,528</u>	<u>5,322,535</u>
14. Trade and other payables		
Trade payables	1,391,805	1,601,615
Other payables and accruals	408,326	863,304
	<u>1,800,131</u>	<u>2,464,919</u>

The consolidated entity's exposure to liquidity risk related to trade and other payables is disclosed in note 20.

15. Provisions

Current

Provision for annual leave	583,660	544,782
Provision for long service leave	67,355	130,466
	<u>651,015</u>	<u>675,248</u>

Non-current

Provision for leased property restoration costs	165,000	165,000
Provision for long service leave	114,564	117,943
	<u>279,564</u>	<u>282,943</u>

	Annual Leave Provision	Long Service Leave Provision	Restoration Provision	Total
At 1 January 2022	544,782	248,407	165,000	958,189
Additional provision in the year	646,747	40,650	-	687,397
Utilisation of provision	(607,869)	(107,138)	-	(715,007)
At 31 December 2022	<u>583,660</u>	<u>181,919</u>	<u>165,000</u>	<u>930,579</u>

	Year ended 31 December 2022	Period ended 31 December 2021
16. Lease liabilities		
Maturity analysis		
Current	651,321	604,572
Year 1	575,703	556,205
Year 2	585,521	567,751
Year 3	608,942	585,521
Year 4	633,300	608,942
Year 5	658,632	633,300
Onwards	<u>1,760,526</u>	<u>2,419,158</u>
Total	5,473,945	5,975,449
Less Unearned interest	<u>(590,384)</u>	<u>(721,735)</u>
Total	<u>4,883,561</u>	<u>5,253,714</u>
Current		
Lease liabilities	<u>527,867</u>	<u>471,090</u>
Non-current		
Lease liabilities	<u>4,355,694</u>	<u>4,782,624</u>
17. Deferred income		
Current		
Unearned revenue	<u>9,185,364</u>	<u>9,631,847</u>
Non-current		
Unearned revenue	<u>1,443,867</u>	<u>-</u>
	<u>10,629,231</u>	<u>9,631,847</u>

Deferred income relates to amounts received in advance for services not yet provided.

18. Equity

The Company is an incorporated company limited by guarantee. At 31 December 2022 there were 26 members (31 December 2021: 26 members) with a limit of liability of \$50.00 each.

Nature and purpose of capital reserve

Transfers between retained earnings and the capital reserve are made for:

- (i) Capital grants received to support the objectives of the ANZSOG Foundation and repayable under certain conditions (refer note 23);
- (ii) Unspent and uncommitted income received on these capital grants. Amounts will be transferred from this reserve to retained earnings in the period in which the amount is spent or committed.

19. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of the significant accounting policies relating to the consolidated entity.

	Company	
	Year ended 31 December 2022	Period ended 31 December 2021
	\$	\$
Result of the parent entity		
(Loss) / profit for the year / period	(10,132,529)	8,458,186
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year / period	<u>(10,132,529)</u>	<u>8,458,186</u>
Financial position of the parent entity at year / period end		
Current assets (i)	8,480,864	9,027,117
Non-current assets	<u>40,127,755</u>	<u>50,100,457</u>
Total assets	<u>48,608,619</u>	<u>59,127,574</u>
Current liabilities (i)	12,161,420	13,561,403
Non-current liabilities	<u>6,079,123</u>	<u>5,065,565</u>
Total liabilities	<u>18,240,543</u>	<u>18,626,968</u>
Total equity of the parent entity comprising of:		
Capital reserve	-	-
Retained earnings	<u>30,368,076</u>	<u>40,500,606</u>
Total equity	<u>30,368,076</u>	<u>40,500,606</u>

- (i) Included in Current asset at 31 December 2022 is \$6,000 owing from the Australia and New Zealand School of Government Foundation.
- (ii) Included in Current liabilities at 31 December 2021 is \$666,361 owing to the Australia and New Zealand School of Government Foundation.

20. Financial instruments

Overview

The consolidated entity has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Finance, Audit and Risk Management Committee which is responsible for monitoring risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The risk management profile has been established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management profile is reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The Finance, Audit and Risk Management Committee oversees management's compliance with the consolidated entity's risk management policies and procedures and reviews the risk management framework in relation to the risks faced by the consolidated entity. The Finance, Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk and management controls and procedures, the results of which are reported to the Finance, Audit and Risk Management Committee.

