



University of New England Annual Report 2014



University of New England
Armidale NSW 2351
April, 2015

The Honourable Adrian Piccoli, MP
NSW Minister for Education
PO Box 5341
Sydney NSW 2000

Dear Minister,

In accordance with the Annual Reports (Statutory Bodies) Act, 1984, and the Public Finance and Audit Act, 1983, the University of New England Council has the honour to present to you, for tabling to the NSW Parliament, the annual report of the proceedings of the University for the period 1 January to 31 December 2014.



Mr James Harris
Chancellor



Professor Annabelle Duncan
Vice-Chancellor and CEO



Table of Contents

CHANCELLOR'S FOREWORD	2
VICE-CHANCELLOR'S REVIEW	3
UNE AT A GLANCE	4
About UNE	4
Mission	5
Vision	5
Values	5
Strategic Priorities	5
Enablers	5
Academic Schools	5
UNE FACTS & FIGURES	6
2014 IN REVIEW	8
UNE GOVERNANCE	10
Council	10
Academic Board	10
Members	11
Committees	11
Internal Audit And Risk Management	12
Public Interest Disclosure	12
Privacy	12
Government Information Public Access (Gipa)	12
Digital Information Security Policy Attestation	15
UNE LEADERSHIP	16
Senior Executive Team	16
Executive Management Performance Summary	16
Organisational Structure	17
PERFORMANCE REVIEW	18
Students	18
Research	20
Infrastructure	23
Teaching and Learning	24
Advancement	25
Finance	26
Staff	29
WASTE MANAGEMENT	32
ACCESS ARRANGEMENTS	33

Forward from the Chancellor

UNE continues to play a leading role in regional and rural Australia, helping to enhance economic, social and cultural performance, and understanding within our communities.

It is my great pleasure to recommend to you the 2014 Annual Report for the University of New England (UNE).

The University operates in a challenging time. UNE has shown strength in facing these challenges, which are driven not only by government but also by the demands of our students and staff.

UNE strives to develop better methods of delivery to both our internal and external students, enabling them to have an enriching experience at UNE and obtain not only the knowledge that comes with their degree but also to learn how to develop skills that will be lifelong enhancers in our global economy. It is therefore not surprising that our students once again indicated their satisfaction by awarding UNE a five-star rating for student satisfaction.

Research continues to be a key focus for UNE. We have seen that with leadership, and ongoing investment in research facilities and culture, research outcomes have improved this year and will continue to grow in the future. With the contemporary work we do in research, UNE continues to play a leading role in regional and rural Australia, helping to enhance economic, social and cultural performance, and understanding within our communities.

UNE, like any other organisation, is made up of people and I would like to thank the University community for all their work during 2014. Especially I thank our new Vice-Chancellor who has come into this job with drive and determination to make UNE a better place.

I would like to thank the University Council for its support and its tremendous work in governing UNE. We have seen significant infrastructure development that will continue to enhance student access in our regional centres throughout Northern NSW and in Parramatta in Western Sydney. Investments in 2014 in research infrastructure will also be delivered next year, including the new Agricultural Education Building and the new SMART Farm building, to name two.



James Harris
Chancellor

I would like to thank my predecessor the Hon John Watkins and also the acting Chancellor, Dr Geoffrey Fox for all the work they did in 2014.

In 2015, UNE will continue to strive to deliver regional and rural Australia the best educational services and opportunities possible.

James Harris
Chancellor
UNE

In terms of student numbers, we again experienced an increase in enrolments. International enrolments in particular have seen significant growth. Our students again awarded UNE with a five-star student satisfaction rating in the 'Good University Guide'.

I am pleased to report that 2014 was a successful year for the University of New England.

Our student enrolments continued to grow, our research revenues increased to record levels, and work continued on a number of major infrastructure projects.

It was a year of change at UNE. In January, then Vice-Chancellor Jim Barber announced his resignation. I was appointed as interim Vice-Chancellor in February and was very honoured and humbled to be appointed to the position permanently in August following an international recruitment search.

There was also movement in the Chancellor's position in 2014. The Honourable John Watkins resigned from the position in June and was replaced by long-serving council member and local grazier James Harris.

Despite the changes in the leadership UNE has continued to prosper.

In terms of student numbers, we again experienced an increase in enrolments. International enrolments in particular have seen significant growth. Our students again awarded UNE with a five-star student satisfaction rating in the *Good University Guide*.

The rejuvenation of our highly prized residential college system began in earnest in 2014, with the completion of a new residential college. When fully open to students in 2015, Wright College will offer a self-catered apartment option for students – accommodation which is attractive to our international and mature aged students.

The \$14 million Tablelands Clinical School was finalised and work also commenced on the Sustainable, Manageable, Accessible, Rural Technology (SMART) Farm Innovation Centre, which is expected to be completed in mid-2015. The SMART Farm Innovation Centre is a component of the \$46 million Integrated Agricultural Education Project and will significantly enhance UNE's research and teaching performance in agricultural and animal sciences.

In 2014 UNE continued to embark on collaborative partnerships with other institutions in Australia and internationally to the benefit of our students and staff. In 2013, UNE and TAFE New England developed a number of dual-sector degree offerings in Health and Agrifood Systems with encouraging enrolment numbers in 2014. Internationally, UNE established a partnership agreement with Renmin University, Shenzhen to offer our Master of Business Administration to Chinese students.



Professor Annabelle Duncan
Vice-Chancellor and CEO

Having delivered its fourth consecutive underlying surplus in 2014, UNE is in a strong financial position that will enable us to navigate coming changes in the higher education sector.

Research income continues to grow with Research Block Grant income topping \$14 million. Special mention should be made of the School of Humanities, which has signed a contract with the Dubai Municipality for the \$3.3 million Saruq al-Hadid Archaeological Research Project (SHARP). In addition, three UNE research projects were granted funding of more than \$1 million by the Australian Research Council.

UNE hosted a number of high-profile guest lectures in 2014 at our Armidale campus. Former Prime Minister Malcolm Fraser presented the Earle Page College Politics Lecture, President of the Australian Human Rights Commission, Professor Gillian Triggs, delivered a lecture on human rights and executive power, Founder of the Bell Shakespeare Company, John Bell, talked about his lifelong involvement with the work of Shakespeare, and Former High Court Judge, the Honourable Michael Kirby, delivered his namesake public lecture on human rights in North Korea.

I look forward to building on the success of 2014 in the years ahead.

Annabelle Duncan
Vice-Chancellor and CEO
UNE

UNE at a glance

The UNE community includes 10 regional study centres throughout northern New South Wales and a growing international network of teaching partners.

About UNE

The University of New England was founded as Australia's first regional university with a mission to provide access to education and research for the regional community. It was the first provider of off-campus tertiary education in Australia and is now a leader in online innovation and flexible tertiary education delivery.

The University's main campus is located in Armidale, NSW, halfway between Sydney and Brisbane, on 260 hectares of picturesque bush land. The UNE community includes 10 regional study centres throughout northern New South Wales and a growing international network of teaching partners.

On-campus students enjoy personalised and inspiring interaction with UNE's academic leaders. This experience is facilitated by UNE's vibrant collegiate community, providing networks of friends, academic support, social and sporting activities. The UNE experience is far reaching, as the latest online technologies are implemented to bring academic experiences to off-campus students anywhere around the world.

Our academic staff members have developed a strong network of international research partners, delivering improvements in health, medicine, education, local government, productivity, agriculture and quality of life to communities not only in rural and regional Australia, but also across the developed and developing world. True to our unique regional setting, UNE has built strong industry links and knowledge partnerships that are reflected in its major roles in Cooperative Research Centres for pork, sheep, poultry, spatial information, polymers, remote economic participation and invasive animals.

UNE hosts a number of flagship research centres including the Institute for Rural Futures (IRF); the National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Australia (SiMERR); the Australian Centre for Agriculture and Law (AgLaw Centre); the Centre for Bioactive Discovery in Health and Ageing (CBDHA); and the Precision Agriculture Research Group (PARG).



Historic Booloominbah, University of New England, Armidale NSW.

Mission

UNE is a regionally based, globally networked university that is renowned for the quality of its student experience, the excellence of its research, its commitment to innovation and inclusivity and its responsiveness to the aspirations of our students, staff, partners, and the New England community. UNE will deliver a distinctive student experience characterised by a formative on-campus student tradition and academic culture, accessible education and service delivery, and research that is relevant to the communities it serves.

Vision

UNE will:

- be known for the quality and accessibility of its on-campus and online education
- deploy the latest educational technologies to connect, study and interact with staff and students all around the world
- be a desirable place to work
- provide an unsurpassed residential college system and on-campus university experience
- focus on research that has a positive impact on regional communities via knowledge transfer and applied outcomes
- remain known for its inclusiveness as both an education provider and employer
- be known as lead collaborator across a range of partnerships with the community, the professions, business, industry and government
- have greater international connectivity in terms of course delivery, course content, pedagogical practice, benchmarking and human capital
- have systems and processes in place that facilitate quick and innovative responses to changes in market
- demand, industry needs, advances in pedagogy and delivery modes
- be a financially and environmentally sustainable organisation.

Values

Formative - providing a study and work environment that encourages intellectual and personal development, flexibility in terms of attitude, knowledge and skills.

Respectful - encouraging respect for our students, staff and partners and celebrating their diversity

Inclusive - providing an academic and work environment that is accessible to, and engaged with the communities we serve.

Flexible - promoting a culture that is responsive to change and the needs and expectations of all stakeholders.

Innovative - promoting a culture that develops and incorporates creative approaches to academic and administrative service delivery across all areas of the University.

Strategic Priorities

- To distinguish ourselves by the quality of our student experience
- To adopt innovative educational technology in support of student learning
- To achieve international distinction in all our specialist fields of research
- To maximise access to a quality higher education
- To be a well-managed organisation that meets the expectations of students and staff

Enablers

- Governance and leadership
- Our people
- Quality business processes
- Financial sustainability

Academic Schools

UNE is Australia's oldest regional university offering more than 200 courses at undergraduate, postgraduate coursework and higher degree research levels.

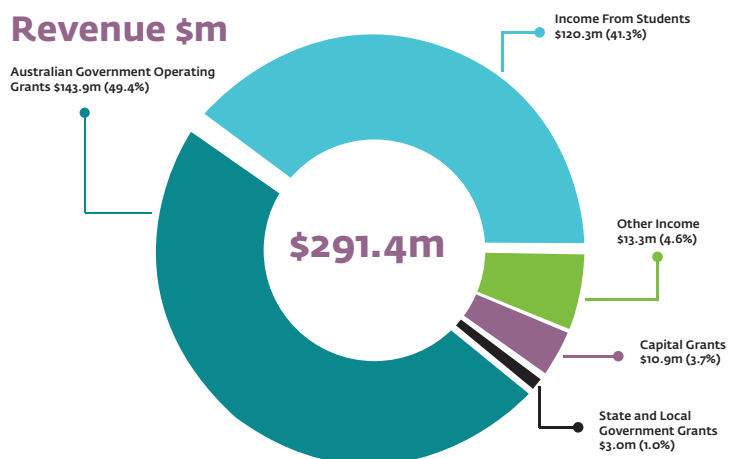
UNE has 10 Schools specialising in a wide ranges of academic fields:

- UNE Business School
- School of Rural Medicine
- School of Health
- School of Environmental & Rural Sciences
- School of Behavioural, Cognitive and Social Sciences.
- School of Science & Technology
- School of Humanities
- School of Arts
- School of Education
- School of Law

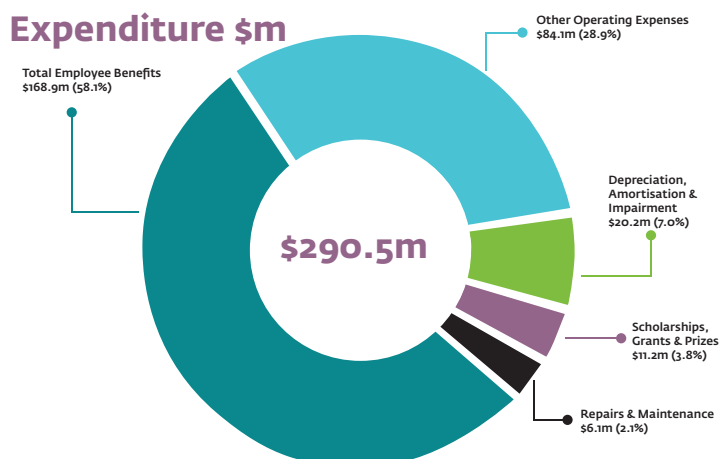
UNE Facts & Figures



Revenue \$m



Expenditure \$m



Research Block Grant Income

\$14,587,151

Research Training Scheme
\$6,604,427

Joint Research Engagement
\$3,133,512

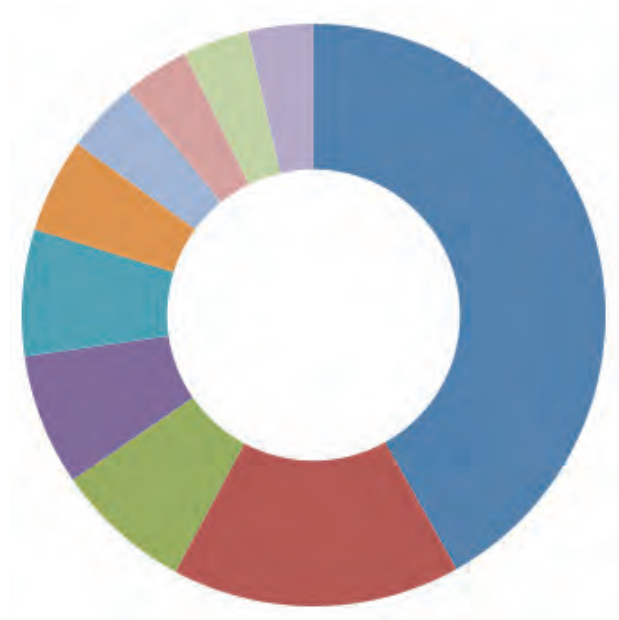
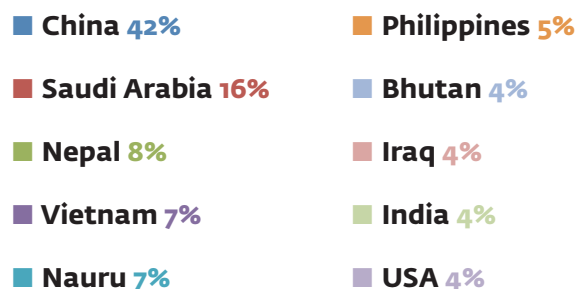
Research Infrastructure
\$1,091,903

Sustainable Research Excellence (from 2011)
\$992,574

Australian Postgraduate Awards/
International Postgraduate
Research Scholarship
\$2,563,441

International Postgraduate
Research Scholarships (IPRS)
\$201,294

Top Ten Countries Represented by International Students



2014 Student Enrolments by Course Type

Higher degree by Research

774 (3.4%)

Postgraduate Coursework

6,096 (26.5%)

Undergraduate

14,672 (63.8%)

Enabling and other Non-Award

1,456 (6.3%)

2014 Student Enrolments by School

Total Enrolled Students 22,998

Arts

1,292 (5.6%)

Behavioural, Cognitive and Social Sciences

2,446 (10.6%)

Education

5,109 (22.2%)

Environmental and Rural Science

1,575 (6.9%)

Health

1,572 (6.8%)

Humanities

2,536 (11.0%)

Law

2,087 (9.1%)

Rural Medicine

410 (1.8%)

Science & Technology

1,696 (7.4%)

UNE Business School

2,691 (11.7%)

Other

1,584 (6.9%)

2014 Student Enrolment Demographics

Off-campus students

18,373 (79.9%)

On-campus students

4,625 (20.1%)

Female students

15,116 (65.7%)

Male students

7,882 (34.3%)

Commencing students

9,922 (43.1%)

International students

1,035 (4.5%)

Indigenous students

593 (2.6%)

Postgraduate students

6,870 (29.9%)

2014 - Other Student Information

Students

21,872

Student load (EFTSL)

11,643.2

Graduates

3,630

Staff Members

1,364

(Note that this graph reflect all courses a student enrolls in)

2014 in Review

January

- Dr Tom Bristow was awarded an Australian National University's Humanities Research Centre (HRC) fellowship to continue his research comparing environmental human cultural studies alongside innovations in the digital humanities.
- Armidale Dumaresq Council and UNE joined forces to offer two scholarships to country students to study Engineering or Urban and Regional Planning.
- Twelve Year 11 and 12 students received scholarships from UNE as part of the Growing Regional and Agricultural Students in Science (GRASS) program.
- UNE's Vice-Chancellor, Professor James Barber, announced his resignation from UNE.

February

- Eminent speakers debated the implications of Zoe's Law at a forum hosted by UNE. This law proposed that legal personhood be conferred on foetuses over 20 weeks' gestation or weighing 400 grams or more.
- Leading Australian thinkers joined international guests at UNE's Summer Retreat, designed to inspire a deeper conversation about managing change in business and organisations.
- UNE academic, Professor Paul Martin, led an international project to improve the effectiveness of laws that govern the use of natural resources around the world for the International Union for Conservation of Nature's (IUCN) World Commission on Environmental Law.
- Professor Annabelle Duncan was appointed as interim Vice-Chancellor and CEO of UNE.
- Dr Leopold Bayerlein from UNE Business School won first place in the Best Practices in Flexible Learning Competition for his online teaching platform *Balancing Life*.

March

- Distinguished University of New England alumni, His Excellency Rear Admiral Kevin Scarce AC CSC RANR and Mr Tony Windsor, were presented with Honorary Doctorates of Letters.
- UNE welcomed visiting academic and expert in biblical studies, Professor Carol Meyers from Duke University in the United States. Professor Meyers presented a public lecture entitled *'Mosaics and multiculturalism: Discoveries at ancient Sepphoris'*.
- NSW Chief Pharmacist and Associate Director at the NSW Ministry of Health, Ms Judith Jackson, presented the occasional address to UNE's first cohort of pharmacy graduates.
- UNE student, Callan Beesley, was named NSW Pharmacy Student of the Year.

April

- UNE and TAFE New England launched the integrated degrees program offering flexible entry and exit points in degrees in the disciplines of Agrifood Systems, Health and Community Services.
- UNE honours student, Tim Rhodes, was selected to attend the prestigious 44th St Gallen Symposium in Switzerland as a Leader of Tomorrow after his essay contribution ranked in the top 100 entries.
- The Japanese Minister of Internal Affairs and Communications and a delegation of high-ranking trade officials visited the University of New England's Armidale Campus and the Kirby SMART Farm facility as part of a three-day visit to Australia for intergovernmental talks on trade.
- Parramatta City Council signed a Memorandum of Understanding with UNE covering key priorities including innovation, talent development and community leadership.

May

- Chair of the National Disability Insurance Agency, Bruce Bonyhady, presented a public lecture *'The transformational reform of our time: the National Disability Insurance Scheme (NDIS) and lessons for change'*.
- Former New South Wales Premier and Foreign Minister, Bob Carr, delivered personal insights into his life as a politician, conservationist, statesman and author at a public lecture at UNE.
- UNE presented \$7.1 million worth of scholarships to 122 undergraduate students and 114 postgraduate students.
- 177 UNE Business School students received merit awards at the annual CPA Australia awards dinner.

June

- UNE Chancellor, the Honourable John Watkins, resigned.
- The 4th Annual Farming Futures Careers Fair and industry dinner brought together agricultural businesses from across Northern NSW and Southern Qld to promote postgraduate jobs, summer employment, internships and scholarships to agriculture students.
- UNE signed a Memorandum of Understanding with Pennsylvania State University (USA) to promote joint research centres, student exchange, interfaculty exchange programs and sharing of research and education resources and materials.
- UNE's Business School won gold and platinum awards in the 2014 LearnX Asia Pacific Impact Awards for its exceptional work in organisational learning and development.
- UNE's School of Education launched a recruiting initiative aiming to improve the retention rate of quality teachers at disadvantaged schools in Western Sydney.

July

- The UNE Enactus Minimbah Project team continued to hold free birth registrations sessions at community centres and sports events in regional NSW and Southern Qld to assist underprivileged Australians in obtaining birth certificates.
- Former Australian Prime Minister, the Right Honourable Malcolm Fraser AC CH, delivered the Earle Page College Politics Lecture entitled '*Should Australia be involved in a war that may be sparked by China and the United States?*'
- World-renowned and accomplished theatrical practice scholar, Professor Mary Luckhurst, led a workshop in creative practice for staff, students and community members entitled '*The actor's body as haunted house*'.