The Board has established the ANZSOG Foundation Investment Committee to assist the Board of Directors in fulfilling its responsibilities as Trustee of the ANZSOG Foundation by managing market risk and the investment strategy for the Trust. The Committee reports regularly to the Board of Directors on its activities.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables.

Trade and other receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the consolidated entity's customer base, being government bodies and members, limit their exposure to credit risk. The consolidated entity does not have a significant concentration of transactions with a single customer that would exceed 15% of total transactions. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The consolidated entity does not require collateral in respect of financial assets.

Investments

The consolidated entity limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have a good credit rating. Given that the consolidated entity has only invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except as disclosed in note 20.

20. Financial instruments (cont'd)

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

Notes		Year 31 December 2022	Period ended 31 December 2021
		\$	\$
Financial assets at FVTPL	11	58,697,162	72,325,265
Trade and other receivables	9	2,038,974	1,579,927
Cash and cash equivalents	8	8,080,882	9,140,225
		<u>68,817,018</u>	<u>83,045,417</u>

Impairment losses

The ageing of the consolidated entity's trade receivables at the reporting date was as follows:

2022	Gross \$	Impairment \$
Not past due	28,683	-
Past due 0-30 days	442,299	-
Past due 31-120 days	662,710	-
Past due 121 days to one year	352,295	-
	<u>1,485,987</u>	<u>-</u>
2021	Gross \$	Impairment \$
Not past due	221,880	-
Past due 0-30 days	256,415	-
Past due 31-120 days	464,345	-
Past due 121 days to one year	43,046	-
	<u>985,686</u>	<u>-</u>

The allowance for impairment accounts in respect of trade and other receivables are used to record impairment losses unless the consolidated entity is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2022 the consolidated entity does not have any collective impairment on its trade and other receivables (2021: \$nil).

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

20. Financial instruments (cont'd)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Notes	Carrying amount \$	Contractual cash flows \$	6 months or less \$	More than 6 months \$
2022					
Non-derivative financial liabilities					
Trade and other payables	14	1,800,131	1,800,131	1,800,131	-
		<u>1,800,131</u>	<u>1,800,131</u>	<u>1,800,131</u>	<u>-</u>
2021					
Non-derivative financial liabilities					
Trade and other payables	14	2,464,919	2,464,919	2,464,919	-
		<u>2,464,919</u>	<u>2,464,919</u>	<u>2,464,919</u>	<u>-</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity is exposed to currency risk on sales and purchases which are denominated in a currency other than the respective functional currency. The currencies in which these transactions primarily are denominated are the New Zealand dollar (NZD) and the USA dollar (USD). However, the effect of the overall translation of NZD and USD transactions for the period / year is deemed immaterial to total revenue and expenses.

Interest rate risk

The consolidated entity has no external borrowings or fixed interest investments and hence is not subject to interest rate risk.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

- profit for the period ended 31 December 2022 would decrease/increase by \$2,628,424 (year ended 31 December 2021: \$3,329,796) as a result of the changes in fair value of financial assets carried at FVTPL.

The consolidated entity's sensitivity to equity prices has not changed significantly from the prior year.

Currency risk

All financial assets and liabilities held by the consolidated entity are in Australian dollars. The consolidated entity is not exposed to currency risk at period / year end. There was minimal exposure to currency risk during the period.

20. Financial instruments (cont'd)

Interest rate risk Profile

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was as follows:

	Carrying amount	
	Year 31 December 2022 \$	Period ended 31 December 2021 \$
Fixed rate investments		
Financial assets	-	-
Variable rate instruments		
Financial assets	10,435,515	14,869,562

Interest rate risk

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

Cash flow sensitivity analysis for variable rate instrument

	-1%		+1%	
	Profit \$	Equity \$	Profit \$	Equity \$
2022				
Financial assets				
<i>Variable rate instruments</i>	(104,355)	-	104,355	
Cash flow sensitivity (net)				
2021				
Financial assets				
<i>Variable rate instruments</i>	(148,696)	-	148,696	-
Cash flow sensitivity (net)	(148,696)	-	148,696	-

20. Financial instruments (cont'd)

Fair values

Fair values versus carrying amounts

The fair values to financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Notes	2022		2021		
	Carrying amount	Fair value	Carrying amount	Fair value	
	\$	\$	\$	\$	
Assets carried at fair value					
Financial assets at FVTPL	11	58,697,162	58,697,162	72,325,265	72,325,265
Assets carried at amortised cost					
Trade and other receivables	9	2,038,974	2,038,974	1,579,927	1,579,927
Cash and cash equivalents	8	8,080,882	8,080,882	9,140,225	9,140,225
Liabilities carried at amortised cost					
Trade and other payables	14	(1,800,131)	(1,800,131)	(2,464,919)	(2,464,919)
		<u>67,016,887</u>	<u>67,016,887</u>	<u>80,580,498</u>	<u>80,580,498</u>

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVTPL	36,267,446	22,429,716	-	58,697,162
	<u>36,267,446</u>	<u>22,429,716</u>	<u>-</u>	<u>58,697,162</u>
2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVTPL	47,119,617	25,205,648	-	72,325,265
	<u>47,119,617</u>	<u>25,205,648</u>	<u>-</u>	<u>72,325,265</u>

Level 1 includes all listed interest bearing and equity securities and level 2 includes investment in unlisted unit trusts.

20. Financial instruments (cont'd)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the consolidated entity's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the consolidated entity's operations. The objective of the consolidated entity is to manage operational risk so as to prevent financial losses and damage to the consolidated entity's reputation. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the management of the consolidated entity.

This responsibility is supported by the development of an overall risk management plan and appropriate policies and procedures to manage risk in the following areas:

- requirements for appropriate segregation of duties including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risk faced and adequacy of controls and procedures to address the risks identified
- development of contingency plans
- ethical and high level business standards
- risk mitigation including insurance

Compliance with policies and procedures is supported by a programme of periodic reviews of internal controls undertaken by internal audit. The results of these reviews are discussed with the management of the consolidated entity and submitted to the Finance, Audit and Risk Management Committee.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain member, director and market confidence and to sustain future development of the business. There were no changes to the consolidated entity's approach to capital management during the period / year.

Year	Period ended
31 December	31 December
2022	2021
\$	\$

21. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial period / year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	8,080,882	9,140,225
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	Year 31 December 2022 \$	Period ended 31 December 2021 \$
21. Cash and cash equivalents (cont'd)		
b) Reconciliation of (loss) / profit for the period / year to net cash flows from operating activities		
Profit / (loss) for the period / year	(14,621,072)	14,695,547
Adjusted for:		
Depreciation and amortisation	1,073,035	925,466
Loss on disposal of PPE and intangible assets	4,974	365,817
Net gain on sale of financial assets at FVTPL	-	(936,258)
Net loss on sale of financial assets at FVTPL	4,969,967	-
Net change in fair value of financial assets at FVTPL	8,174,697	(14,385,973)
Dividend recognised in the profit or loss	(1,776,800)	(2,844,829)
Interest income recognised in the profit or loss	(161,484)	(291,571)
Franking credits recognised in the profit or loss	(154,309)	(109,182)
Operating loss before changes in working capital and provisions	(2,490,992)	(2,580,983)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	(60,609)	1,266,870
Other assets	(166,693)	(43,524)
Increase/(decrease) in liabilities:		
Trade and other payables	(664,788)	223,646
Deferred income	997,384	(380,142)
Provisions	(27,612)	262,172
Net cash used in operating activities	(2,413,310)	(1,251,961)

22. Related parties

Key management personnel compensation

The compensations to the key management personnel are as follows:

Short-term employee benefits	907,121	1,092,858
Long-term employee benefits	146	20,718
	907,267	1,113,576

Other related party disclosures

Other related parties consist of the Company's members, being participating governments and universities.

During the financial period / year some participating universities provided educational services and its facilities to students who are staff of government members under normal commercial terms and conditions. It is not practical to quantify the value of services provided during the financial period / year.