August

- UNE appointed seven new members to its Council: Professor Don Hine, Dr Robyn Muldoon, Mr Stuart Robertson, Mr Michael Kirk, Ms Rosemary Leamon, Mr Les Ridgeway and Ms Meredith Symons.
- SportUNE launched the Graduates of League program with the National Rugby League at its Parramatta FutureCampus.
- Former Australian High Court judge, the Honourable Michael Kirby presented a public lecture, '*Will human rights in North Korea change?*'
- UNE celebrated the UNE Teaching Excellence Awards and was again awarded five stars for student experience, overall satisfaction and teaching quality in the national Good Universities Guide.
- Professor Annabelle Duncan was permanently appointed as Vice-Chancellor and CEO of UNE.

September

- Regional students presented 160 science investigation projects that they completed at school as part of UNE's Growing Regional and Agricultural Students in Science (GRASS) investigation awards.
- UNE launched an Associate Degree in Teaching with a Pacific focus to Nauruan locals as part of the Nauru Teacher Education Project.
- 211 Students received recognition for their outstanding academic achievements at the second Vice-Chancellor's Scholar awards ceremony.
- UNE awarded two citations for outstanding contributions to student learning by the Office of Learning and Teaching.

October

- Founder of the Bell Shakespeare Company, John Bell, visited the UNE Armidale campus and presents his lecture, '*Shakespeare and Me – a Life*'.
- President of the Australian Human Rights Commission, Professor Gillian Triggs, presented a lecture at UNE entitled '*Australian exceptionalism: Human rights and executive power*'.
- UNE signed a Memorandum Of Understanding with Minzu University in Beijing, China to promote cultural exchanges, cooperative education programmes, joint academic supervision of postgraduate students and the opportunity for further engagement in joint academic research.
- UNE ran the 'Yes I Can' literacy campaign led by Adjunct Professor Jack Beetson to help reduce crime and increase school attendance rates at three Indigenous communities in New South Wales.
- UNE Business School hosted the inaugural China Study Tour, with 28 undergraduate students exploring the cultural diversity, business development opportunities, sustainability and other international business challenges in the dynamic and rapidly developing economy of Australia's biggest trading partner.

November

- UNE won the overall Regional Development Australia Northern Inland Innovation of the Year Award for its Precision Agriculture Research Group's NBN connected Smart Farm project.
- Grazier and businessman James Harris was appointed as 9th Chancellor of the University of New England.
- Dr Hamish Campbell delivered the 2014 Steve Irwin Memorial Lecture at the University of Queensland.
- Around 800 school students from across the region experienced hands-on science at the annual Science in the Bush event, which forms part of UNE's Far Out Science Program.
- Head of School of Humanities, Professor Lloyd Weeks was appointed by the Dubai Municipality to lead a team of experts who will spend the next three years analysing and conserving thousands of 3,000 year-old artefacts discovered at a site in the desert of Dubai known as Saruq al-Hadid.

December

- UNE opened its historic homestead to the community at the inaugural Booloominbah Open day.
- Dr Leo Bayerlein from the UNE Business School was awarded an Australian Award for University Teaching – one of only 16 in Australia.

UNE

Governance

The University of New England is formed under the University of New England Act, 1993 (NSW) (hereafter 'the Act') and its by-laws. In accordance with the Act, the Body of the University comprises the UNE Council, Convocation, the University's graduates and students as well as full-time members of staff as the by-laws may prescribe. The object of the University, as outlined within the Act, is the promotion (within the limits of the University's resources) of scholarship, research, and free inquiry, the interaction of research and teaching, and academic excellence.

Council

The UNE Council is the University's governing authority and has functions conferred upon it by the Act. Under its powers of delegation, the Council establishes Committees of Council that are responsible for the analysis, review and endorsement of recommendations from the University's management, as well as for the identification of organisational risk and opportunities. The Vice-Chancellor is an official member of Council for the term of their appointment.

Academic board

The Act also establishes an Academic Board, which is the principal academic body of the University. The Academic Board reports to the UNE Council, advising it and the Vice-Chancellor on developments and initiatives relating to and affecting the University's teaching and research activities as well as its educational programs. The Board and its Committees develop, implement and review academic policies and consider proposals for the development of academic programs and awards.

Members

Council Members, Qualifications and Terms of Appointment

Appointment	Council Members	Date Elected *	Expiry Date*	Qualifications
Official	Chancellor, The Hon John Watkins	08/12/2012	20/06/14	BA/LLB, MA, Dip Ed, AICD
	Chancellor, Mr James Harris	20/11/2014	19/11/2019	HonDUniv (NE)
	Vice-Chancellor, Professor Jim Barber	03/02/2010	22/03/2014	BSocSc, BA(Hons), PhD
	Vice-Chancellor, Professor Annabelle Duncan	20/08/2014	19/08/2019	BSc, DipSc, MSc (Otago), PhD (La Trobe), HonDSc (Murdoch), PSM
	Chair Academic Board, Professor Nick Reid	2/04/2013	2/03/2015	BSc(Hons), PhD (Adelaide)
Minister	Mr Kevin Dupe	17/08/2010	16/08/2014	BEC, AMP INSEAD, FAMI, FAICD
	Ms Gae Raby	17/08/2010	16/08/2014	BEC
	Mr James Harris	17/8/2014	See "Chancellor" above	
	Dr Geoffrey Fox (Deputy Chancellor – 31/10/2012 to 30/10/2014)	17/8/2014	16/8/2017	BRurSc (Hons), PhD (NE), MA (ANU)
	Ms Jan McClelland AM	17/08/2010	16/08/2014	BA (Hons) (Syd), BlegStuds (Macq), FACEL, FAIM, FAICD
	Ms Rosemary Leamon	17/8/2014	16/8/2016	BFA (NE), CA, MAICD
	Mr Les Ridgeway	17/8/2014	16/8/2017	Bed, DipTech (NCAE)
	Ms Meredith Symons	17/8/2014	16/8/2016	BFA (NE) ACA
	Ms Anne Myers	01/12/2014	30/11/2016	MBA AGSM, GAICD
External	Ms Jan McClelland AM (Deputy Chancellor – 20/11/2014 to 19/11/2016)	2/10/2014	31/12/2017	BA (Hons) (Syd), BlegStuds (Macq), FACEL, FAIM, FACID
	Mr Robert Finch	25/11/2012	31/12/2015	ACA, FLGAA
Academic	Professor Margaret Sims	21/8/2014	20/8/2016	BA, MA, PhD (Auckland), DIM NZ
	Dr Brian Denman	21/08/2012	20/08/2014	BA, MA, PhD
	Professor Donald Hine	21/8/2014	20/8/2016	BSc (University of Alberta), MA, PhD (University of Victoria)
Non-Academic	Dr Jeannet van der Lee	21/8/2014	20/8/2016	BNatRes, PhD NE
Undergraduate	Mr Ben Crough	12/10/2012	11/10/2014	
	Mr Michael Kirk	12/10/2014	11/10/2016	
Post Graduate	Ms Catherine Millis	05/10/2012	04/10/2014	BSchNF, BCompSc, MCompStud
	Mr Stuart Robertson	5/10/2014	4/10/2016	BsocSc (NE)
Graduate	Mr Neil (Archie) Campbell	18/08/2010	17/08/2014	BFA
	Dr Jack Hobbs	18/8/2014	17/8/2018	BSc (Hons) Lond, CertED (Nott), MSc PhD (NE), FRMetS, JP
	Dr Robyn Muldoon	18/8/2014	17/8/2018	BA DipEd, M.Ed, EdD (NE)

*Council members may have served for previous terms or may be re-elected. The election date and term shown is the current term.

Committees

Supporting UNE Council are the following Council Committees and the University's Academic Board:

- Standing Committee of Council
- Finance Committee of Council
- Audit and Risk Committee of Council
- Infrastructure Committee of Council
- Remuneration Committee of Council
- Nominations Committee of Council
- Tender Committee of Council
- Honorary Degrees Titles and Tributes Committee of Council
- Standing Committee of Convocation

Internal audit and risk management

TPP 09-05 is a Treasury directive on Internal Audit & Risk Management policy and Universities are not required to adhere to the directive. However, UNE's Audit & Risk Directorate was subject to an independent external review in late 2014, conducted by the Institute of Internal Auditors, who concluded that UNE was in full conformance with the six core requirements of TPP 09-05 and therefore in full conformance with the directive.

Public interest disclosure

During 2014 the Public Interest Disclosure Policy and Public Interest Disclosure Procedure were reviewed and the new Public Interest Disclosure Rule and Public Interest Disclosure Procedure were approved by the Audit & Risk Committee at their December meeting.

UNE, as part of its 2014 induction program for new employees, provided training on the UNE Public Interest Disclosure Rule and Public Interest Disclosure Procedure. In addition the new electronic Performance Planning Development and Review process requires existing staff to certify that they have completed the compulsory compliance training within the required timelines.

The compulsory compliance training is available online and includes the Public Interest Disclosure Rule and Public Interest Disclosure Procedure.

Statistical information on the number of public interest disclosures (PIDs) received and completed is detailed in the table below.

Particulars	Period: 1 January 2014 – 31 December 2014
Number of public officials who made PIDs	4
Number of PIDs received	4
Of the PIDs received, number primarily about: <ul style="list-style-type: none">• corrupt conduct• maladministration• serious and substantial waste• government information contravention	<ul style="list-style-type: none">2200
Number of PIDs finalised	4

Privacy

The Australian Government's privacy law reform took effect in March 2014. The University provided details of the changes to legislation via the University of New England's internet homepage. The link provides information about the University's management of privacy matters, a link to the University's Privacy Policy, its Privacy Management Plan and contact details for the University of New England's Privacy Officer.

Advice and support to increase awareness of the reforms and their implications were provided to the University community by the University's Privacy Officer, with all privacy issues and concerns across 2014 being addressed at a local level. There were no privacy matters escalated to the NSW Privacy Commission during 2014.

The University's Privacy Policy and its associated Privacy Management Statement are both currently under review.

Government information public access

Review of proactive release program – Clause 7(a)

Under section 7 of the Government Information Public Access Act, 2009 (NSW) (the GIPA Act), agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

UNE's program for the proactive release of information involves monitoring the nature of the GIPA applications received and identifying information that maybe of interest to the general public. UNE also reviews the relevance and accuracy of the Open Access Information available on its website on an ongoing basis.

During the reporting period, we reviewed this program by identifying and discussing at a senior level possible new open access information. As a result of this review, the Agency intends to release the following information proactively: the salaries and key performance indicators of the Agency's senior executives.

Number of access applications received – Clause 7(b)

During the reporting period, our agency received four formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, our agency refused two access applications either wholly or in part because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, none was refused in full, and two were refused in part.

Statistical information about access applications – Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	1	1	0	1	0	1

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	1	0	1	0	0
Access applications (other than personal information applications)	0	0	1	0	0	0	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A personal information application is an access application for personal information (as defined in Clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	4
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	4

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	1	0	1
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	1	1	2

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicate that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Digital information security policy attestation

The University's digital information security policy consists of a collection of topic specific policies, including:

- Rules for the use of UNE ICT services
- Audit Vulnerability Scan Policy
- Communications Policy
- Cyber-ethics Guidelines for Students
- IT Security Policy
- Corporate Web Management Policy
- Wireless Access Policy
- Password Policy (pending approval)
- CCTV Policy (pending approval).

During 2015, UNE's digital security policies will be reviewed to be in line with UNE's new policy framework and the ISO 27001 IT Security Standard.

UNE Leadership

The Vice-Chancellor is the University's Chief Executive Officer (CEO) and is responsible for the management of the University and the implementation of the University's Strategic Plan. The role of the Vice-Chancellor and its functions are determined by the Act and includes official membership of the University's Council. The Vice-Chancellor has charge of UNE's administrative and financial activities as well as managing the direction of the University's corporate planning, budget activities and the implementation of policy. The Vice-Chancellor reports directly to the Chancellor and the University Council as well as providing supervision to and receiving support from a team of senior executives who provide strategic, policy and operational advice relating to their individual portfolios.

Senior Executive team

Chancellor

Mr James Harris, HonDUniv (NE)

Deputy Chancellor

Ms Jan McClelland AM BA (Hons)(Sydney), BLegS (Macquarie), FACEL, FAIM, FACID

Vice-Chancellor and CEO

Professor Annabelle Duncan, BSc, DipSc, MSc (Otago), PhD (La Trobe), DSc (Murdoch), PSM

Deputy Vice-Chancellor

Professor Faith Trent AM B.Sc (Sydney), Dip Teach (Sydney TC), MA (Simon Fraser), MA Hons (Macquarie), D.Litt (Flinders)

Chief Legal and Governance Officer

Mr Brendan Peet, LLB (QUT)

Executive Director Operations (Acting)

Mr Robert Irving, BA (Hons) Marketing, MBA, MAICD

Chief Financial Officer

Michelle Clarke, BCom (USQ), MCom (USQ), FCPA, GAICD

Pro Vice-Chancellor Research

Professor Heiko Daniel, BSc, MSc (Hannover), PhD (UWA)

Pro Vice-Chancellor Academic (Acting)

Professor Alison Sheridan, B.Ag Econ (Hons) (USyd), PhD (NE), GAICD, FANZAM, CAHRI

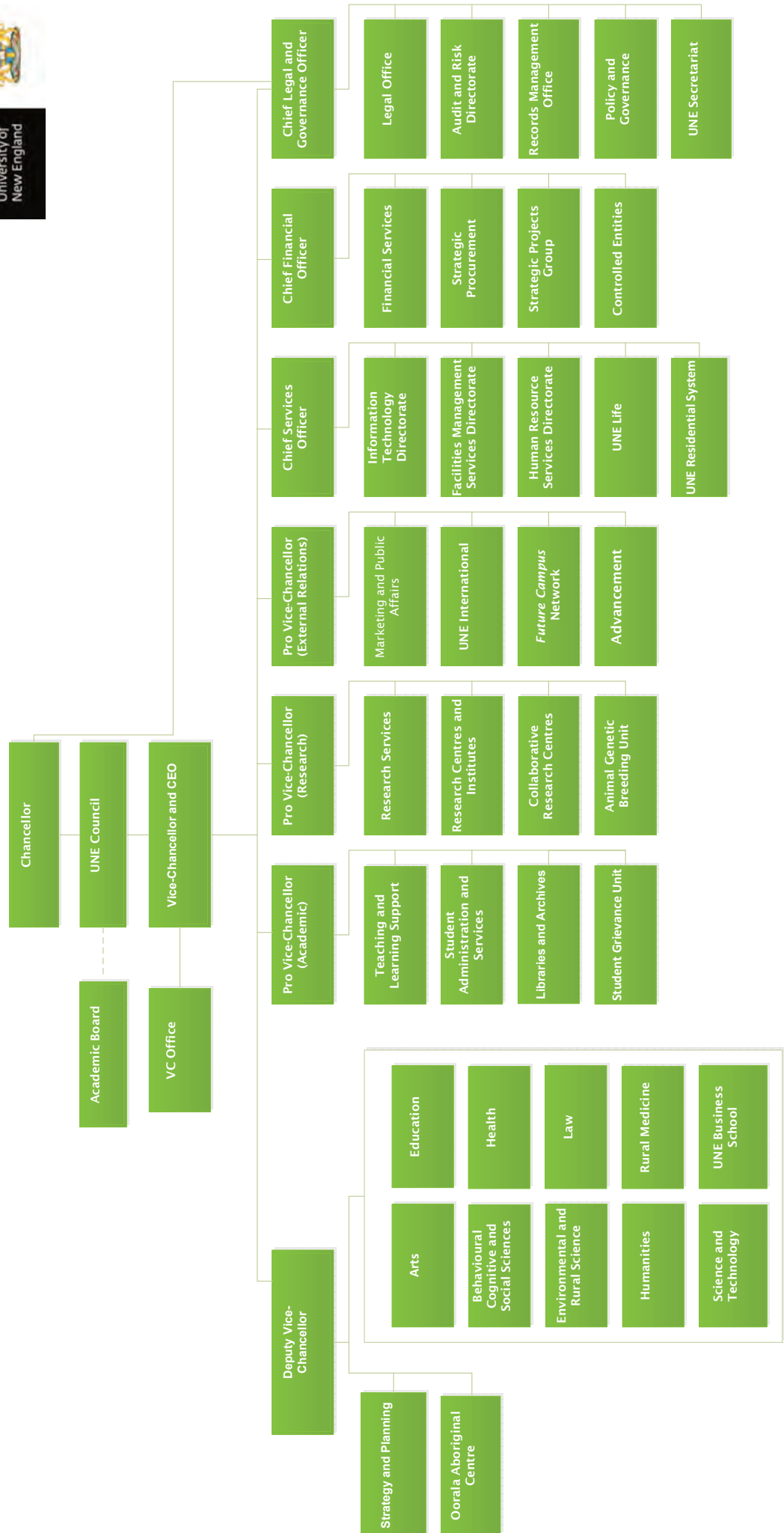
Pro Vice-Chancellor External Relations (Acting)

Ms Gabrielle Rolan, BBuss (Comm), QUT

Executive Management Performance Summary

Position	Name	Remuneration (Including Superannuation)
Vice Chancellor and Chief Executive Officer	Professor James Barber	\$320,651
Vice Chancellor and Chief Executive Officer (from 23 March 2014)	Professor Annabelle Duncan	\$525,229
Deputy Vice-Chancellor	Professor Annabelle Duncan	\$89,330
Deputy Vice-Chancellor (from 28 April 2014)	Professor Faith Trent	\$272,420
Legal and Governance	Mr Brendan Peet	\$303,689
Chief Operating Officer (to 11 April 2014)	Mr David Cushway	\$85,103
Executive Director Operations (from 22 April 2014)	Mr Rob Irving	\$208,524
Pro Vice-Chancellor Academic	Professor Alison Sheridan	\$293,664
Pro Vice Chancellor Research (from 12 May 2014)	Professor Heiko Daniel	\$292,882
Pro Vice-Chancellor Educational Innovation and International (to 28 March 2014)	Dr Michael Crock	\$64,516
Pro Vice Chancellor External Relations (from 7 April 2014)	Ms Gabrielle Rolan	\$213,625
Chief Financial Officer	Ms Michelle Clarke	\$305,320

Organisational Structure



Performance Review

UNE's Strategic Plan 2011–2015 set a number of strategic priorities against which performance is evaluated on an annual basis. Of particular importance are our students and how we promote access and participation, our research accomplishments, infrastructure development, teaching and learning, advancement, financials and staff.

Students

Performance of the new Online Admissions and Advanced Standing (OLAAS) system

The Online Admission and Advanced Standing (OLAAS) Project is part a program of projects developed to enhance the student experience at UNE. The project will deliver new technology to enable much improved online engagement with prospective students and more effective student relationship management, resulting in a consistently high quality student experience throughout the student lifecycle.

The OLAAS project entails the design and implementation of a new Online Admissions website and applications processing environment. The project will provide a simplified user experience for applicants while improving data visibility and analysis for marketing purposes. It is expected that this project will lead to an increased number of student applications for UNE courses. The project will go live in March 2015.

Multicultural policies and service program

The majority of UNE's students study online and off-campus student account for 79.9% of enrolments. On-campus students that identify as linguistically and culturally diverse are recognised at an annual event, the Multicultural Fair, which showcases the different cultures and celebrates their diversity. The purpose of the event is to promote inclusion.

Although there is no formal multicultural service program in place at this time support is offered to students on a case-by-case basis.

Agreements with the Community Relations Commission

UNE currently has no agreements with the Community Relations Commission.

Indigenous student support

The Oorala Aboriginal Centre officers support services to Aboriginal and Torres Strait Islander students who study at UNE. Oorala also offers two alternative entry programs for Aboriginal and Torres Strait Islander students who would like to apply for admission to UNE undergraduate courses:

- The Internal Selection Program (ISP) is a two-day program of workshops, testing and assessment held on campus at Oorala. It focuses on each participant's study skills and career goals. Following an interview, participants are recommended for admission to UNE courses or TRACKS (see below) and advised on suitable alternatives for study in their chosen field.
- The TRACKS Tertiary Preparation Program (TRACKS) is a 12-month enabling course which prepares Aboriginal and Torres Strait Islander students for university study. Students are assisted to make informed choices about applying for UNE undergraduate courses. TRACKS offers on-campus or online study, with a compulsory intensive school at Oorala each semester. All students attend a pre-orientation program at Oorala at the start of their course and on-campus students attend regular TRACKS workshops during semester. Students who successfully complete these programs are offered a place in UNE undergraduate courses, subject to additional faculty entry requirements.

UNE's Regional Aboriginal Higher Education Strategy

- UNE enrolled 296 commencing Indigenous students in 2014 with approximately three-quarters (73.0%) studying off-campus. The total number of Indigenous people studying at UNE increased from 570 to 597 in 2014, an increase of 4.7%. The growth achieved in 2014 has built on the overall enrolment growth of 59.6% that has been achieved since 2010. Over the period since 2010, Indigenous enrolment growth has been evenly distributed between both off-campus and on-campus study modes.
- In 2014, the largest numbers of Indigenous students were undertaking programs in the School of Education (23.8%), the School of Health (12.7%) and the School of Law (9.2%). Approximately 11% of Indigenous students were either enrolled in the Oorala Aboriginal Centre (TRACKS Tertiary Preparation Program) or other enabling programs taught by the Teaching and Learning Support Unit.
- In 2014, 49 Indigenous students graduated from the University of New England with two-thirds (67.3%) receiving undergraduate awards. Indigenous graduates represented 1.3% of all UNE graduates in 2014 – a figure which has incrementally grown from 0.9% in 2010 to 1.3% in 2014.

Disability plans

The 2014–2017 Disability Action Plan (DAP) builds on the work completed under the previous 2010–2013 DAP and was developed following extensive consultation with the UNE staff and students. Significant achievements are the establishment of Disability Network Officers across the schools and the introduction of special targeted programs such as the support for students on the Asperger's spectrum.

Innovative partnerships and solutions

In 2013 UNE in partnership with TAFE New England introduced the integrated degrees program, allowing students to progress through the vocational education and training (VET) sector into higher degree qualifications. A number of dual-sector degree offerings in Health and Agrifood Systems resulted, with enrolments open for commencement in 2014.

With more than 80 students enrolling in the integrated health programs (Community Services and Health Practice) in the first year they were offered, the suite of awards has had a strong start. Work is ongoing to broaden the base from which recruitment can be made to improve demand for the Agrifood Systems degree.

Student and community engagement

- In August 2014 UNE began the initial rollout of a new online tool to high school careers advisors around the regional called the *UNE MyFutureFinder*. The *UNE MyFutureFinder* is an online personality test for high school students that match their personality to particular careers and corresponding UNE courses. More than 550 high school students completed the *UNE MyFutureFinder* throughout the initial rollout phase with overwhelming positive feedback from schools and career advisors.
- UNE visited 234 schools in the institution's primary catchment as part of the student recruitment campaign. A record number of over 1,300 school leavers attended the Armidale Campus Open Day in May 2014.
- UNE 'O' week (also known as Lifesavers Day) saw 140 local businesses, student clubs and societies displaying their products and services to UNE students.
- SportUNE had an exceptional year hosting in excess of 55 community engagement events and coordinating the activities of more than 20 UNE Sporting clubs whose membership include community members, staff and students. SportUNE further introduced the popular International Women's Swimming Lessons on Tuesdays. This allows women from other cultures to learn how to swim and exercise in accordance with their religious beliefs.
- SportUNE had approximately 210,000 visits in 2014 with students accounting for 60% of the members.
- UNE's Future Campus based in Parramatta hosted over 55 events and 39 intensive schools and lectures attracting 7,521 students and visitors. It also signed a partnership with the Parramatta City Council with a focus on joint community projects to promote social and economic development of Western Sydney.
- For 2014 there was a 3.9% increase in requests for access to the Regional Study Centres located in Tamworth, Taree, Coonabarabran, Glen Innes, Gunnedah, Inverell, Moree, Narrabri and Tenterfield.

International student support and engagement

- UNE International launched its Welcome/Orientation app to assist international students prior to arriving in Australia and cope with their first weeks on campus. The Welcome App was downloaded 321 times and feedback suggests students found it helpful as it provides a one-stop orientation platform.
- New Memoranda of Understandings and/or academic articulation agreements were signed with governments and institutions in Bhutan, Sri Lanka, China, Mongolia, Taiwan and Banda Aceh. These agreements promote international collaboration in education and research to ensure recruitment outcomes and continuous best practise at UNE.
- New exchange agreements were signed with universities in Spain, Canada, UK, India and China allowing UNE students to experience studying abroad.
- Over the last 12 months, UNE's International nursing enrolments from Nepal, India and the Philippines have increased by 54%, 72% and 54% respectively. This increase is a direct result of international marketing and recruitment activities undertaken specifically for our nursing programs.
- UNE International conducted a range of international student support activities including an international students' photography competition in conjunction with New England Regional Art Museum (NERAM), Autumn Festival celebrations with the Armidale Dumaresq Council and a number of events in conjunction with the Harmony Group, including the International Student Day celebration.
- In 2014 UNE successfully obtained funding of \$140,000 for four mobility projects under the New Colombo Plan (NCP) 2015 – an increase of 50% on the NCP 2014 funding.



Research

UNE has a proud history of undertaking quality research and producing high quality research outcomes, with a particular emphasis on tackling regional issues of global significance. This research is underpinned by five thematic research priorities:

- Australia's future food and water security
- Environmental sustainability and effective policies
- Health and wellbeing in rural communities
- Australia's regional history and protection and promotion of cultural heritage, and
- Regional and rural development, sustainability, prosperity and peace

Funding achievements

RESEARCH AWARDS PER SCHOOL: NUMBER OF EXTERNALLY FUNDED RESEARCH PROJECTS

	Australian Competitive Grants	Other Public Sector Research Funding	Industry and Other Research Funding	CRC Participant Funding	TOTAL
Agricultural & Genetics Breeding Unit (AGBU)	4	-	1	-	5
Arts	1	-	1	-	2
Behavioural, Cognitive & Social Science (BCSS)	7	1	1	-	9
Education	2	6	3	-	11
Environment & Rural Science (ERS)	18	23	19	4	64
Health	-	-	-	-	-
Humanities	1	-	1	-	2
Law	1	1	1	-	3
Rural Medicine	-	-	-	-	-
Science & Technology	5	2	3	-	10
UNE Business School	8	-	2	-	10
TOTAL	47	33	32	4	116

Source: Research Services – Approved Grants 1 Jan – 26 Nov 2014

Excludes travel grants, scholarships and UNE seed Grants

Includes grants where UNE is not the lead institution

RESEARCH AWARDS PER SCHOOL: FUNDING AMOUNT AWARDED TO EXTERNALLY FUNDED RESEARCH PROJECTS (\$'000)

	Australian Competitive Grants	Other Public Sector Research Funding	Industry and Other Research Funding	CRC Participant Funding	TOTAL
AGBU	146		25		171
Arts			10		10
BCSS	353	36	245		634
Education		1,274	245		1,519
E&RS	3,137	2,815	2,080	1,138	9,170
Health					
Humanities			3,322		3,332
Law		75	11		86
Rural Medicine					
Science & Technology	842	166	242		1,250
UNE Business School	217		479		696
TOTAL	4,696	4,366	6,660	1,138	16,859

Source: Research Services – Approved Grants 1 Jan – 26 Nov 2014

Excludes Travel Grants, Scholarships and UNE Seed Grants

Includes Grants where UNE is not the Lead Institution

TOP TEN 2014 EXTERNALLY FUNDED RESEARCH GRANTS IN TERMS OF FUNDING AMOUNT

Academic Unit	Funding Source	Research Project	Funding Amount (\$)
E&RS	Bill & Melinda Gates Foundation - BAIF Development Research Foundation	Delivering improved dairy genetics and sustained affordable access to sorted (sexed) semen technology to increase dairy productivity for poor smallholder dairy farmers	\$1,475,419
Education	South Australian Department for Education and Child Development	QuickSmart Numeracy Program for the South Australian National Partnerships Cluster	\$1,023,000
E&RS	GRM International Pty Ltd	Australia Awards in Africa Program - Livestock Production Systems Short Course	\$1,020,690
E&RS	Australian Research Council - Future Fellowship	Understanding the evolutionary tempo and significance of the first animals through exceptional fossil preservation	\$714,528
E&RS	Poultry CRC	Implementation of a net energy system for laying hens	\$707,923
E&RS	EcoLogical Australia	Long Term Intervention Monitoring Project: Gwydir River System Selected Area	\$582,936
E&RS	University of Tasmania	Effective control of barley yellow dwarf virus (BYDV) in wheat	\$493,244
E&RS	Australian Research Council - Discovery	Genomic signatures of adaptive diversification in woodland Eucalyptus	\$465,088
E&RS	Poultry CRC	Vaccine and Diagnostics for Haemorrhagic Enteritis of Turkeys	\$441,473
UNE Business School	United Nations: Food and Agriculture Organisation (FAO)	Improving methods for estimating livestock production and productivity	\$439,850

Research Facilities

UNE unveiled stages 1 and 2 of the new \$7 million Centre for Animal Research and Teaching at its Armidale campus. The facility includes both a new Large Animal Facility and a multimillion dollar Imaging Centre and represents a significant expansion of UNE's research and training capabilities.

Research highlights

UNE academic staff engaged in a number of high profile research projects during 2014:

- During 2014, UNE's School of Humanities entered into a contract with Dubai Municipality for a \$3.3 million Saruq al-Hadid Archaeological Research Project (SHARP). This project established a three-year research collaboration for the archaeological investigation, analysis and conservation of materials from the prehistoric site of Saruq al-Hadid in Dubai, United Arab Emirates and is led by the Head of School, Professor Lloyd Weeks.
- The Commonwealth Environmental Water Office has awarded a five-year research program (2014–2019) to a UNE-EcoLogical Australia consortium to assess the response of key ecological assets in the northern Murray Darling Basin to environmental watering. Associate Professor Darren Ryder will co-lead the \$5.5 million program in the lower Gwydir and Warrego–Darling Rivers. The consortium was awarded two of the seven available national research programs, acknowledging the strength of freshwater ecology in the school and building on UNE's established role as a key research provider in the Murray–Darling Basin.
- UNE's School of Environmental and Rural Sciences (ERS) is undertaking research to better understand the vulnerability of Pacific islands to environmental change. The main aim of the project is to develop a Coastal Vulnerability Framework as a component of the Pacific–Australia Climate Change Science and Adaptation Planning (PACCSAP) program. The database developed as part of the project shows the potential vulnerability of 1,532 islands in the Pacific to climate change and will inform managers of priority areas about where resources need to be allocated.
- The Poultry Co-operative Research Centre (CRC) in collaboration with the Rural Industries Research and Development Corporation (RIRDC), the NSW Government and UNE, developed a 'net energy' system for assessing ingredients and formulating broiler (meat) chicken diets. The 'net energy' system allows nutritionists to account for losses of chemical energy in the solid, liquid and gaseous excreta, or as heat.
- The School of Education received UNE capital expenditure funding of \$750,000 to develop a Higher Education Research Facility (HERF) to enable researchers from across the University to explore the use of contemporary e-pedagogies and e-learning principles.
- Professor Paul Martin developed a method for the evaluation of the effectiveness of environment law. The Draft Discussion Paper: Developing a Structure for a Legal Component for the International Union for the Conservation of Nature (IUCN) Natural Resource Governance Framework, IUCN Environmental Law Centre and the World Commission on Environmental Law, was issued on 14 July 2014 for trial implementation and evaluation.

Infrastructure

Tablelands Clinical School

In October, Federal Assistant Minister for Health, the Honourable Fiona Nash MP, officially opened the Tablelands Clinical School, a \$14 million state-of-the-art training facility for UNE medical and health students. Construction of the Tablelands Clinical School was jointly funded by the University of New England and the Department of Health and Ageing under the Rural Education and Infrastructure Development funding pool. The Tablelands Clinical School now provides students with modern training facilities including some of the most active simulation laboratories in New South Wales. UNE's School of Rural Medicine is now able to host one of the most advanced telehealth capabilities in the nation, allowing medical, pharmacy, nursing, social work, psychology, exercise physiology and allied health students to receive industry best practice training within a local setting.

College renewal project

The new Wright College partially opened its doors in June 2014, providing students with self-contained living in either studio or one-bedroom apartments. Each of the buildings has common spaces which allow students to come together for social and academic purposes. In addition, students will live at the college all year round, including during university breaks. The college was fully opened in November 2014.

Integrated Agricultural Education Project

The Integrated Agricultural Education Project (IAEP) consists of five projects that will enhance UNE's international competitiveness in education and research and allow UNE to proactively engage in training the next generation of agricultural and environmental scientists and industry business leaders to meet a critical shortage of skilled professionals across the sector.

UNE received \$29 million in Commonwealth Government support through the Education Investment Fund toward the \$46 million total cost of the IAEP project. UNE will invest \$11 million towards the project, including the entire cost of the new Animal Husbandry Facility of \$6.4 million. UNE will further invest \$0.3 million plus \$4.3 million in kind toward the new SMART Farm Education Facility. CSIRO will invest \$3 million cash and \$0.5 million in kind in the Agriculture Education Building as well as \$0.2 million in the new SMART Farm Education Facility. Tamworth Regional Council is also contributing \$2.4 million in-kind support for the UNE Tamworth Centre.

The IAEP project is well under way with the newly upgraded UNE Tamworth Centre due to open its doors in early 2015, upgrades to lecture theatres nearing completion and the contract for the Agriculture Education Building awarded to contractors.



The new Wright College

Teaching and Learning

UNE introduced the First Year Teaching and Learning Network (FYTLN) to raise the profile of first year teaching. The project concluded its trial two-year period in 2014 and drew attention to the particular challenges faced by students who are transitioning to tertiary study.

To date, the outcomes achieved by the Network were rich and diverse and include research projects to promote understanding of first year teaching and encouraged dissemination of findings in academic journals and at national and international conferences, thereby helping to consolidate UNE's reputation as a leader in tertiary pedagogy. Outcomes also included identifying the skills that students require at first year level. These investigations led to the development of resources designed to support the acquisition of relevant skills such as discipline specific writing and research techniques and the skills associated with quantitative analysis. Other outcomes focused on developing the bonds between students to foster peer-to-peer mentoring and experimented with new ways of delivering material to our off-campus students.

The FYTLN is an excellent example of UNE's ongoing commitment to ensuring all of our students have a five star experience.

2014 Highlights

- The Bachelor of Pharmacy at UNE celebrated its first graduates in 2014. The program is the only Bachelor of Pharmacy taught in off-campus as well as on-campus mode and students can choose to study part-time or full-time. The first cohort of graduates all secured internships on completion of their final year, around 25% in highly sought after hospital positions. More importantly, more than 80% of the students are working in rural or remote regions.
- The UNE Precision Agriculture Research Group (PARG) was a major winner at the 2014 Northern Inland Innovation Awards. UNE PARG won the event's main accolade the 2014 Innovation of the Year Award for the UNE SMART Farm. UNE PARG also took out the Research and Education category in recognition of its commitment to research and teaching, support of regional businesses and innovation, direct engagement with farmers, and the work undertaken in establishing the UNE SMART Farm.
- UNE strengthened its relationships with various universities and other organisations in China. A partnership agreement was established with Renmin University, Shenzhen to offer the UNE Master of Business Administration to Chinese students. UNE's School of Behavioural, Cognitive and Social Sciences also initiated a Distinguished Adjuncts Program in 2014 to encourage collaboration with prominent academics from overseas. To date, five academics have taken the opportunity to work with the school in an adjunct role.

- During November 2014, 28 of UNE's students took part in a two-week China Study Tour, which enabled them to engage in a series of business visits and networking activities in Beijing, Shandong Province, Shanghai and Hong Kong.
- The School of Law hosted the 33rd Annual Australia and New Zealand Law and History Society Conference in Coffs Harbour. This annual conference is the premier law and history conference in Australasia and it is the second time the school has hosted this event in the past seven years. The school also co-hosted major international conferences in China and Mongolia, showcasing UNE's expertise in agricultural law, environmental law and food security.

Teaching Citations and Awards

In 2014 UNE staff received the following awards in relation to Teaching Excellence:

Australian Award for University Teaching – Early Career Teaching Excellence Award

- Dr Leopold Bayerlein

Australian Award for University Teaching – Citations for Outstanding Support of Student Learning

- Dr Fredy-Roberto Valenzuela
- Dr Leopold Bayerlein

UNE Awards for Teaching Excellence – Award for Programmes that Enhance Student Learning

- UNE Business School Educational Development and Communications Team consisting of Sue Whale, Naomi McGrath and Tim Cluely

UNE Awards for Teaching Excellence – Citations for Outstanding Support of Student Learning

- Dr Fredy-Roberto Valenzuela
- Dr Sujana Adapa
- Dr Leopold Bayerlein

UNE Awards for Teaching Excellence – Early Career Teaching Excellence Award

- Dr Leopold Bayerlein

Advancement

Fundraising

During 2014, UNE's Office of Advancement launched a revamped two-stage appeal program to augment fundraising.

- The first stage tax appeal in June attracted 219 donations from 600 alumni with a response rate of more than 35%.
- The second stage, the UNE 2014 Christmas Appeal in December, consisted of an acquisition mail-out to over 70,000 alumni. The donations for this activity are still arriving and final results are being collated.

Alumni

- UNE held two international Alumni and Supporter events, with the Vice-Chancellor attending the inaugural Vietnam functions in Ho Chi Min City and Hanoi, Vietnam.
- Alumni and Supporter events were held in Melbourne, Canberra and Adelaide, with the Governor of South Australia, His Excellency Rear-Admiral Kevin Scarce AC CSC RANR, welcomed as guest of honour at the Adelaide event.
- 12 women in the 2014 list of *100 Women in Australian Agribusiness* – celebrating and promoting the success of women in the field of agribusiness – hold UNE degrees.
- Dr Nguyen Xuan Trach was recognised with a Distinguished Alumni Award in the Education category in the 2014 Austrade Vietnam Graduates of Australia Awards.
- Dr Rita Crews OAM, Dr Kiran Regmi and Dr Guanghua Wan were recognised with UNE Distinguished Alumni Awards; Ms Emma Hegarty with the Young Distinguished Alumni Award; and Ms Gina Milgate with an Alumni oAchievement Award.

Honorary degrees

Seven alumni were presented with UNE honorary degrees:

- The Hon Dean Brown AO, Doctor of Science
- Mr Peter Donovan, Doctor of Letters
- Ms Susan Fell, Doctor of Letters
- Dame Bridget Ogilvie AC DBE FRS, Doctor of Science
- Dr Shirley Randell AO, Doctor of the University
- His Excellency Rear-Admiral Kevin Scarce AC CSC RANR, Doctor of Letters, and
- Mr Tony Windsor, Doctor of Letters

Finances

UNE Budget

Comparison to Budget Parent Entity University of New England	2014 Budget \$M	2014 Actual \$M	2015 Budget \$M
Teaching Income	195.9	193.8	202.2
Research & Grant Income	51.5	50.7	52.5
Other Income	38.3	30.4	33.2
Total Income	285.7	274.9	287.9
Employee related Expenses	165.1	165.5	168.9
Non Payroll Expenses	89.9	87.1	89.6
Underlying Result	30.7	22.3	29.4
Interest Income	3.3	3.6	3.2
Interest Expense	1.0	0.5	0.8
Depreciation & Amortisation	19.7	20.2	21.2
Operating Profit	13.3	5.2	10.6
One Off Income	11.6	12.9	13.4
One Off Expenditure	5.9	17.2	0.2
Operating Result attributable to members of the University of New England	19.0	0.9	23.8

Structural Surplus

Description	2014		
Financials	Budget \$M	Actual \$M	Variance \$M
Teaching Revenue	195.9	193.8	(2.1)
Operating Revenue	285.7	274.9	(10.8)
Payroll Costs	165.1	165.5	(0.4)
Non-Payroll Costs	89.9	87.1	2.8
Operating Surplus	30.7	22.3	(8.4)
Interest Inc & Exp & Depreciation	17.4	17.1	0.3
Underlying Surplus/(Deficit)	13.3	5.2	(8.1)
Net Result	19.0	0.9	(18.1)

Overseas travel

- The Vice-Chancellor and CEO, Professor Annabelle Duncan travelled overseas on two occasions to represent and promote the University of New England:
 - 3 November 2014 to attend the Presidents Forum at Chubu University Japan and two Alumni events in Vietnam
 - 13 October 2014 to visit UNE's partner institution in Minzu, China.
- The Deputy Vice-Chancellor did not travel overseas in 2014.