During the financial period / year, all transactions between the consolidated entity and other related parties were in the ordinary course of business and on normal arm's length commercial terms and conditions.

23. Contingent liabilities considered remote

The directors are of the opinion that provisions are not required in the controlled entity in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or amount is not capable of reliable measurement.

Deed of Agreement with the Commonwealth of Australia

Termination and repayment to the Commonwealth of Australia (the Commonwealth).

As per clause 15 of the Deed of Agreement (the Deed) between the Company and the Commonwealth dated 30 June 2005, if the Commonwealth forms the reasonable opinion that the Company has failed to comply with its obligations under the Deed, the Commonwealth may issue a notice to the Company requiring it to rectify that failure within 30 days of the date of the notice.

Without prejudice to its rights at Law, the Commonwealth may, by notice in writing to the Company terminate the Deed immediately if:

- I. an insolvency event occurs in respect of the Company;
- II. the Commonwealth forms a reasonable opinion that the funds or interest have been invested, used, spent or committed by the Company other than in accordance with the provisions of the Deed or the Trust Deed (establishing the ANZSOG Foundation);
- III. the Company has failed to comply with a notice issued by the Commonwealth under clause 15 of the Deed;
- IV. there is an amendment to the Trust Deed or the Company's constitution which, in the reasonable opinion of the Commonwealth, will impede or affect the Company's ability to comply with its obligations under the Deed;
- V. the Company assigns its rights or novates its obligations under the Deed without prior written consent from the Commonwealth; or
- VI. there is a change in the control or ownership of the Company without prior written consent from the Commonwealth.

If the Commonwealth terminates the Deed under any situation listed above the Company must repay the grant funding of \$10,000,000, the GST amount of \$1,000,000, and any interest income unspent or uncommitted.

This contingent liability takes effect until the expiration of the Trust Deed in 2085 or until the day the Commonwealth terminates the Deed in a manner set out above.

23. Contingent liabilities considered remote (cont'd)

Deed of Agreement with the Government of New Zealand

Termination and repayment to the Government of New Zealand (the Government)

As per clause 15 of the Deed of Agreement (the Deed) between the Company and the Government dated 15 June 2007, without prejudice to its rights at Law, the Government may, by notice in writing to the Company terminate the Deed immediately if:

- I. an insolvency event occurs in respect of the Company;
- II. the Government forms the reasonable opinion that any Funds have been invested, used, spent, committed or otherwise dealt with other than in accordance with the provision of the Deed or the Trust Deed in a manner that cannot be readily rectified;
- III. the Government forms the reasonable opinion that the Company has failed to comply with any of its obligations under the Deed and the failure is incapable of being rectified, or if the failure is capable of being rectified, the failure has not been rectified within 30 business days of the Government giving notice to the Company of the failure to comply;
- IV. there is an amendment to the Trust Deed or to the Company's constitution which, in the reasonable opinion of the Government, will impede or affect the Company's ability to comply with its obligations under the Deed;
- V. the Company assigns any of its rights, or novates (or purports to assign or novate) any of its obligations, under the Deed without the proper written consent of the Government;
- VI. there is a change in the control or ownership of any Trustee without the prior written consent of the Government; or
- VII. there is a change of Trustee or one or more additional Trustees are appointed without the prior written consent of the Government, provided that such consent will not be unreasonably withheld if each replacement or additional Trustee enters into a deed of accession to the Deed in a form that is acceptable to the Government (acting reasonably).

If the Government terminates the Deed, the Company must repay the grant funding of NZD 6,000,000 together with any income accrued thereon and retained by the Trustees.

This contingent liability takes effect until the expiration of the Trust Deed in 2085 or until the day the Government terminates the Deed in a manner set out above.

24. Controlled entities

	Ownership interest	
	Year 31 December 2022 %	Period ended 31 December 2021 %
The Australia and New Zealand School of Government Foundation – a Trust	100%	100%

25. Events subsequent to reporting date

There have not been any other matters or circumstances occurring subsequent to the end of the financial period that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

26. Economic dependency

A significant portion of The Australia and New Zealand School of Government's revenue is arranged through State Government grants in accordance with various funding agreements. The entity is dependent on the continuing financial support of the Governments.