Funds to non-governmental community organisations

UNE allocated \$400,376 to the UNE Student Association in support of various services to the student body. The funding is allocated from the Students and Services Amenities Fee (SSAF) and approved by the Vice-Chancellor and overseen by the SSAF Committee.

Insurances

The primary areas of the university's insurance program were renewed through Unimutual Limited, Austbrokers Canberra Pty Ltd and Employers Mutual. These include property protection, general and products liability, professional indemnity, malpractice, management liability and workers compensation. Other classes of insurance held include, but are not limited to, corporate travel, student group personal accident and comprehensive motor vehicle.

Land sales

The University's McMaster research property near Warialda was sold during 2014 for the consideration of \$1,960,000.

UNE investments

The majority of UNE investments were placed in term deposits for periods of less than 12 months. Our weighted average return for 2014 was 3.67% which outperformed the Hour-Glass Cash Facility of NSW Treasury Corporation benchmark of 2.85%.

Consumer response

For the period from 1 January 2014 to 5 December 2014, the Student Grievances Unit administered 238 grievances covering 261 student related issues. This is an increase of 40 % compared to 2013.

The main categories for 2014 were:

■ Academic/service delivery process	74.58%
■ University service delivery	12.92%
■ University process	12.50%

Student Category:

■ Off campus	70.59%
■ On campus	20.17%
■ On campus International	07.14%
■ Staff	01.26%
■ Future Students	0.84%

The Student Grievances Unit have made several business improvement recommendations across the University and have identified disparities within University Policy and Procedures which have resulted in amendments being made to the relevant Policy documents. The process is part of a continuous quality improvement model.

Consultants

CONSULTANT ENGAGEMENTS LESS THAN \$50,000

Category	No of Engagements	Value \$'000
Engineering	7	91
Financial Services	1	36
Information technology	6	174
Legal	3	57
Management Services	6	105
Marketing Services	1	13
Scientific Advice	1	3
	25	478

CONSULTANT ENGAGEMENTS GREATER THAN \$50,000

Consultant	Project	Amount \$,000	Category
AARNET Pty Ltd	Research data management plan, business continuity and analysis of storage.	90	Information Technology
Altis Consulting Pty Ltd	The Development and pilot of Automated Wellness Engine for identification of students 'at risk' of failure or withdrawal, to assist with retention rates.	164	Information Technology
Aqunta Consulting Pty Ltd	Development of Strategic Asset Management Plan	452	Management Services
Arinum Solutions Pty. Limited	Design and development of an Online Admission & Advanced Standing (OLAAS) solution.	162	Information Technology
Coffey Projects (Australia) Pty Ltd	Project management services for the development of our new Agricultural Education Building.	217	Management Services
EC Integrators	Analysis and design of business intelligence systems (datavault).	89	Information Technology
Global Philanthropic Pty Ltd	Conduct a Feasibility Study, Strategic Review and development of a Strategic and Operational Plan for fundraising.	154	Management Services
James Cubitt Architects	Architectural design work and documentation services for the Tablelands Rural Clinical School.	61	Engineering
Lynch & Associates	Learning Analytics Review Proposal for SAF Courseware Enhancement Project.	105	Information Technology
Scientific Interiors (Aust) Pty Ltd	Architectural design work for the development of our new Animal Husbandry Facility.	144	Engineering
Sean Dennis Connell	Project and IT consulting services for OLAAS development and also for the Lync project.	72	Information Technology
		1,709	

Staff (as at 31 March 2014)

STAFF IN SCHOOLS	Female	Male	Total
Professor (E)	14	38	52
Associate Professor (D)	25	43	68
Senior Lecturer (C)	62	64	126
Lecturer (B)	123	103	226
Tutor (A)	16	15	31
Total academics in schools	240	263	503

HEO 10+	2	7	9
HEO 09	-	-	-
HEO 08	5	10	15
HEO 07	23	10	33
HEO 06	22	17	39
HEO 05	28	14	42
HEO 04	32	7	39
HEO 03	3		3
Total non-academic staff	115	65	180
Total staff in schools	355	328	683

STAFF IN MANAGEMENT, ADMINISTRATION AND SUPPORT UNITS

Professor (E) and above	3	3	6
Associate Professor (D)	2	5	7
Senior Lecturer (C)	7	4	11
Lecturer (B)	9	10	19
Tutor (A)	8	9	17
Total academics	29	31	60

HEO 10+	25	30	55
HEO 09	11	16	27
HEO 08	33	27	60
HEO 07	42	49	91
HEO 06	68	35	103
HEO 05	90	40	130
HEO 04	55	15	70
HEO 03	11	10	21
HEO 02	16	7	23
HEO 01+	4		4
Total non-academic staff	355	229	584

Total staff outside schools	384	260	644
-----------------------------	------------	------------	------------

Staff in Controlled Entities	20	17	37
------------------------------	----	----	----

UNE Total at 31 March, 2014	759	605	1,364
UNE Total at 31 March, 2013	714	594	1,308

Health and safety, including OHS and workers compensation

During 2014, 150 Workplace Health and Safety incidents were recorded and action, with most incidents being minor.

Workers' Compensation

- Total number of claims for 2014 – 9 claims
- Total paid to date for policy year 2014 – \$11,970
- Total paid to date for policy year 2013 – \$202,224
- Total paid to date for policy year 2012 – \$78,536
- Time lost in 2014 – 143 hours and 45 minutes

Employment Equity and Diversity

TRENDS IN THE REPRESENTATION OF EEO GROUPS - ACADEMIC STAFF

% of Total Staff

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014
Women	60%*	42%	44%	45%	46%	45%	47%
Aboriginal people & Torres Strait islanders	2.63%	0.5%	1.1%	1%	1%	1%	1%
People whose first language was not English	19%	21%	20%	18%	18%	18%	16%
People with disability	N/A	8%	7%	6%	5%	5%	4%
People with a disability requiring work-related adjustment (targeted increase)	1.1% (2011) 1.3% (2012) 1.5% (2013)	2%	2.3%	1.8%	2%	N/A	N/A

TRENDS IN THE REPRESENTATION OF EEO GROUPS - GENERAL STAFF

% of Total Staff

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014
Women	60%*	61%	61%	61%	61%	63%	62%
Aboriginal people & Torres Strait islanders	2.63%	2%	2.2%	2.3%	2%	2%	2%
People whose first language was not English	19%	3%	3%	3%	4%	4%	5%
People with disability	N/A	7%	6%	6%	6%	5%	5%
People with a disability requiring work-related adjustment (targeted increase)	1.1% (2011) 1.3% (2012) 1.5% (2013)	2%	2.2%	2.3%	3%	N/A	N/A

Information for groups other than women was derived from ongoing voluntary EEO data surveys as at the snapshot date of 31 March each year. It excludes casual staff.

*NSW benchmark revised from 50% to 60% in 2014.

TRENDS IN THE DISTRIBUTION OF EEO GROUPS - ACADEMIC STAFF

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014
Women	100	80	81	81	94	95	95
Aboriginal people & Torres Strait islanders	100	n/a	n/a	n/a	n/a	84	84
People whose first language was not English	100	96	99	97	99	100	101
People with disability	100	93	96	101	103	109	107
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a

TRENDS IN THE DISTRIBUTION OF EEO GROUPS - GENERAL STAFF

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014
Women	100	86	88	87	88	86	88
Aboriginal people & Torres Strait islanders	100	n/a	n/a	n/a	83	87	87
People whose first language was not English	100	107	106	110	112	99	101
People with disability	100	93	92	91	93	99	94
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a

Diversity, access and equity

- The implementation of the UNE Workforce Strategy (2012–2016) has seen an increase in the focus on diversity and wellbeing activities.
- Updated policies and procedures have been developed and disseminated to assist staff to raise, and have addressed, bullying, harassment and other grievance-related issues.
- New collective agreements, which include a strong commitment to respect and dignity in the workplace as well as staff now having access to domestic violence leave, were finalised.
- Work commenced on a broader UNE Equity Management Plan, which will be implemented in 2015.
- As part of the implementation of the Aboriginal and Torres Strait Islander Employment Strategy (2013–2018), UNE has employed three Aboriginal-identified Technical Assistants who are completing a qualification through TAFE New England.
- A Pre-Doctoral Fellow in Law was appointed and will commence duties in 2015.
- UNE is endeavouring to pilot a Career Development Program for current staff as part of the Aboriginal and Torres Strait Islander Employment Strategy.

Waste Management

- UNE continued to build strategic partnerships with its waste contractors as per the Reduction and Purchasing Policy (WRAPP) Framework. This framework establishes waste reduction objectives and targets while maximising waste avoidance, reduction, reuse and recycling.
- Following the introduction of the recycling system, for paper, cardboard, plastic and glass, UNE has also joined the City2Soil Program with Armidale Dumaresq Council. This joint venture is expected to redirect over 40 tonnes of landfill waste into organic composting, as well as:
 - reduce the waste costs to the UNE's bottom line
 - increase the environmental sustainability of University colleges and catering facilities
 - provide student and community engagement in environmental sustainability activities, and
 - continued improvement of the UNE's environmental sustainability credentials.
- After the successful implementation of waste recycling across the campus, additional waste bins were installed to further enhance waste recycling within the academic campus. This is expected to continue reduction of landfill waste by a minimum of 20 tonnes per annum.
- UNE recently completed a feasibility study into renewable energy and is committed to exploring other opportunities where greater use of 'green' energy technologies can be implemented and thus reduce coal-generated energy.

Access Arrangements

- The University of New England's Annual Report is an official document and a key information resource, listing the University's major activities, statistics, financial statements, its principal officers and services, as well as providing highlights of its community involvement and outreach. The University's Handbook is another official document that contains information specific to the organisation, namely the University of New England Act, 1993 (NSW), UNE by-laws, and lists of the degrees, diplomas and certificates conferred by the University, the organisation's principal officers, members of the University of New England Council and Academic Board. These documents are available in electronic form on the University's corporate website, **www.une.edu.au**
- UNE is located approximately 2 km from the GPO on the western edge of the city of Armidale in northern New South Wales. The University can be accessed from the east by Madgwick Drive and from the south by Queen Elizabeth Drive.
- The UNE website contains a wealth of organisation-specific material and is a key resource for current and prospective staff and students, as well as a reference point for visitors and the media. Go to **www.une.edu.au**
- The University of New England Handbook is available for reference in hard copy on campus, at the Dixon Library or the Records Management Office. Copies of the Handbook can be purchased through the United Campus Bookshop on campus. The Bookshop's contact details are email: **armidale@ucb.net.au** or phone: +6 12 6773 3468.
- Office hours at UNE are generally from 9.00 am to 5.00 pm, Monday to Friday (AEST). Telephonic enquiries can be made to the University's main reception at +6 12 02 6773 3333 during office hours.
- Items for postal delivery should be addressed to the relevant officer or department at the University of New England, Armidale, NSW 2351.
- General enquiries about UNE's publicly available publications can be directed to the Executive Director, Marketing and Strategy, by phone +6 12 6773 2777 or email **marketing@une.edu.au**
- General enquiries about UNE's corporate documents or student files can be made to the Manager, Records Management Office by phone +6 12 6773 2140 or email **rmo@une.edu.au**
- General enquiries about UNE's staffing matters can be made to the Director, Human Resource Services by phone +6 12 6773 2100 or email **staffequity@une.edu.au**
- General information about the Human Services Directorate and staffing matters can also be found on the Directorate's website at **www.une.edu.au/about-une/areas/administration/human-resource-services**
- Enquiries on information about the University's governance, its policies, as well as arrangements for addressing privacy and GIPA matters, can be made to the Legal and Governance Office. The University's Chief Legal and Governance Officer/ University Secretary can be contacted by phone on +6 12 6773 3729 or email **legalandgovernance@une.edu.au**

University of New England



ABN: 75 792 454 315
Financial Report
for the year ended
31 December 2014



INDEPENDENT AUDITOR'S REPORT

The University of New England

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of New England (the University), which comprise the statements of financial position as at 31 December 2014, the income statements, statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

University Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

23 March 2014
SYDNEY

University of New England

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of New England and the entities it controlled at the end of, or during, the year ended 31 December 2014.

Members

The following persons were members of the Council of the University of New England during the whole of the year and up to the date of this report:

Mr James Harris - appointed Chancellor 20/11/2014
Mr Robert Finch
Dr Geoffrey Fox
Dr Jack Hobbs
Professor Margaret Sims
Professor Nick Reid
Dr Jeannet van der Lee

The following persons were appointed members in 2014 and continue in office at the date of this report:

Professor Annabelle Duncan - Vice Chancellor - appointed 23/03/2014
Professor Donald Hine - appointed 20/08/2014
Mr Michael Kirk - appointed 12/10/2014
Ms Rosemary Leamon - appointed 17/08/2014
Dr Robyn Muldoon - appointed 18/08/2014
Mr Les Ridgeway - appointed 17/08/2014
Mr Stuart Robertson - appointed 05/10/2014
Ms Meredith Symons - appointed 17/08/2014
Ms Anne Myers - appointed 01/12/2014
Ms Jan McClelland - appointed 2/10/2014 (Deputy-Chancellor - 20/11/2014)

The following persons were members in 2014:

The Hon. John Watkins - Chancellor - resigned 20/06/2014
Professor James Barber - Vice-Chancellor - resigned 22/03/2014
Mr Archie Campbell - term expired 17/08/2014
Mr Ben Crough - term expired 11/10/2014
Dr Brian Denman - term expired 19/08/2014
Mr Kevin Dupe' - term expired 16/08/2014
Ms Catherine Millis - term expired 04/10/2014
Ms Gae Raby - term expired 16/08/2014
Ms Jan McClelland - until 16/08/2014

Meetings of Members

The number of meetings of the members of the University of New England's Council, the Standing Committee of Council and other relevant Committees reporting to Council held during the year ended 31 December 2014, and the numbers of meetings attended by each member is attached.

Principal Activities

During the year the principal continuing activities of the consolidated entity consisted of:

- (a) the provision of facilities for education and research;
- (b) the provision of courses of study across a range of disciplines;
- (c) the conferring of degrees at Bachelor, Master and Doctoral levels as well as the awarding of other diplomas and certificates;
- (d) the encouragement, dissemination and advancement of knowledge through free enquiry;
- (e) participation in public discourse;
- (f) administration in support of teaching, learning and research activities; and
- (g) community engagement in cultural, sporting, professional, technical and vocational services.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

Review of Operations

A review of the operations of the University of New England during the year is provided in the Vice Chancellor's report.

Significant Changes in the State of Affairs

No significant changes in the nature of the activities of the consolidated entity occurred during the year.

Matters Subsequent to the End of the Financial Year

There has not been any matter or circumstance, other than that referred to in the financial statements and notes following, that has arisen, significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

During 2015 work will continue towards the final year of the UNE 2011-15 Strategic Plan: Learning without Limits. The new integrated agricultural education precinct will continue to be constructed. Changes as a result of the May 2014 Australian Government budget will be made final as soon as the legislative framework is clear.

Environmental Regulation

During the year there were no significant changes to environmental regulations of the University other than that referred to in the financial statements and notes following.

The significant environmental regulations to which the University is subject are as follows:

COMMONWEALTH

Aboriginal and Torres Strait Islander Heritage Protection Act 1984
Australian Heritage Council Act 2003
Environment Protection and Biodiversity Conservation Act 1999
National Environment Protection Council Act 1994
National Greenhouse and Energy Reporting Act 2007
 National Greenhouse and Energy Reporting Amendment Act 2008
 National Greenhouse and Energy Reporting Amendment Act 2009
 Acts Interpretation Amendment Act 2011
 Carbon Credits (Carbon Farming Initiative) Act 2011
 Clean Energy Act 2011 (amended July 2012)
 Clean Energy Amendment Regulation 2012
 Climate Change Authority Act 2011
Natural Heritage Trust of Australia Act 1997
Renewable Energy (Electricity) Act 2000
 Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000
 Renewable Energy (Electricity) (Charge) Act 2000
 Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010
Water Act 2007

STATE – New South Wales

Animal Research Act 1985
Catchment Management Authorities Act 2003
Contaminated Land Management Act 1997 (some amendments made in 2008)
Crown Lands Act 1989
Energy and Utilities Administration Act 1987
Environmental Planning and Assessment Act 1979
 Environmental Planning and Assessment Amendment Act 2008
 Environmental Planning and Assessment Amendment Act 2012
Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
 Environmentally Hazardous Chemicals Amendment Act 1996 No 16
Forestry Act 2012
Heritage Act 1977
 Heritage Amendment Act 2011 No 71
 Heritage Regulation 2012
Local Government Act 1993
 Local Government Amendment (Environmental Upgrade Agreements) Act 2010
Local Land Services Act 2013
Nature Conservation Trust Act 2001
National Parks and Wildlife Act 1974
 National Parks and Wildlife Amendment (Adjustment of Areas) Act 2010
National Trust of Australia (New South Wales) Act 1990
Native Vegetation Regulation 2013

Environmental Regulation (continued)

Noxious Weeds Act 1993
Noxious Weeds Amendment Act 2012
Pesticides Act 1999
Protection of the Environment Operations Act 1997
Protection of the Environment Operations (Waste) Regulation 2005
Protection of the Environment Operations (General) Regulation 2009
Protection of the Environment Operations (Clean Air) Regulation 2010
Protection of the Environment Operations (Clean Air) Amendment (Emissions Standards) Regulation 2010
Protection of the Environment Operations Amendment (Environmental Monitoring) Act 2010
Protection of the Environment Operations (Waste) Amendment (Australian Packaging Covenant) Regulation 2011
Protection of the Environment Operations Amendment (Miscellaneous) Regulation 2011
Rural Fires Act 1997
Rural Fires Amendment Act 2013
Rural Lands Protection Act 1998
Soil Conservation Act 1938
Soil Conservation Amendment Act 1989
Threatened Species Conservation Act 1995
Threatened Species Conservation Regulation 2010
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2010
Water Management (General) Regulation 2011
Wilderness Act 1987

LOCAL – Armidale Dumaresq Council

Armidale Dumaresq Local Environmental Plan 2012
Armidale Dumaresq DRAFT Liquid Trade Waste 2009
The Community Strategic Plan (CSP) 2013-2028
Lifestyle 2350
State of the Environment 2013/2014


Insurance of Officers

The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the group. The annual premium of \$34,600 for Directors and Officers Insurance covered the period 1 November 2013 to 31 October 2014. Insurance has been renewed for the period 1 November 2014 to 31 October 2015 at a cost of \$34,600. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representatives of the University and who are not otherwise indemnified.

Proceedings on behalf of the University of New England

There are no material proceedings resulting in claims against the University that are required to be reported in this Report or in the Financial Report.

This report is made in accordance with a resolution of the members of the Council of the University of New England.



Mr James Harris
Chancellor
Member of Council of the University of New England
Armidale NSW
19 March 2015

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committee held during the year ended 31 December 2014, and the numbers of meetings attended by each Council member were:

Council Member	Meetings of committees																Nomination VC				
	Council		Infrastructure		Finance		Audit & Risk		* Standing		HDTT		Remuneration		Tender		Nominations		Convocation		
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	
The Chancellor	1	1										1	1	3	3	1	1				
	2	2	1	1			1	1				1	1			1	1	4	4		5
The Deputy-Chancellor	1	1	1	1	1	1	1	1			0	1				1	1				
	5	5	5	5	5	5	5	6		Flying Minutes	1	1	5	5	1	1	1	1		8	8
Official Members	4	5	5	6	5	6	4	5			2	2	4	4	5	5	5	5	Attendance not required at these meetings		
	1	1	1	1	1	1	1	1		Only			1	1	1	1					
Professor James Barber, Vice-Chancellor	6	6	5	5	5	5	5				2	2						5	5	at	8
			1	1	1	1	1														
Professor Nick Reid, Chair Academic Board																					
Professor Trevor Brown, Deputy Chair Academic Board																					
Members appointed by the Minister	0	0																			
	3	3			2	2															
Ms Anne Myers (01/12/14)	3	3	2	2	2	2															
	2	3	1	2																	
Mr Les Ridgeway (from 17/08/14)	1	1			1	1															
	3	3					3	3					3	4	4	5				7	8
Ms Jan McClelland (to 16/08/14)	5	5			4	4	5	5			1	1				1	1				
	2	3																			
Mr Kevin Dupé (to 16/08/14)	3	3	3	3			3	3					4	4	4	4					
Ms Gae Raby (to 16/08/14)																					
Members elected by academic staff	2	2																			
	3	4			2	2															
Dr Brian Denman (to 19/08/14)	6	6	5	6																	
Professor Margaret Sims (from 20/08/14)																					
Members elected by the graduates	3	3									1	1	1	1					1	1	
	3	3	3	3															1	3	
Professor Robyn Muldoon (from 18/08/14)	6	6					6	6			1	1							4	4	
Mr Archie Campbell (to 17/08/14)																					
Dr Jack Hobbs (from 18/08/14)																					
Member elected by non-academic staff	5	6																		8	8
Dr Jeannet van der Lee																					
Member elected by the post graduate students	1	1																			
	4	5																			
Mr Stuart Robertson (from 05/10/14)																					
Ms Catherine Millis (to 04/10/14)																					
Member elected by the undergraduate students	4	5																			
	0	1																			
Mr Michael Kirk (from 12/10/14)																					
Mr Ben Crough (to 31/03/14)																					
Additional external members																					
Mr Robert Finch	6	6			6	6	6	6					4	5	6	6					
External member present where appropriate- Prof. Gerald Sutton																					

3 = Number of meetings held during the time the member held office or was a member of the committee during the year.
Standing Committee of Council - Issues were dealt with via flying minutes.

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the committee during the year.

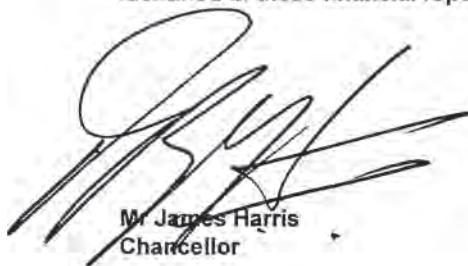
* Standing Committee of Council - Issues were dealt with via flying minutes.

University of New England

FINANCIAL STATEMENT

In accordance with a resolution of the Council of the University of New England and pursuant to Sections 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

- 1 The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2014 and the result of their operations and transactions of the economic entity for the year then ended;
- 2 The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2014 reporting period" issued by the Australian Government Department of Education;
- 3 The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;
- 4 We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate;
- 5 There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
- 6 The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- 7 The University has complied in full with the requirements of various programme guidelines that apply to the Commonwealth financial assistance identified in these financial reports.



Mr James Harris
Chancellor



Professor Annabelle Duncan
Vice-Chancellor

Being Councillors of the University authorised in accordance with a resolution of Council pursuant to 41C(1C) of the Public Finance and Audit Act, as amended.

University of New England
Armidale, NSW
19 March 2015

Income Statement

for the year ended 31 December 2014

		Consolidated		Parent entity	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	154,772	154,092	154,772	154,092
HELP - Australian Government Payments	3	71,641	67,262	71,641	67,262
State and local Government financial assistance	4	3,043	3,799	3,043	3,799
HECS-HELP - Student Payments		8,886	10,381	8,886	10,381
Fees and charges	5	44,274	44,287	39,531	39,614
Investment revenue	6	4,750	5,430	3,744	4,529
Royalties, trademarks and licences	7	99	176	110	186
Consultancy and contracts	8	620	541	704	541
Other Revenue	9	20,568	23,650	6,360	9,964
Total revenue from continuing operations		308,653	309,618	288,791	290,368
Gains on disposal of assets		271	56	271	-
Share of profit on investments accounted for using the equity method	22	-	-	-	-
Other investment income	6	-	286	-	-
Other Income	9	78	182	2,386	2,452
Total income from continuing operations		309,002	310,142	291,448	292,820
Expenses from continuing operations					
Employee related expenses	10	179,270	163,919	168,994	153,611
Depreciation and amortisation	11	21,265	19,129	20,219	18,207
Repairs and maintenance	12	6,450	8,097	6,143	7,755
Borrowing costs	13	523	7	523	1
Impairment of assets	14	294	1,288	281	1,273
Losses on disposal of assets		-	712	-	712
Investment losses	6	48	-	-	-
Deferred Super expense	10, 41	371	341	371	341
Other expenses	15	96,071	103,430	94,041	97,996
Total expenses from continuing operations		304,292	296,923	290,572	279,896
Net result before income tax		4,710	13,219	876	12,924
Income Tax expense		-	-	-	-
Net result after income tax for the period attributable to members of the University of New England	30(b)	4,710	13,219	876	12,924

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

Statement of Comprehensive Income

for the year ended 31 December 2014

		Consolidated		Parent entity	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net result after income tax for the period		4,709	13,219	876	12,924
Items that may be reclassified to profit or loss					
Gain (loss) on value of available-for-sale financial assets		3,392	159	2,645	(1,020)
Total		3,392	159	2,645	(1,020)
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of land and buildings		17,226	(86)	17,521	(86)
Net Actuarial losses (gains) recognised in respect of Defined Benefit Plans		(573)	2,684	(573)	2,684
Transfer from reserves		835	(22)	811	-
Total		17,488	2,576	17,759	2,598
Total other comprehensive income		20,880	2,735	20,404	1,578
Total comprehensive income attributable to members of the University of New England		25,589	15,954	21,280	14,502

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

Statement of Financial Position

as at 31 December 2014

		Consolidated		Parent entity	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets					
Current assets					
Cash and cash equivalents	16	115,204	107,872	100,264	93,008
Receivables	17	11,137	11,478	9,306	9,778
Inventories	18	403	392	143	113
Other financial assets	19	-	-	-	50
Non current assets classified as held for sale	20	-	1,113	-	1,113
Other non-financial assets	21	7,230	8,741	6,830	8,357
Biological assets	23	605	625	605	625
Total current assets		134,579	130,221	117,148	113,044
Non-current assets					
Receivables	17	328,597	221,724	328,656	221,761
Other financial assets	19	13,487	5,590	6,086	3,540
Investments accounted for using the equity method	22	-	-	-	-
Property, plant and equipment	24	306,335	276,068	302,217	270,942
Intangible assets	25	1,967	3,114	980	1,678
Total non-current assets		650,386	506,496	637,939	497,921
Total assets		784,965	636,717	755,087	610,965
Liabilities					
Current liabilities					
Trade and other payables	26	2,021	4,484	1,072	3,490
Borrowings	27	-	-	-	-
Provisions	28	33,046	30,947	31,453	29,171
Other liabilities	29	21,341	22,865	19,996	21,500
Total current liabilities		56,408	58,296	52,521	54,161
Non-current liabilities					
Borrowings	27	20,000	-	20,000	-
Provisions	28	336,463	231,159	336,268	230,974
Other liabilities	29	-	-	-	-
Total non-current liabilities		356,463	231,159	356,268	230,974
Total liabilities		412,871	289,455	408,789	285,135
Net assets		372,094	347,262	346,298	325,830
Equity					
Reserves	30(a)	72,393	52,610	71,444	52,089
Retained earnings	30(b)	299,701	294,652	274,854	273,741
Parent entity interest		372,094	347,262	346,298	325,830
Total equity		372,094	347,262	346,298	325,830

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

Statement of Changes in Equity for the year ended 31 December 2014

	Consolidated		Parent entity	
	Reserves \$'000	Retained earnings \$'000	Reserves \$'000	Retained earnings \$'000
Balance at 1 January 2013	52,559	278,865	53,195	258,132
Retrospective changes	-	(117)	-	-
Balance as restated	52,559	278,748	53,195	258,132
Net operating result	-	13,219	-	12,924
Gain / (loss) on revaluation of land and buildings	(86)	-	(86)	-
Gain / (loss) on revaluation of available-for-sale financial assets	159	-	(1,020)	-
Remeasurements of Defined Benefit Plans	-	2,684	-	2,684
Transfer from revaluation reserves to retained surplus for asset sales	(22)	-	-	-
Total comprehensive income	51	15,903	(1,106)	15,608
Balance at 31 December 2013	52,610	294,651	52,089	273,740
Balance at 1 January 2014	52,610	294,651	52,089	273,740
Retrospective changes	-	-	-	-
Net operating result	-	4,709	-	876
Gain / (loss) on revaluation of land and buildings	17,226	-	17,521	-
Gain / (loss) on revaluation of available-for-sale financial assets	3,392	-	2,645	-
Net gain / (loss) on defined benefit superannuation plans	-	(573)	-	(573)
Transfers to / (from) reserves	(835)	814	(811)	811
Total comprehensive income	19,783	4,950	19,355	1,114
Transfer to / (from) retained earnings	-	-	-	-
Distributions to owners	-	100	-	-
Balance at 31 December 2014	72,393	299,701	71,444	274,854
		372,094		346,298

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

Statement of Cash Flows

for the year ended 31 December 2014

		Consolidated		Parent entity	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities					
Australian Government Grants	3(g)	228,754	224,815	228,754	224,815
OS-Help (net)	3(g)	388	33	388	33
State Government Grants		3,043	3,799	3,043	3,799
HECS-HELP - Student payments		8,296	8,556	8,296	8,556
Receipts from student fees and other customers		65,933	67,073	48,409	49,709
Dividends received		246	174	39	34
Interest received		4,361	5,518	3,935	4,839
Payments to suppliers and employees (inclusive of GST)		(293,773)	(291,737)	(279,761)	(274,131)
Interest and other costs of finance		(523)	(36)	(523)	(1)
GST recovered		6,441	7,232	6,398	7,166
Net cash provided by / (used in) operating activities	37	23,166	25,427	18,978	24,819
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		2,377	843	2,377	835
Payments for property, plant and equipment		(34,022)	(32,163)	(33,949)	(31,213)
Proceeds from sale of financial assets		332	389	-	-
Payments for financial assets		(4,521)	(495)	-	-
Loans to related parties		-	-	(150)	(55)
Repayment of loans by related parties		-	-	-	42
Net cash provided by / (used in) investing activities		(35,834)	(31,426)	(31,722)	(30,391)
Cash flows from financing activities					
Proceeds from borrowings		20,000	-	20,000	-
Repayment of borrowings		-	-	-	-
Repayment of finance leases		-	(46)	-	(46)
Issued capital		-	-	-	-
Net cash provided by / (used in) financing activities		20,000	(46)	20,000	(46)
Net increase / (decrease) in cash and cash equivalents		7,332	(6,045)	7,256	(5,618)
Cash and cash equivalents at the beginning of the financial year		107,872	113,917	93,008	98,626
Cash and cash equivalents at the end of the financial year		115,204	107,872	100,264	93,008

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

Notes to the financial statements

Note	Page
1 Summary of significant accounting policies	49
2 Disaggregated information	57
Income	
3 Australian Government financial assistance including Australian Government loan programs (HELP)	57
4 State and Local Government financial assistance	59
5 Fees and charges	59
6 Investment revenue and income	59
7 Royalties, trademarks and licences	60
8 Consultancy and contracts	60
9 Other revenue and income	60
Expenses	
10 Employee related expenses	60
11 Depreciation and amortisation	61
12 Repairs and maintenance	61
13 Borrowing costs	61
14 Impairment of assets	61
15 Other expenses	62
Assets	
16 Cash and cash equivalents	62
17 Receivables	62
18 Inventories	64
19 Other financial assets	64
20 Non current assets classified as held for sale	64
21 Other non-financial assets	64
22 Investments accounted for using the equity method	64
23 Biological assets	64
24 Property, plant and equipment	65
25 Intangible assets	69
Liabilities	
26 Trade and other payables	70
27 Borrowings	70
28 Provisions	71
29 Other liabilities	71
Equity	
30 Reserves and retained earnings	72
Note Disclosures	
31 Key management personnel disclosures	73
32 Remuneration of auditors	74
33 Contingencies	74
34 Commitments	74
35 Related parties	75
36 Subsidiaries	76
37 Reconciliation of operating result after income tax to net cash flows from operating activities	76
38 Events occurring after the balance date	76
39 Financial risk management	77
40 Fair value Measurements	80
41 Defined Benefit Plans	83
42 Acquittal of Australian Government financial assistance	89

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for the University as the parent entity and the consolidated entity consisting of the University and its subsidiaries.

The principal address of the University is: University of New England, Armidale NSW 2351, Australia.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University and its subsidiaries. They have been prepared on an accrual basis and comply with Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:

- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010

The University of New England is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University Council on 19 March 2015.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2014 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

Note 1. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(iii) Joint Arrangements

Joint Venture Operation

The Group has interests in Cooperative Research Centres (CRC) which requires the Group to contribute in cash and in-kind based on the proportion of the interest the Group has in the CRC.

Contributions in cash and in-kind are expensed and included in the income statement. The Group's share of contributions are not included in the statement of financial position.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operations ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit and loss, translation gains or losses are also recognised in profit or loss.

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government grants

Grants from the government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

(ii) HELP payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

(iii) Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iv) Royalties, trademarks and licences

Revenue from royalties, trademarks and licences is recognised as income when earned.

Note 1. Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(v) Investment income

Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(vi) Other revenue

Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(e) Income tax

The University of New England and its controlled entities have received an endorsement by the Australian Taxation Office to access the income tax exemption from 1st July 2000 under the Income Tax Assessment Act 1997.

(f) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 34). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

The Group does not receive any interest income from operating leases.

(g) Impairment of assets

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

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory 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 of completion and the estimated costs necessary to make the sale.

Note 1. Summary of significant accounting policies (continued)

(k) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(l) Investments and other financial assets

Classification

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At balance date, the Group held no assets in this category.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Fair Value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

Note 1. Summary of significant accounting policies (continued)

(l) Investments and other financial assets (continued)

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(m) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(n) Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Cost to sell includes all cost that would be necessary to sell the assets.

(o) Property, infrastructure, plant and equipment

Land and buildings and Infrastructure are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, including Works of Art and Museum assets are stated at historical cost less depreciation. A policy change in 2014 saw all Works of Art and Museum assets restated at cost and not valuation. The impact of this change was not considered to be material. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The University holds assets for scientific or research purposes that are not recognised in the statement of financial position because the University is unable to reliably measure the value for these assets. The Herbarium, Zoological and Geological collections have nil balance recorded in the University's asset register. The changing scientific value over time, the uniqueness of the time of collection and the changing nature of the physical characteristics of the original collection sites (for example changes due to climate change or habitat destruction) result in these collections not being capable of a reliable valuation.

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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are firstly recognised in other comprehensive income before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Note 1. Summary of significant accounting policies (continued)

(o) Property, infrastructure, plant and equipment (continued)

Land, buildings under construction, rare books, works of art and museum assets are not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 2 - 40 yrs,	Furniture and Fittings - 7-20 yrs,
Infrastructure 5 - 20 yrs,	Other Plant and Equipment - 5 - 15 yrs,
Computing Implementation Costs & Software - 10 yrs,	Computing Equipment / Software - 5 - 15 yrs,
Motor Vehicles - 5 yrs,	
Library Collection - 10 yrs,	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land controlled by the University was revalued as at 31 December 2014 by Global Valuation Services Pty Ltd

Buildings controlled by the University were revalued as at 31 December 2014, by Global Valuation Services Pty Ltd.

Infrastructure assets, existing at 31 December 2014, were revalued by Global Valuation Services Pty Ltd.

The University's rare books collection were revalued based on current market values at 31 December 2010 by Burnet's Books.

(p) Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

(ii) Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquire, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iii) Licences

Licences have an indefinite useful life and are not amortised. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with note 1(g).

(q) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, the effects of the unfunded superannuation liabilities of the University and its controlled entities were recorded in the Income Statement and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by Pillar Administration and relates to the defined benefit superannuation plan's of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund. For details relating to methodology of measurement by the actuary and treatment of actuarial gains and losses, refer note 41.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme, SSS, SASS and SANCS, on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability for these schemes consequently does not affect the year end net asset position of the University and its controlled entities. However, the Australian Government arrangement previously excludes SANCS, however a recent Memorandum of Understanding was agreed and this scheme is now recognised as a liability and with a corresponding receivable.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Summary of significant accounting policies (continued)

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date and does not expect to settle the liability for at least 12 months after the balance date.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(u) Provisions

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(v) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

Employee benefits are long term if they are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

It is measured at 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Retirement benefit obligations

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 benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the Group's plan.

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Summary of significant accounting policies (continued)

(v) Employee benefits (continued)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Past service costs are recognised in income immediately.

Contributions to the defined contribution section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

(w) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

(x) 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 acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(y) Key Management Personnel

For the Group, key management personnel are members of the University Council and persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

(z) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 as amended by Class Order 04/667 issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(aa) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(ab) New accounting standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The University has elected not to early adopt any of these standards. The University has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	307,801	309,110	4,619	13,145	784,965	636,717
Asia	-	-	-	-	-	-
US/Canada	582	481	44	50	-	-
Unallocated	619	551	47	24	-	-
	<u>309,002</u>	<u>310,142</u>	<u>4,710</u>	<u>13,219</u>	<u>784,965</u>	<u>636,717</u>

Note 3. Australian Government financial assistance including Australian Government loan programs (HELP)

	Notes	Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
(a) Commonwealth Grant Scheme and Other Grants	42.1				
Commonwealth Grant Scheme #1		100,321	99,604	100,321	99,604
Indigenous Support Program		1,219	1,137	1,219	1,137
Partnership & Participation Program # 2		2,799	3,651	2,799	3,651
Disability Support Program		145	92	145	92
Diversity and Structural Adjustment Fund #3		-	6,000	-	6,000
Promotion of Excellence in Learning and Teaching		153	47	153	47
Reward Funding		-	448	-	448
Total Commonwealth Grant Scheme and Other Grants		<u>104,637</u>	<u>110,979</u>	<u>104,637</u>	<u>110,979</u>
(b) Higher Education Loan Programs	42.2				
HECS-HELP		62,671	58,627	62,671	58,627
FEE-HELP #4		8,611	7,608	8,611	7,608
SA-HELP		359	1,027	359	1,027
Total Higher Education Loan Programs		<u>71,641</u>	<u>67,262</u>	<u>71,641</u>	<u>67,262</u>
(c) Scholarships	42.3				
Australian Postgraduate Awards		2,563	2,558	2,563	2,557
International Postgraduate Research Scholarship		201	213	201	214
Commonwealth Education Cost Scholarships #5		(69)	(507)	(69)	(507)
Commonwealth Accommodation Scholarships #5		45	(29)	45	(29)
Indigenous Access Scholarships		78	(45)	78	(45)
Total Scholarships		<u>2,818</u>	<u>2,190</u>	<u>2,818</u>	<u>2,190</u>
(d) EDUCATION Research	42.4				
Joint Research Engagement Program		3,134	2,885	3,134	2,885
Research Training Scheme		6,604	6,887	6,604	6,887
Research Infrastructure Block Grants		1,092	809	1,092	809
Sustainable Research Excellence in Universities		993	877	993	877
Total EDUCATION Research Grants		<u>11,823</u>	<u>11,458</u>	<u>11,823</u>	<u>11,458</u>

		Consolidated		Parent entity	
	Notes	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
(e) Australian Research Council	42.6				
(i) Discovery	42.6(a)				
Project		1,788	1,363	1,788	1,363
Fellowships #6		270	266	270	266
Total Discovery		2,058	1,629	2,058	1,629
(ii) Linkages	42.6(b)				
Projects		295	357	295	357
Future fellowships		670	193	670	193
rounding adjustment		-	(1)	-	(1)
Total linkages		965	549	965	549
Total ARC		3,023	2,178	3,023	2,178
(f) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		4,691	4,567	4,691	4,567
Other Research Financial Assistance		23,729	18,157	23,729	18,157
Non-Research Financial Assistance		4,051	4,563	4,051	4,563
Total		32,471	27,287	32,471	27,287
Capital					
Non-Research Financial Assistance		-	-	-	-
Total		-	-	-	-
Total other Australian Government financial assistance		32,471	27,287	32,471	27,287
Total Australian Government financial assistance		226,413	221,354	226,413	221,354
<p>#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading , Maths and Science Transition Loading and Full Fee Places Transition Loading.</p> <p>#2 Includes Equity Support Program.</p> <p>#3 Includes Collaboration & Structural Adjustment Program.</p> <p>#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.</p> <p>#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.</p> <p>#6 Includes Early Career Researcher Award.</p>					
Reconciliation					
Australian Government grants		154,772	154,092	154,772	154,092
HECS-HELP payments		62,671	58,627	62,671	58,627
FEE-HELP payments		8,611	7,608	8,611	7,608
SA-HELP payments		359	1,027	359	1,027
Total Australian Government financial assistance		226,413	221,354	226,413	221,354

	Consolidated		Parent entity	
Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)				
(g) Australian Government Grants received - cash				
CGS and other EDUCATION grants	105,411	109,669	105,411	109,669
Higher Education Loan Programs	72,259	68,995	72,259	68,995
Scholarships	2,819	2,190	2,819	2,190
EDUCATION research	11,822	11,458	11,822	11,458
ARC grants - Discovery	2,058	1,629	2,058	1,629
ARC grants - Linkages	965	550	965	550
Other Australian Government grants	33,420	30,324	33,420	30,324
Total Australian Government grants received - cash basis	228,754	224,815	228,754	224,815
OS-HELP (Net)	388	33	388	33
Total Australian Government funding received - cash basis	229,142	224,848	229,142	224,848
Note 4. State and Local Government financial assistance				
Non-capital	3,043	3,799	3,043	3,799
Capital	-	-	-	-
Total State and Local Government financial assistance	3,043	3,799	3,043	3,799
Note 5. Fees and charges				
Course fees and charges				
Fee-paying overseas students	12,992	13,457	12,992	13,457
Fee-paying domestic postgraduate students	3,442	3,700	3,442	3,715
Fee-paying domestic undergraduate students	151	207	151	207
Fee-paying domestic non-award students	201	241	201	241
Other domestic course fees and charges	6,501	5,964	1,440	886
Total course fees and charges	23,287	23,569	18,226	18,506
Other non-course fees and charges				
Amenities and service fees	68	341	192	502
Student service fees from students	43	38	43	38
Parking fees	370	392	373	394
Conference income	72	227	72	227
College residential rental	13,107	13,212	13,170	13,267
Other fees and charges	7,327	6,508	7,455	6,680
Total other fees and charges	20,987	20,718	21,305	21,108
Total fees and charges	44,274	44,287	39,531	39,614
Note 6. Investment revenue and income				
Interest income:				
Interest	4,177	5,110	3,705	4,495
Dividend from equity investments	573	320	39	34
Total investment revenue	4,750	5,430	3,744	4,529
Other investment gains and losses				
Net gain/(loss) arising on financial assets designated at fair value through profit or loss	(48)	286	-	-
Total other investment income/(loss)	(48)	286	-	-
Net investment income	4,702	5,716	3,744	4,529

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 7. Royalties, trademarks and licences					
Royalties		59	125	70	135
Licences		3	-	3	-
Commission fees		37	51	37	51
Total royalties, trademarks and licences		99	176	110	186
Note 8. Consultancy and contracts					
Consultancy		449	313	533	313
Contract research		171	228	171	228
Total consultancy and contracts		620	541	704	541
Note 9. Other revenue and income					
Other revenue					
Donations and bequests		781	890	108	50
Scholarships and prizes		18	18	18	18
Non-government grants		2,349	7,149	2,349	7,149
Sundry trading income		17,420	15,593	3,885	2,747
Total other revenue		20,568	23,650	6,360	9,964
Other income					
Other income *		78	182	2,386	2,451
Total other income		78	182	2,386	2,451
Total other revenue and income		20,646	23,832	8,746	12,415
* Other income includes the reimbursement of employee related expenses from Sport UNE to the University and forgiveness of debts from the University to UNE Health Pty Ltd and UNE Open Pty Ltd which are eliminated on consolidation.					
Note 10. Employee related expenses					
Academic					
Salaries		60,027	57,752	59,782	57,752
Contribution to superannuation and pension schemes					
Contributions to funded schemes		8,337	9,206	8,337	9,206
Contributions to unfunded schemes		96	11	96	11
Payroll tax		4,227	3,980	4,227	3,980
Worker's compensation		410	259	410	259
Long service leave expense		3,116	986	3,116	986
Annual leave		5,166	4,619	5,166	4,619
Total academic		81,379	76,813	81,134	76,813
Non-academic					
Salaries		73,805	66,482	65,316	57,756
Contribution to superannuation and pension schemes					
Contributions to funded schemes		8,580	554	8,580	9,044
Contributions to unfunded schemes		1,043	9,314	254	8
Payroll tax		4,894	4,462	4,425	3,988
Worker's compensation		434	286	422	255
Long service leave expense		3,107	871	3,098	932
Annual leave		5,821	4,966	5,598	4,674
Other (allowances, penalties and fringe benefits tax)		207	171	167	141
Total non-academic		97,891	87,106	87,860	76,798
Total employee related expenses		179,270	163,919	168,994	153,611
Deferred superannuation expense	41	371	341	371	341
Total employee related expenses, including deferred government employee benefits for superannuation		179,641	164,260	169,365	153,952
Employees working at Sport UNE are employees of the University and are reported in the employee related expenses of the University from 2013.					

Notes	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 11. Depreciation and amortisation				
Depreciation				
Buildings	9,002	8,419	8,915	8,340
Infrastructure	773	732	762	718
Plant and equipment	6,485	4,675	6,218	4,372
Leasehold improvements	74	111	0	0
Leased plant and equipment	24	47	24	47
Library collection	3,589	3,803	3,589	3,803
Total depreciation	19,947	17,787	19,508	17,280
Amortisation				
Intangibles	1,318	1,342	711	927
Total amortisation	1,318	1,342	711	927
Total depreciation and amortisation	21,265	19,129	20,219	18,207
Note 12. Repairs and maintenance				
Buildings	1,125	2,049	1,125	2,049
Heritage assets	9	39	9	39
Infrastructure	883	1,004	883	1,004
Library collection	83	1	0	1
Plant/furniture/equipment	1,499	1,573	1,339	1,317
Contracts	2,052	2,005	2,052	2,005
Grounds	215	407	151	321
Computer service costs	584	1,019	584	1,019
Total repairs and maintenance	6,450	8,097	6,143	7,755
Note 13. Borrowing costs				
Interest expense	523	7	523	1
Total borrowing costs expensed	523	7	523	1
Note 14. Impairment of assets				
Bad debts	1,515	97	1,505	67
Doubtful debts	(1,221)	1,017	(1,224)	1,032
Impairment of investments	-	-	-	-
Impairment of assets	-	174	-	174
Total impairment of assets	294	1,288	281	1,273

Notes	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 15. Other expenses				
Scholarships, grants and prizes	11,283	10,929	11,174	10,872
Non-capitalised equipment	3,529	4,001	3,434	3,939
Advertising, marketing and promotional expenses	6,257	6,761	5,988	6,326
Utilities	7,221	8,030	6,667	7,411
Inventory used	7,177	5,951	5,283	4,065
Postal and telecommunications	2,356	2,340	1,806	1,787
Travel and entertainment	8,432	7,923	8,106	7,502
Books, serials and other library media	7,060	4,507	6,969	4,450
Operating lease rental charges	148	169	4	38
Consultants	11,711	16,849	10,716	16,165
External contributions	7,105	4,845	9,103	6,845
Catering services	3,115	3,027	3,158	3,084
Fees for services	11,486	11,365	9,754	9,665
Asset derecognition	-	49	-	-
Loss on derecognition of assets	436	-	-	-
Computer licensing	4,311	12,124	4,311	12,124
Inter entity transfer	-	-	4,289	-
Other expenditure	4,444	4,560	3,279	3,723
Total other expenses	96,071	103,430	94,041	97,996

Note 16. Cash and cash equivalents	1(h)				
Cash at bank and on hand		5,209	9,650	3,264	5,008
Deposits at call	1(i)	109,995	98,222	97,000	88,000
Total cash and cash equivalents		115,204	107,872	100,264	93,008

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

Balances as above	115,204	107,872	100,264	93,008
Less: bank overdrafts	-	-	-	-
Balance per statement of cash flows	<u>115,204</u>	<u>107,872</u>	<u>100,264</u>	<u>93,008</u>

(b) Cash at bank and on hand

Cash at bank is interest bearing with the floating rates being determined by the daily balance of funds held in the account.

Cash on hand are non-interest bearing.

(c) Deposits at call

The current level of deposits are bearing floating interest rates between 3.50% and 3.65%. These deposits have an average maturity of 183 days.

Deposits throughout the year were bearing floating interest rates between 3.50% and 4.30% (2013 - 3.65% and 5.23%) with an average maturity of 173 days (2013: 169 days).

Note 17. Receivables

Current

Trade and other debtors	1(i)	12,631	13,806	10,667	11,974
Less: provision for impaired receivables		(1,062)	(2,284)	(1,039)	(2,264)
Subtotal		11,569	11,522	9,628	9,710
OS-HELP asset from Australian Government		(432)	(44)	(432)	(44)
Other receivables		-	-	110	112
Total current receivables		11,137	11,478	9,306	9,778

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 17. Receivables (continued)					
Non-current					
Other receivables		-	-	59	37
Deferred government contribution for superannuation					
*defined benefit plan	41	328,597	221,724	328,597	221,724
Total non-current receivables		<u>328,597</u>	<u>221,724</u>	<u>328,656</u>	<u>221,761</u>
Total receivables		<u>339,734</u>	<u>233,202</u>	<u>337,962</u>	<u>231,539</u>

* The Commonwealth Government has a commitment to fund superannuation obligations, relating to past service by university employees in the state superannuation schemes, based on the fact that since 1987 the Commonwealth has met this commitment and at this point of time there is no reason to suggest that it will not continue to do so.

The amount payable by the Commonwealth Government are in respect of:

- State Superannuation Scheme for consolidated and parent in 2014 was \$319.819 million (2013: \$258.249 million)
- State Authorities Superannuation Scheme for consolidated and parent in 2014 was \$3.195 million (2013: \$1.950 million)
- State Authorities Non-contributory Superannuation Scheme for consolidated and parent in 2014 was \$5.582 million (2013: \$Nil)

(a) Impaired receivables

As at 31 December 2014 current receivables of the group with a nominal value of \$1.300m (2013: \$3.359m) were impaired. The amount of the provision was \$1.062m (2013: \$2.284m). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The impaired receivables for the parent in 2014 was \$1.295m (2013: \$1.072m).

The ageing of these receivables is as follows:

3 to 6 months	939	2,623	939	2,619
Over 6 months	375	736	356	716
Total current impaired receivables	<u>1,314</u>	<u>3,359</u>	<u>1,295</u>	<u>3,335</u>

As of 31 December 2014, trade receivables of \$0.265m (2013: \$1.1m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	693	1,411	256	1,072
Over 6 months	101	149	-	-
Total past due but not impaired trade receivables	<u>794</u>	<u>1,560</u>	<u>256</u>	<u>1,072</u>

Movements in the provision for impaired receivables are as follows:

As at 1 January	(2,320)	(1,270)	(2,264)	(1,232)
Provision for impairment recognised during the year	(1,028)	(2,279)	(1,039)	(2,264)
Receivables written off during the year as uncollectible	1,496	(3)	1,505	-
Unused amount reversed	759	1,232	759	1,232
At 31 December	<u>(1,093)</u>	<u>(2,320)</u>	<u>(1,039)</u>	<u>(2,264)</u>

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 18. Inventories	1(j)				
Current					
Petrol and oils		3	8	3	8
Motor pool		7	7	7	7
College larder		3	7	3	7
Fodder and produce		130	91	130	91
Other stocks		260	279	-	-
Total current inventories		403	392	143	113
Note 19. Other financial assets	1(i)				
Current					
Loans and receivables		-	-	-	50
Total current other financial assets		-	-	-	50
Non-current					
Investments in subsidiaries		-	-	1,569	2,477
Shares in private companies		3,685	11	3,686	11
Available for sale		9,802	5,579	831	1,052
Total non-current other financial assets		13,487	5,590	6,086	3,540
Note 20. Non current assets classified as held for sale					
Land & buildings classified as held for sale		-	1,113	-	1,113
Total non-current assets classified as held for sale		-	1,113	-	1,113
Note 21. Other non-financial assets					
Current					
Accrued income		2,422	3,854	2,094	3,573
Prepaid expenses		4,808	4,887	4,736	4,784
Total current other non-financial assets		7,230	8,741	6,830	8,357
Note 22. Investments accounted for using the equity method					
Name of associated entity	Place of business Country of Incorporation	Measurement method	Ownership Interest %		
Remarkspdf Pty Ltd	Australia	Cost	2014	2013	
			30	30	
The investments in Remarkspdf Pty Ltd accounted for using the equity method was immaterial and it was considered that no value will be taken up in 2014.					
Note 23. Biological assets					
Trees		5	5	5	5
Livestock		600	620	600	620
Total biological assets		605	625	605	625
Reconciliation of changes in the carrying amount of biological assets					
Trees - Balance at 31 December		5	5	5	5
Livestock - Balance as at 1 January		620	552	620	552
Purchases		8	126	8	126
Natural increases		355	82	355	82
Sales		(362)	(208)	(362)	(208)
Increment/(decrement) in fair value of biological assets		(21)	68	(21)	68
Balance as at 31 December		600	620	600	620
Total biological assets		605	625	605	625

At 31 December 2014 livestock held for sale comprised 137 cattle and 6,954 sheep (2013: 215 cattle and 12,472 sheep).

Note 24. Property, plant and equipment

Consolidated	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Buildings & Infrastructure under construction \$'000	Plant and equipment * \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library Collections \$'000	Library rare books \$'000	Other plant and equipment ** \$'000	Total \$'000
At 1 January 2013											
- Cost	498	-	14,938	8,384	45,163	738	2,861	34,014	-	1,285	107,881
- Valuation	22,217	21,816	169,995	-	-	-	-	-	1,769	2,945	218,742
Accumulated depreciation and impairment	(740)	-	(8,015)	-	(29,407)	(274)	(2,790)	(20,623)	-	-	(61,849)
Net book amount	21,975	21,816	176,918	8,384	15,756	464	71	13,391	1,769	4,230	264,774
Year ended 31 December 2013											
Opening net book amount	21,975	21,816	176,918	8,384	15,756	464	71	13,391	1,769	4,230	264,774
Depreciation written back on disposal	4	-	49	-	4,290	19	-	704	-	-	5,066
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Derecognition	(2)	-	(56)	-	(4,424)	(31)	-	-	-	(1,567)	(6,080)
Land and buildings held for sale	(46)	(910)	(100)	-	(57)	-	-	-	-	-	(1,113)
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Additions	416	-	3,968	12,727	13,329	40	-	898	-	95	31,473
Impairment	-	-	(244)	-	-	-	-	-	-	-	(244)
Depreciation charge	(732)	-	(8,440)	-	(4,675)	(111)	(47)	(3,803)	-	-	(17,808)
Closing net book amount	21,615	20,906	172,094	21,111	24,219	381	24	11,190	1,769	2,758	276,068
At 31 December 2013											
- Cost	866	-	18,748	21,111	54,310	760	2,756	35,892	-	1,111	135,554
- Valuation	22,217	20,906	169,995	-	-	-	-	-	1,769	1,647	216,534
Accumulated depreciation and impairment	(1,468)	-	(16,649)	-	(30,091)	(378)	(2,732)	(24,702)	-	-	(76,020)
Net book amount	21,615	20,906	172,094	21,111	24,219	382	24	11,190	1,769	2,758	276,068

Note 24. Property, plant and equipment (continued)

	Infrastructure	Freehold land	Freehold buildings	Buildings & Infrastructure under construction	Plant and equipment *	Leasehold improvements	Leased plant & equipment	Library Collections	Library rare books	Other plant and equipment **	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2014											
Opening net book amount	21,615	20,906	172,094	21,111	24,219	382	24	11,190	1,769	2,758	276,068
Depreciation written back on disposal	-	-	147	-	2,741	-	-	-	-	-	2,888
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	-
Impaired assets disposed	-	-	244	-	-	-	-	-	-	-	244
Transfers	-	-	9,653	(9,653)	-	82	-	-	-	-	82
Derecognition	-	-	(566)	-	(3,508)	(77)	-	-	-	(93)	(4,244)
Assets classified as held for sale and other disposals	-	-	-	-	(14)	-	-	-	-	-	(14)
Revaluation surplus	596	(894)	17,922	-	-	-	-	-	-	(398)	17,226
Additions	681	-	22,212	203	10,707	-	-	-	-	218	34,021
Impairment	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(773)	-	(9,002)	-	(6,460)	(87)	(24)	(3,589)	-	-	(19,935)
Closing net book amount	22,119	20,012	212,703	11,661	27,685	300	-	7,601	1,769	2,485	306,335
At 31 December 2014											
- Cost	1,239	-	30,563	11,661	63,318	786	2,756	35,892	-	2,485	148,700
- Valuation	21,135	20,012	182,625	-	-	-	-	-	1,769	-	225,541
Accumulated depreciation and impairment	(255)	-	(485)	-	(35,633)	(486)	(2,756)	(28,291)	-	-	(67,906)
Net book amount	22,119	20,012	212,703	11,661	27,685	300	-	7,601	1,769	2,485	306,335

Note 24. Property, plant and equipment (continued)

Parent entity

At 1 January 2013

- Cost	498	-	14,848	8,384	40,892	2,861	34,014	-	1,285	102,782
- Valuation	22,147	21,416	167,202	-	-	-	-	1,769	2,945	215,479
Accumulated depreciation and impairment	(736)	-	(7,936)	-	(26,178)	(2,789)	(20,623)	-	-	(58,262)
Net book amount	21,909	21,416	174,114	8,384	14,714	72	13,391	1,769	4,230	259,999

Year ended 31 December 2013

Opening net book amount	21,909	21,416	174,114	8,384	14,716	71	13,391	1,769	4,230	259,999
Depreciation written back on disposal	4	-	49	-	3,960	-	704	-	-	4,717
Transfers	-	-	-	-	-	-	-	-	-	-
Derecognition	(2)	-	(57)	-	(4,037)	-	-	-	(1,567)	(5,663)
Land and buildings held for sale	(46)	(910)	(100)	-	(57)	-	-	-	-	(1,113)
Revaluation surplus	-	-	-	-	-	-	-	-	-	-
Additions	336	-	3,966	12,727	12,618	-	898	-	-	30,545
Impairment	-	-	(244)	-	-	-	-	-	-	(244)
Depreciation charge	(718)	-	(8,361)	-	(4,372)	(47)	(3,803)	-	-	(17,301)
Closing net book amount	21,483	20,506	169,367	21,111	22,829	24	11,190	1,769	2,664	270,942

At 31 December 2013

- Cost	786	-	18,657	21,111	49,729	2,756	35,892	-	1,017	129,948
- Valuation	22,147	20,506	167,202	-	-	-	-	1,769	1,647	213,270
Accumulated depreciation and impairment	(1,450)	-	(16,492)	-	(26,900)	(2,732)	(24,702)	-	-	(72,276)
Net book amount	21,483	20,506	169,367	21,111	22,829	24	11,190	1,769	2,664	270,942

Note 24. Property, plant and equipment (continued)

	Parent entity									
	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Buildings & Infrastructure under construction \$'000	Plant and equipment * \$'000	Leased plant & equipment \$'000	Library collections \$'000	Library rare books \$'000	Other plant & equipment ** \$'000	Total \$'000
Year ended 31 December 2014										
Opening net book amount	21,483	20,506	169,367	21,111	22,829	24	11,190	1,769	2,664	270,942
Depreciation written back on disposal	-	-	147	-	2,741	-	-	-	-	2,888
Revaluation	-	-	-	-	-	-	-	-	-	-
Impaired assets disposed	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	244	-	-	-	-	-	-	244
Derecognition	-	-	9,653	(9,653)	-	-	-	-	-	-
Land and buildings held for sale	-	-	(566)	-	(3,149)	-	-	-	-	(3,715)
Revaluation surplus	637	(894)	18,175	-	-	-	-	-	(398)	17,520
Additions	682	-	22,178	203	10,563	-	-	-	218	33,844
Impairment	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(763)	-	(8,915)	-	(6,217)	(24)	(3,589)	-	-	(19,508)
Closing net book amount	22,039	19,612	210,283	11,661	26,768	-	7,601	1,769	2,485	302,217
At 31 December 2014										
- Cost	1,239	-	30,563	11,661	57,144	2,756	35,892	-	2,485	141,740
- Valuation	21,055	19,612	180,205	-	-	-	-	1,769	-	222,640
Accumulated depreciation and impairment	(255)	-	(485)	-	(30,376)	(2,756)	(28,291)	-	-	(62,163)
Net book amount	22,039	19,612	210,283	11,661	26,768	-	7,601	1,769	2,485	302,217

* Plant & equipment includes all operational assets and \$611k of plant and equipment work in progress (\$4.2m 2013).

** Other plant & equipment includes non-operational assets such as Museum & Collections, Artworks & Work in progress. A change in policy in 2014 has seen Museums and Artwork restated at cost and not valuation

Note 25.	Intangible assets	Notes	Software	License	Goodwill	Course	Total
			Development			Development	
		1(p)	\$'000	\$'000	\$'000	\$'000	\$'000
	Consolidated						
	At 1 January 2013						
	Cost		15,694	525	1,269	417	17,905
	Accumulated amortisation and impairment		(12,999)	-	(364)	(207)	(13,570)
	Net book amount		2,695	525	905	210	4,335
	Year ended 31 December 2013						
	Opening net book amount		2,695	525	905	210	4,335
	Additions - internal development		121	-	-	109	230
	Impairment		(109)	-	-	-	(109)
	Amortisation charge		(1,133)	-	(112)	(97)	(1,342)
	Closing net book amount		1,574	525	793	222	3,114
	At 31 December 2013						
	Cost		15,264	525	1,269	526	17,583
	Accumulated amortisation and impairment		(13,689)	-	(476)	(304)	(14,469)
	Net book amount		1,575	525	793	222	3,114
	Year ended 31 December 2014						
	Opening net book amount		1,575	525	793	222	3,114
	Additions - internal development		91	-	-	65	156
	Additions - separately acquired		40	-	-	-	40
	Disposals		(50)	-	-	-	(50)
	Impairment		-	-	(223)	-	(222)
	Amortisation charge		(892)	-	(93)	(86)	(1,071)
	Closing net book amount		764	525	477	201	1,967
	At 31 December 2014						
	Cost		14,269	525	1,047	479	16,320
	Accumulated amortisation and impairment		(13,505)	-	(570)	(278)	(14,353)
	Net book amount		764	525	477	201	1,967

Intangible assets	Notes	Software Development	Water Licence	Total
	1(p)	\$'000	\$'000	\$'000
Parent				
At 1 January 2013				
Cost		13,400	500	13,900
Accumulated amortisation and impairment		(11,196)	-	(11,196)
Net book amount		2,204	500	2,704
Year ended 31 December 2013				
Opening net book amount		2,204	500	2,704
Additions - internal development		11	-	11
Disposals		(238)	-	(238)
Transfers		(315)	-	(315)
Revaluation increment		443	-	443
Amortisation charge		(927)	-	(927)
Closing net book amount		1,178	500	1,678
At 31 December 2013				
Cost		12,858	500	13,358
Accumulated amortisation and impairment		(11,680)	-	(11,680)
Net book amount		1,178	500	1,678

Note 25.	Intangible assets (continued)	Notes	Software Development	Water Licence	Total
	Parent	1(p)	\$'000	\$'000	\$'000
	Year ended 31 December 2014				
	Opening net book amount		1,178	500	1,678
	Additions - internal development		63	-	63
	Disposals		(50)	-	(50)
	Amortisation charge		(711)	-	(711)
	Closing net book amount		480	500	980
	At 31 December 2014				
	Cost		11,795	500	12,295
	Accumulated amortisation and impairment		(11,315)	-	(11,315)
	Net book amount		480	500	980

		Consolidated		Parent entity
	Notes	2014 \$'000	2013 \$'000	2014 \$'000
				2013 \$'000

Note 26.	Trade and other payables				
	Current				
	Trade payables	1(r)	2,015	4,484	1,066
	Refundable receipts		6	-	6
	Total current trade and other payables		2,021	4,484	1,072
					3,490

a) Foreign currency risk

The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:

US dollar	-	-	-	-
Australian dollars	2,021	4,484	1,072	3,490
Total current trade and other payables	2,021	4,484	1,072	3,490

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39(ii).

Note 27. Borrowings

Non-current

Secured bank loans	20,000	-	20,000	-
Total non-current borrowings	20,000	-	20,000	-
Total borrowings	20,000	-	20,000	-

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2014 and 2013.

(b) Financing arrangements

In October 2013, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$20 million by way of bank facilities in the capital market.

The University entered into bank facilities of \$20 million with National Australia Bank with a maximum term of 5 years.

(c) Specify class of borrowings

In October 2013 the University received approval from the Treasurer of New South Wales to borrow funds to the maximum of \$20 million towards the construction of student accommodation. Such approval is required under Section 61 (1)(d) of the University of New England Act 1993.

In 2014, the University drew down the \$20 million.

The balance of the loan outstanding as at 31 December 2014 was \$20 million (2013: \$20 million).

Refer to note 39 for details regarding credit, liquidity and market risk arising from financial instruments.

(d) Fair value

The carrying amounts of borrowings at the date of statement of financial position are approximate to their fair value.

(e) Risk exposure

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 39.

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 28. Provisions	1(u)				
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual eave		9,778	8,919	9,226	8,313
Long service leave		3,039	3,357	2,857	3,073
Staffing		18	1,249	18	1,249
Other		4	103	-	100
Subtotal		12,839	13,628	12,101	12,735
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		4,750	4,382	4,430	3,991
Long service leave		15,457	12,937	14,922	12,445
Other		-	-	-	-
Subtotal		20,207	17,319	19,352	16,436
Total current provisions		33,046	30,947	31,453	29,171
Non-current provisions					
Employee benefits					
Long service leave		5,167	4,061	4,972	3,876
Deferred government benefits for superannuation		328,597	225,676	328,597	225,676
Professorial superannuation		2,699	1,422	2,699	1,422
Total non-current provisions		336,463	231,159	336,268	230,974
Total provisions		369,509	262,106	367,721	260,145
Note 29. Other liabilities					
Current					
(i) Accrued liabilities					
Salary related		2,995	2,121	2,928	2,058
Other accrued expenditure		8,090	9,788	8,058	9,651
		11,085	11,909	10,986	11,709
(ii) Monies received in advance					
Australian Government unspent financial assistance		-	-	-	-
Financial assistance in advance		1,365	748	1,365	748
Fees in advance		7,555	7,359	6,458	6,307
		8,920	8,107	7,823	7,055
(iii) Trust funds					
Security deposits		16	20	16	20
Employee deduction clearing accounts		735	1,900	735	1,900
Associated entities		11	13	11	13
Other		574	916	425	803
		1,336	2,849	1,187	2,736
Total current other liabilities		21,341	22,865	19,996	21,500
Non Current					
Fees in advance		-	-	-	-
Total other liabilities		21,341	22,865	19,996	21,500

Notes	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 30. Reserves and retained earnings				
(a) Reserves				
Revaluation reserve - investments	4,612	1,243	4,828	2,183
Revaluation reserve - buildings	45,040	27,517	44,275	26,447
Revaluation reserve - land	11,661	13,019	11,342	12,699
Revaluation reserve - infrastructure	11,080	10,433	10,999	10,362
Revaluation reserve - works of art	-	398	-	398
Total reserves	72,393	52,610	71,444	52,089
Movements				
Asset revaluation reserve - investments				
Balance 1 January	1,244	1,106	2,183	3,203
Prior year adjustment	-	117	-	-
Transfer from reserves	(24)	(22)	-	-
Increment/(decrement) on revaluation	3,392	42	2,645	(1,020)
Balance 31 December	4,612	1,243	4,828	2,183
Asset revaluation reserve - buildings				
Balance 1 January	27,517	27,587	26,447	26,517
Increment/(decrement) on revaluation	17,870	(70)	18,175	(70)
Transfer to/(from) retained surplus on disposal	(347)	-	(347)	-
Balance 31 December	45,040	27,517	44,275	26,447
Asset revaluation reserve - land				
Balance 1 January	13,019	13,035	12,699	12,715
Increment/(decrement) on revaluation	(894)	(16)	(893)	(16)
Transfer to/(from) retained surplus on disposal	(464)	-	(464)	-
Balance 31 December	11,661	13,019	11,342	12,699
Movements				
Asset revaluation reserve - infrastructure				
Balance 1 January	10,433	10,433	10,362	10,362
Increment/(decrement) on revaluation	647	-	637	-
Balance 31 December	11,080	10,433	10,999	10,362
Asset revaluation reserve - works of art				
Balance 1 January	398	398	398	398
Decrement on transfer to cost	(398)	-	(398)	-
Balance 31 December	-	398	-	398
(b) Retained earnings				
Movements in retained surplus were as follows:				
Retained earnings at 1 January	294,652	278,865	273,741	258,132
Actuarial gain/(loss) on defined benefit superannuation plans	(573)	2,684	(573)	2,684
Other	100	(117)	-	-
Transfer to/(from) retained surplus on disposal or revalued assets	813	-	810	-
Net operating result for the year	4,709	13,219	876	12,924
Rounding adjustment	-	-	-	1
Retained earnings at 31 December	299,701	294,652	274,854	273,741
(c) Nature and purpose of reserves				
(i) Asset revaluation reserve - land, buildings, infrastructure and works of art				
The reserve reflects the difference between the valuation assessment amount and the carrying cost. It records increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(o).				
(ii) Asset revaluation reserve - investments				
The reserve reflects the difference between the carrying cost and market value of available for sale investments.				

Note 31. Key management personnel disclosures

(a) Responsible persons and executive officers

A list of the Members of the University Council are included in the University's Annual Report.

Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the University of New England during the financial year.

Professor Annabelle Duncan	Mr Robert Irving - (from April 2014)
Professor James Barber - (until September 2014)	Ms Michelle Clarke
Professor Faith Trent - (from April 2014)	Mr Brendan Peet
Professor Alison Sheridan	Mr David Cushway - (until April 2014)
Professor Heiko Daniel	Professor Michael Crock - (until March 2014)
Ms Gabrieli Rolan - (from April 2014)	Mr James Bell - (until September 2014)

(b) Remuneration of council members and executive officers

	Consolidated		Parent entity	
	2014	2013	2014	2013
i) Remuneration of council members	No.	No.	No.	No.
Nil to \$9,999	37	41	9	5
\$10,000 to \$19,999	5	9	5	9
\$20,000 to \$29,999	3	2	3	2
	45	52	17	16

Members of staff serving as Members of Council receiving remuneration as per their employment conditions are excluded.

	\$'000	\$'000	\$'000	\$'000
Aggregate remuneration of Council Members				
Total Aggregate Remuneration	236	165	187	158
ii) Remuneration of executive officers	No.	No.	No.	No.
\$130,000 to \$139,999	1	-	-	-
\$140,000 to \$149,999	-	1	-	-
\$150,000 to \$159,999	-	2	-	1
\$160,000 to \$169,999	1	2	-	2
\$180,000 to \$189,999	1	2	-	-
\$200,000 to \$209,999	2	-	1	-
\$210,000 to \$219,999	1	1	1	1
\$220,000 to \$229,999	1	-	1	-
\$230,000 to \$239,999	-	1	-	1
\$240,000 to \$249,999	-	1	-	1
\$260,000 to \$269,999	-	1	-	1
\$270,000 to \$279,999	2	-	2	-
\$280,000 to \$289,999	-	1	-	1
\$290,000 to \$299,999	3	-	3	-
\$300,000 to \$309,999	1	-	1	-
\$310,000 to \$319,999	-	1	-	1
\$320,000 to \$329,999	1	-	1	-
\$400,000 to \$409,999	-	2	-	2
\$470,000 to \$479,999	1	-	1	-
\$630,000 to \$639,999	1	-	1	-
\$780,000 to \$789,999	-	1	-	1
	16	16	12	12

(c) Key management personnel compensation

	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	4,067	4,278	2,930	3,037
Post-employment benefits	446	378	447	378
Termination benefits	538	222	446	222
Total key management personnel compensation	5,051	4,878	3,823	3,637

(d) Loans to key management personnel

The University has not made any loans to key management personnel.

Note 32. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Audit and review of the financial statements				
Fees paid to the Audit Office of NSW	384	390	265	274
Total remuneration for audit services	<u>384</u>	<u>390</u>	<u>265</u>	<u>274</u>
Other audit and assurance services				
WHK Camerons Audit Services	-	-	-	-
Other audit firms	-	32	-	27
Total remuneration for audit-related services	<u>-</u>	<u>32</u>	<u>-</u>	<u>27</u>
Total audit fees	<u>384</u>	<u>422</u>	<u>265</u>	<u>301</u>

Note 33. Contingencies

At balance date, no proceedings had been identified as being progressed on behalf of UNE.

At balance date, no contingent liabilities or contingent assets of a material nature to the university or its controlled entities had been identified.

Note 34. Commitments

(a) Capital commitments

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

Property, plant and equipment payable:

Within one year	9,886	17,155	9,886	17,111
Between one and five years	924	-	924	-
Later than five years	-	-	-	-
Total PPE Commitments	<u>10,810</u>	<u>17,155</u>	<u>10,810</u>	<u>17,111</u>

(b) Lease commitments

(i) Operating leases

Within one year	998	752	769	519
Between one and five years	3,151	2,168	2,586	2,060
Later than five years	98	517	98	517
Total operating leases	<u>4,247</u>	<u>3,437</u>	<u>3,453</u>	<u>3,096</u>
Total lease commitments	<u>4,247</u>	<u>3,437</u>	<u>3,453</u>	<u>3,096</u>

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 35. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

Interest in subsidiaries are set out in note 36.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 31.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated. These are eliminated in full on consolidation.

The following transactions occurred with related parties:

	Consolidated	
	2014	2013
	\$'000	\$'000
Issued capital	-	100
Sale of goods and services	1,753	2,195
Purchase of goods and services	6,556	3,326
Total Transactions with Related Parties	8,309	5,621

(e) Loans to/from related parties

Loans to subsidiaries

Beginning of the year	50	37
Loans advanced	175	55
Loan repayment received	-	(42)
Loan forgiven	(225)	-
Interest charged	-	1
Interest received	-	(1)
End of year	-	50

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Outstanding balances

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

Receivables (sale of goods and services)	271	300
Payables	91	28

(g) Guarantees

There have been no guarantees given.

(h) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 36. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding	
			2014 %	2013 %
UNE Partnerships Pty Ltd	Australia	Limited by shares	100	100
Agricultural Business Research Institute	Australia	Limited by guarantee	100	100
UNE Life Pty Ltd	Australia	Limited by shares	100	100
Sport UNE Pty Ltd	Australia	Limited by shares	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Australia	Limited by guarantee	100	100
UNE Open Pty Ltd	Australia	Limited by shares	100	100
UNE Health Pty Ltd	Australia	Limited by shares	100	100

UNE Open Pty Ltd and UNE Health Pty Ltd ceased operations on 18 November 2014 and 31 December 2014 respectively.

All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment between each entity and the University of New England. Outstanding loans to the two entities were forgiven by the University of New England.

The University lodged a request to voluntary deregister the companies with ASIC.

Note 37. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net result for the period	4,709	13,219	876	12,924
Depreciation and amortisation	20,885	19,129	20,219	18,207
Purchase of issued capital	-	-	-	-
Asset capitalisation	(292)	-	-	-
Impairment of investment	-	173	-	173
Provision for impaired receivables	(1,224)	1,029	(1,224)	1,032
Actuarial gain / (loss) on deferred superannuation	(574)	2,684	(574)	2,684
Capitalisation and reinvestment of dividend	-	(129)	-	-
Net transfer of assets from/to controlled entity	(382)	-	-	-
Loss / (gain) on revaluation/derecognition	484	(286)	-	-
Net (gain) / loss on sale of non-current assets	(276)	694	(270)	712
Increase / (decrease) in payables and prepaid income	(2,106)	(439)	(2,373)	(207)
Increase / (decrease) in provision for employee entitlements	107,402	(31,694)	107,553	(31,608)
Increase / (decrease) in provision for annual/long service leave	1,351	332	1,351	290
Increase / (decrease) in other provisions	(1,294)	(1,844)	(1,330)	(1,926)
Increase / (decrease) in trust funds	(1,548)	(161)	(1,548)	(161)
(Increase) / decrease in receivables and prepaid expenses	(103,959)	22,732	(103,672)	22,731
(Increase) / decrease in inventories	(10)	(12)	(30)	(32)
Net cash provided by / (used in) operating activities	23,166	25,427	18,978	24,819

Note 38. Events occurring after the balance date

There are no reportable events occurring after balance date.

Note 39. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial assets			
Receivables	17	Receivables are carried at nominal amounts due less any provision for impairment.	Accounts receivable credit terms are 30 days.
Deposits at call	16	Term deposits are stated at cost.	Bank call deposit interest rate is determined by the official money market.
Term deposits	16	Term deposits are stated at cost.	Term deposits are for a period of up to one year. Interest rates are between 3.50 % and 3.65%. Average maturity of 183 days.
Listed shares	19	Listed shares are carried at bid price.	
Unlisted shares	19	These are available-for-sale financial assets carried at fair value.	
Financial liabilities			
Borrowings	27	Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.	
Finance leasing	27	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	26 & 29(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

The Group undertakes certain transactions denominated in foreign currencies. These transactions expose the Group to exchange rate fluctuations. To minimise the risk, the Group recognises all transactions, assets and liabilities in Australian dollars only. Foreign currency deposits are recorded at cost and revalued at balance date. The parent entity (University) also managed exposure to foreign currency with derivative financial instruments such as foreign exchange contracts.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. For the parent entity, diversification of the portfolio is done in accordance with the limits set by the University Investment Committee.

(iii) Cash flow and fair value interest rate risk

The Group invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The Group's interest rate risk arises primarily from investments in long term interest bearing financial instruments due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the Group invests in a diverse range of financial instruments with varying degrees of potential returns.

Note 39. Financial risk management - (continued)

(iv) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	5,209	(52)	(52)	52	52	-	-	-	-	-	-	-	-
Investments - term deposits	109,995	(1,100)	(1,100)	1,100	1,100	-	-	-	-	-	-	-	-
Receivables	13,559	-	-	-	-	-	-	-	-	-	-	-	-
Receivables - related entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Listed shares	9,802	-	-	-	-	-	-	-	-	(98)	(98)	98	98
Unlisted shares	3,685	-	-	-	-	-	-	-	-	(37)	(37)	37	37
Financial liabilities													
Borrowings	20,000	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,021	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	21,341	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,152)	(1,152)	1,152	1,152	-	-	-	-	(135)	(135)	135	135

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	9,650	(97)	(97)	97	97	-	-	-	-	-	-	-	-
Investments - term deposits	98,222	(982)	(982)	982	982	-	-	-	-	-	-	-	-
Receivables	20,219	-	-	-	-	-	-	-	-	-	-	-	-
Listed shares	5,579	-	-	-	-	-	-	-	-	(56)	(56)	56	56
Unlisted shares	11	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	4,483	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	22,865	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,079)	(1,079)	1,079	1,079	-	-	-	-	(56)	(56)	56	56

Note 39. Financial risk management - continued

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation there under. The Group's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets included in the consolidated statement of financial position.

For the parent entity, the only material exposure exists in related entity debtors.

For UNE Partnerships Pty Ltd, Agricultural Business Research Institute, UNE Life Pty Ltd, Sport UNE Ltd, UNE Foundation and UNE Foundation Ltd, no material exposure exists to any individual creditor or class of financial asset.

(c) Liquidity risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the Group:

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth, or
- may be unable to settle or recover a financial asset at all

For the parent entity, the Finance Committee monitors the actual and forecast cash flow of the University on a regular basis ensuring sufficient cash reserves are held to meet the ongoing operations and obligations of the University as they fall due.

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

31 December 2014	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.00%	5,209	-	-	-	-	5,209
Investments - term deposits	3.71%	-	109,995	-	-	-	109,995
Receivables	-	-	-	-	-	13,559	13,559
Listed shares	-	-	-	-	-	9,802	9,802
Unlisted shares	-	-	-	-	-	3,685	3,685
Total financial assets		5,209	109,995	-	-	27,046	142,250
Financial liabilities							
Borrowings	-	-	-	20,000	-	-	20,000
Payables	-	-	-	-	-	2,021	2,021
Other amounts owing	-	-	-	-	-	21,341	21,341
Total financial liabilities		-	-	20,000	-	23,362	43,362
Net financial assets / (liabilities)		5,209	109,995	(20,000)	-	3,684	98,888

Comparative figures for the previous year are as follows:

31 December 2013	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.30%	9,650	-	-	-	-	9,650
Investments - term deposits	4.38%	-	98,222	-	-	-	98,222
Receivables	-	-	-	-	-	20,219	20,219
Listed shares	-	-	-	-	-	5,579	5,579
Unlisted shares	-	-	-	-	-	11	11
Total financial assets		9,650	98,222	-	-	25,809	133,681
Financial liabilities							
Borrowings	-	-	-	-	-	-	-
Payables	-	-	-	-	-	4,483	4,483
Other amounts owing	-	-	-	-	-	22,865	22,865
Total financial liabilities		-	-	-	-	27,348	27,348
Net financial assets / (liabilities)		9,650	98,222	-	-	(1,539)	106,333

Note 40. Fair Value Measurements

(a) Fair value measurements

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

Consolidated	Carrying amount		Fair value	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	115,204	107,872	115,204	107,872
Receivables	328,597	233,202	328,597	233,202
Other financial assets	13,487	5,579	13,487	5,579
Total financial assets	457,288	346,653	457,288	346,653
Non-financial assets				
Land	20,012	20,906	20,012	20,906
Buildings	212,703	172,094	212,703	172,094
Infrastructure	22,119	21,615	22,119	21,615
Rare books	1,769	1,769	1,769	1,769
Works of art	1,452	1,216	-	1,216
Museums	645	431	-	431
Total non-financial assets	258,700	218,031	256,603	218,031
Financial liabilities				
Payables	2,020	4,484	2,020	4,484
Borrowings	20,000	-	20,000	-
Other financial liabilities	-	-	-	-
Total financial liabilities	22,020	4,484	22,020	4,484

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Derivative financial instruments
- Available-for-sale financial assets
- Land and buildings
- Infrastructure
- Rare books

A policy change in 2014 has seen works of art and museums restated at cost and not valuation.

Fair value measurement of non-financial assets is based on highest and best use of the asset. The Group considers market participants use of or purchase price of the asset to use it in a manner that would be highest and best use.

(b) Fair value hierarchy

The Group categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

Fair value measurements at 31 December 2014

Fair value measurements at 31 December 2014					
Recurring fair value measurements		2014	Level 1	Level 2	Level 3
Financial assets	Consolidated	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss					
Trading derivatives		-	-	-	-
Trading securities		-	-	-	-
Available-for-sale financial assets					
Equity securities		9,802	9,802	-	-
Debt securities		-	-	-	-
Other financial assets					
Shares in private companies		3,685	-	-	3,685
Total financial assets		13,487	9,802	-	3,685
Non-financial assets					
Land		20,012	-	-	20,012
Buildings		212,703	-	-	212,703
Infrastructure		22,119	-	-	22,119
Rare books		1,769	-	-	1,769
Total non-financial assets		256,603	-	-	256,603
Financial liabilities					
Payables		13,487	-	13,487	-
Borrowings		20,000	-	20,000	-
Total liabilities		33,487	-	33,487	-
Total fair value measurements at 31 December 2014		303,577	9,802	33,487	260,288

Note 40. Fair Value Measurements (continued)

Fair value measurements at 31 December 2013

Recurring fair value measurements

Financial assets	Consolidated	2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets at fair value through profit or loss					
Available-for-sale financial assets					
Other financial assets		5,579	5,579	-	-
Total financial assets		5,579	5,579	-	-

Non-financial assets

Land		20,906	-	-	20,906
Buildings		172,094	-	-	172,094
Infrastructure		21,615	-	-	21,615
Works of art		1,216	-	-	1,216
Museums		431	-	-	431
Total non-financial assets		216,262	-	-	216,262

Total fair value measurements at 31 December 2013

221,841	5,579	-	216,262
----------------	--------------	----------	----------------

There were no transfers between levels 1 and 2 for recurring measurements during the year. For amounts transferred in and out of level 3 measurements, see below.

During 2014, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes will be recorded as level 3 assets and are shown in the level 3 reconciliation below.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments (level 3).

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments
- fair value of land and buildings, infrastructure, are determined from independent valuation or the value of transfers of assets from work in progress and are classified as level 3

All of the resulting fair value estimates are included in level 3 except for listed shares.

Freehold land and buildings (classified as property, plant and equipment) are valued independently at least every three years. At the end of each reporting period, the Group updates their assessments of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's values within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3.

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 2013:

Level 3 fair value measurements 2014	Unlisted equity securities \$'000	Buildings \$'000	Other financial assets \$'000	Other \$'000	Total \$'000
Opening balance	-	172,095	-	45,279	217,375
Acquisitions	-	31,865	-	1,131	32,996
Impaired assets disposed	-	244	-	-	244
Assets restated at cost not valuation	-	-	-	(1,647)	(1,647)
Available for sale	-	-	-	-	-
Sales	-	(419)	-	-	(419)
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses) on revaluation	-	17,920	-	198	18,118
Recognised in profit or loss*	-	(9,002)	-	(1,061)	(10,063)
Recognised in other comprehensive income	-	-	-	0	(1)
Closing balance	-	212,703	-	43,900	256,603

Level 3 fair value measurements 2013					
Opening balance	-	176,918	-	48,021	224,940
Transfers from level 1	-	-	-	-	-
Available for sale	-	(100)	-	(956)	(1,056)
Sales	-	(56)	-	(1,569)	(1,625)
Acquisitions	-	3,968	-	511	4,479
Disposals	-	-	-	-	-
Total gains / (losses)	-	-	-	-	-
Recognised in profit or loss	-	(8,635)	-	(728)	(9,363)
Recognised in other comprehensive income*	-	-	-	-	-
Closing balance	-	172,095	-	45,279	217,375

(i) Transfers between levels 2 and 3 and changes in valuation techniques

There have been no transfers between level 2 and 3 during 2014. Works of art and museums have been restated at cost not valuation in 2014

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Fair value at 31 Dec 14 \$'000	* Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	20,012	Global Valuations	+/-5%	Increase in value of land by 5% per square metre would increase value by \$1,000k.
Buildings	182,625	Global Valuations	+/-5%	
Infrastructure	21,135	Global Valuations	n/a	Decrease in value of land by 5% per square metre would decrease value by \$1,000k.
Buildings	30,078	Value of transfers from WIP	n/a	Decrease in replacement cost of buildings would increase value by \$9.1m.
Infrastructure	984	Value of additions from WIP	n/a	Decrease in replacement cost of buildings would decrease value by \$9.1m.
Rare Books	1,769	Burnetts Books	n/a	
Total	256,603			

*There were no significant inter-relationships between unobservable inputs that materially affects fair value.

(iii) Valuation processes

In assessing fair value, Global Valuations has determined current replacement cost of the assets based on actual costs for similar assets for the Group and similar organisations. This includes references to Global Valuations database of construction cost and other databases such as the Rawlinsons Construction Handbook.

Note 41. Defined Benefit Plans

a) Fund specific disclosure

All employees are entitled to benefits from the superannuation plan on retirement, disability or death. Superannuation plans have defined benefits sections and defined contribution sections. The defined benefit sections provide lump sum benefits based on years of service and final average salary.

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS),
State Authorities Non-contributory Superannuation (SANCS), and
State Superannuation Scheme (SSS).

These schemes are all defined benefit schemes; at least a component of the final benefit is derived from a multiple of member salary and years of membership.

Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

All schemes are closed to new members.

Professorial superannuation scheme

The fund is closed to new members and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the fund.

The defined benefits section of the fund provides members with an optional Voluntary Spouse Pension (VSP) that allows members to provide an income benefit to their spouse in the event of their death, funded by the member and the University; an optional Additional Contributory Pension (ACP) payable from age 60, funded by the member and the University; and an unfunded Non-Contributory Pension (NCP) payable from age 60.

Previously the benefits provided under the defined benefit section were substantially unfunded with pension payments met by the University on a "pay-as-you-go" basis (except as described above). However, in 2006 the University commenced funding the unfunded NCP payable from age 60. This is in addition to previous funding arrangements in relation to the VSP and ACP benefits provided to some members.

Benefits under the accumulation section of the fund are provided through endowment assurance policies effected with life assurance companies and managed fund accounts maintained with investment managers. These benefits are fully funded by contributions from und members and the University.

The University made a contribution of \$0.233 million in 2014, (2013: \$0.608 million) to the defined benefit plan during the year.

The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligation - 31 Dec 2014	19,970	20,386	60,965	365,940	467,261
Defined benefit obligation - 31 Dec 2013	18,981	19,540	59,999	384,305	482,825

b) Categories of plan assets

All pooled fund assets are invested by SAS Trustee Corporation at arm's length through independent fund managers and assets are not separately invested for each entity. As such, the disclosures below relate to total assets of the pooled fund.

The analysis of the plan assets and the expected rate of return at balance date is as follows:

As at 30 November 2014*

	Total	Quoted price in active markets for identical assets Level 1	Significant observable inputs Level 2	Unobservable Level 3
	\$'000	\$'000	\$'000	\$'000
Short term securities	2,800,451	60,035	2,740,416	-
Australian fixed interest	2,602,827	9,345	2,576,847	16,635
International fixed interest	935,087	(315)	935,402	-
Australian equities	10,448,731	9,989,280	454,401	5,050
International equities	11,841,044	8,954,886	2,885,762	396
Property	3,413,800	970,865	759,838	1,683,097
Alternatives	6,733,061	607,195	3,136,335	2,989,531
Total **	38,775,001	20,591,291	13,489,001	4,694,709

* Actual asset allocation as at 31 December 2014 is not yet available. The latest available as at 30 November 2014 has been used.

** Additional to the assets disclosed above, at 30 November 2014 the pooled fund has provisions for receivables / (payables) estimated to be around \$2.1 around \$2.1 billion, giving an estimated assets totalling around \$40.9 billion.

Note 41. Defined Benefit Plans (continued)

As at 31 December 2013

		Quoted price in active markets for identical assets	Significant observable inputs	Unobservable Level 3
	Total	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Short Term Securities	3,099,598	1,984,408	1,115,190	-
Australian Fixed Interest	1,686,348	6,734	1,679,614	-
International Fixed Interest	835,280	-	835,280	-
Australian Equities	13,092,913	12,876,543	216,206	164
International Equities	10,944,453	8,307,700	2,636,045	708
Property	3,148,735	800,135	680,854	1,667,746
Alternatives	5,862,620	525,243	2,448,886	2,888,491
Total	38,669,947	24,500,763	9,612,075	4,557,109

The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

	2014 (%)	2013 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	8.3	8.3
Expected rate(s) of salary increase	2.7	4.0
Expected return on reimbursement rights	7.3	7.3
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.5	3.9
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	3.9	3.1
Expected rate(s) of salary increase	4.0	4.0

c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

	Base case	Impact on defined benefit obligation	
		Increase in discount rate	Decrease in discount rate
Discount rate	2.83%	3.83%	1.83%
Rate if CPI increase	2.50% pa	2.50% pa	2.50% pa
Salary growth rate	2.25%	2.25%	2.25%
Defined benefit obligation (\$'000)	374,920	337,830	419,435
		Increase in rate of CPI	Decrease in rate of CPI
Discount rate	2.83%	3.83%	1.83%
Rate if CPI increase	2.50% pa	3.0% pa	2.0% pa
Salary growth rate	2.25%	2.25%	2.25%
Defined benefit obligation (\$'000)	374,920	356,925	394,433
		Increase in salary inflation rate	Decrease in salary inflation rate
Discount rate	2.83%	3.83%	1.83%
Rate if CPI increase	2.50% pa	3.0% pa	2.0% pa
Salary growth rate	2.25%	+ 0.5% pa	- 0.5% pa
Defined benefit obligation (\$'000)	374,920	376,128	373,754
		Sensitivity to demographic assumptions	
		+ 5% pensioner mortality rate	- 5% pensioner mortality rate
Defined benefit obligation (\$'000)	374,920	369,958	380,198

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

Note 41. Defined Benefit Plans (continued)

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

	31 Decemer 2014	31 Decemer 2013
Discount rate	2.83% p.a.	4.27% p.a.
Salary increase rate (exclude promotional increases)	2.25% 2014/2015; 2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter	2.25% for 2013/2014 (2.95% for PSS); 2.50% pa for 2014/2015 and 2015/2016; 2.25% for 2016/2017 ; 2.00% for 2017/2018; 3.00% pa 2018/2019 to 2021/2022; 3.50% pa thereafter
Rate of CPI increase	2.5% p.a.	2.5% p.a.
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund	as per the 2012 Actuarial Investigation of the Pooled Fund

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2014

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	28,250	5,704	340,965	9,849	384,768
Provision for pension entitlements	-	-	-	-	-
Total liabilities	28,250	5,704	340,965	9,849	384,768
add: oncosts on pension entitlements	-	-	-	-	-
Total pension entitlements (including oncosts)	-	-	-	-	-
Total liabilities recognised in statement of financial position	28,250	5,704	340,965	9,849	384,768

Assets

Receivable for deferred government contribution for superannuation	25,055	122	21,146	7,150	53,473
Total assets recognised in statement of financial position	25,055	122	21,146	7,150	53,473
Net liability recognised in the statement of financial position	(3,195)	(5,582)	(319,819)	(2,699)	(331,295)

Net liability - 2014

	SASS	SANCS	SSS	PSF	Total
Defined benefit obligation	28,250	5,704	340,965	9,849	384,768
Fair value of plan assets	25,055	122	21,146	7,150	53,473
Net liability	3,195	5,582	319,819	2,699	331,295
Reimbursement right	-	-	-	-	-
Total net liability /(asset) in statement of financial position	3,195	5,582	319,819	2,699	331,295

Reimbursement rights - 2014

	SASS	SANCS	SSS	PSF	Total
Opening value of reimbursement right	1,749	-	219,975	-	221,724
Expected return on reimbursement rights	1,446	5,582	99,844	-	106,872
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	3,195	5,582	319,819	-	328,596

Present value of obligations - 2014

	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	24,813	4,451	254,631	9,414	293,309
Current service cost	924	200	404	314	1,842
Interest expense / (income)	1,018	210	12,168	344	13,740
Remeasurements					
Actuarial losses/(gains) arising from liability experience	854	277	1,916	31	3,078
Actuarial losses/(gains) arising from changes in financial assumptions	1,737	524	49,208	1,262	52,731
Restatement of prior period balances	201	666	38,273	0	39,140
Contributions					
Plan participants	381	-	271	-	652
Exchange differences on foreign plans	-	-	-	-	-
Payments from plan					
Benefits paid	(1,522)	(428)	(16,642)	(1,516)	(20,108)
Taxes, premiums & expenses paid	(156)	(196)	736	-	384
Closing defined benefit obligation	28,250	5,704	340,965	9,849	384,768

Note 41. Defined Benefit Plans (continued)

Present value of plan assets - 2014	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	23,065	499	34,656	7,992	66,212
Interest expense / (income)	950	17	1,146	287	2,400
Remeasurements					
Return on plan assets, excluding amounts included in interest expense	1,575	18	755	-	2,348
Actuarial (loss)/gain on fund assets	-	-	-	154	154
Contributions					
Employers	762	212	225	233	1,432
Plan participants	381	-	270	-	651
Payments from plan					
Benefits paid	(1,522)	(428)	(16,642)	(1,516)	(20,108)
Taxes, premiums and expenses paid	(156)	(196)	736	-	384
Closing fair value of plan assets	25,055	122	21,146	7,150	53,473

d) Statement of Financial Position amounts

Amounts recognised in the statement of financial position - 2013

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	24,813	4,451	254,631	9,414	293,309
Provision for pension entitlements	-	-	-	-	-
Total liabilities	24,813	4,451	254,631	9,414	293,309
add: On-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (incl on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	24,813	4,451	254,631	9,414	293,309

Assets

Receivable for deferred government contribution for superannuation	23,064	499	34,656	7,992	66,211
Total assets recognised in statement of financial position	23,064	499	34,656	7,992	66,211
Net liability recognised in the statement of financial position	(1,749)	(3,952)	(219,975)	(1,422)	(227,098)

Net liability - 2013

	SASS	SANCS	SSS	PSF	Total
Defined benefit obligation	24,813	4,451	254,631	9,414	293,309
Fair value of plan assets	23,064	499	34,656	7,992	66,211
Net liability	1,749	3,952	219,975	1,422	227,098
Reimbursement right	-	-	-	-	-
Total net liability /(asset) in statement of financial position	1,749	3,952	219,975	1,422	227,098

Reimbursement rights - 2013

	SASS	SANCS	SSS	PSF	Total
Opening value of reimbursement right	3,499	-	245,279	-	248,778
Expected return on reimbursement rights					
Change in value	(1,750)	-	(25,304)	-	(27,054)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	1,749	-	219,975	-	221,724

Present value of obligations - 2013

	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	26,930	5,195	286,861	11,491	330,477
Current service cost	892	206	559	90	1,747
Interest expense/(income)	855	165	9,212	246	10,478
Remeasurements					
Actuarial losses/(gains) arising from liability experience	882	138	(280)	(258)	482
Actuarial losses/(gains) arising from changes in financial assumptions	(813)	(233)	(28,226)	(965)	(30,237)
Contributions					
Plan participants	426	-	377	-	803
Exchange differences on foreign plans	-	-	-	-	-
Payments from plan					
Benefits paid	(4,207)	(1,019)	(15,791)	(1,190)	(22,207)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(152)	(1)	1,919	-	1,766
Liabilities from business combination	-	-	-	-	-
Closing defined benefit obligation	24,813	4,451	254,631	9,414	293,309

Note 41. Defined Benefit Plans (continued)

Present value of plan assets - 2013

	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	23,431	1,134	41,582	6,999	73,146
Remeasurements					
Interest income	740	55	1,118	208	2,121
Return on plan assets excluding amounts included in interest expense	2,043	104	5,180	-	7,327
Actuarial losses/(gains)	-	-	-	1,367	1,367
Contributions					
Employers	783	226	271	608	1,888
Plan participants	426	-	377	-	803
Payments from plan					
Benefits paid	(4,207)	(1,019)	(15,791)	(1,190)	(22,207)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(152)	(1)	1,919	-	1,766
Closing fair value of plan assets	23,064	499	34,656	7,992	66,211

e) Amounts recognised in other statements

	SASS	SANCS	SSS	PSF	Total
	\$'000	\$'000	\$'000	\$'000	\$'000

Amounts recognised in the income statement – 2014

The amounts recognised in the income statement are restricted to the 4 schemes and pension in accordance with note 1(v).

The amounts are included in employee related expenses (note 10).

Current service cost	924	200	404	314	1,842
Net interest	67	193	11,022	57	11,339
Total expense recognised in the Income Statement	991	393	11,426	371	13,181

Amounts recognised in the statement of comprehensive income - 2014

The amounts recognised in the statement of comprehensive income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 30).

Remeasurements					
Recognised actuarial (gain) / loss assumptions - 2014	-	-	-	1,139	1,139
Actual return on plan assets less interest income	-	(566)	-	-	(566)
Total remeasurements for 2014	-	(566)	-	1,139	573
Total remeasurements recognised in the Statement of Comprehensive Income for 2014	-	(566)	-	1,139	573

Amounts recognised in the income statement – 2013

The amounts recognised in the income statement are restricted to the 4 schemes and pension in accordance with note 1(v).

The amounts are included in employee related expenses (note 10).

Current service cost	892	206	559	90	1,747
Net interest	115	110	8,094	38	8,357
Total expense recognised in the Income Statement	1,007	316	8,653	128	10,104

Amounts recognised in the Statement of Comprehensive Income - 2013

The amounts recognised in the statement of comprehensive income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 30).

Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions - 2013	-	(232)	-	-	(232)
Actuarial (gain) loss arising from liability experience	-	138	-	(2,590)	(2,452)
Total remeasurements for 2013	-	(94)	-	(2,590)	(2,684)
Total remeasurements recognised in the Statement of Comprehensive Income for 2013	-	(94)	-	(2,590)	(2,684)

Note 41. Defined Benefit Plans (continued)

f) Financial impact for other funds

UniSuper

This is a defined benefit superannuation scheme with the entitlements of the scheme being fully met by UniSuper from contributions paid by the University and its employees.

UniSuper is not considered to be controlled by the University and therefore the net shortfall (excess of accrued benefits over assets) has not been included in the University's accounts.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under superannuation law but is considered to be a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2014, the assets of the DBD in aggregate were estimated to be \$271 million above vested benefits, after allowing for various reserves. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.

As at 30 June 2014, the assets of the DBD in aggregate were estimated to be \$2,071 million above accrued benefits, after allowing for various reserves. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2014. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	6.10% p.a.	7.80% p.a.
Gross of tax investment return – commercial rate indexed pensions	3.70% p.a.	3.70% p.a.
Net of tax investment return - non pensioner members	5.50% p.a.	7.00% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long term	3.75% p.a.	3.75% p.a.

Assets have been included at their net market value; that is, after allowing for realisation costs.

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

Note 42. Acquittal of Australian Government financial assistance

		Parent entity (University) Only			
		Commonwealth Grant Scheme #1		Indigenous Support Program	
Notes		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
42.1 Education - CGS and other education grants					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)					
Net accrual adjustments		101,095 (774)	98,295 1,309	1,219 -	1,137 182
Revenue for the period	3(a)	100,321	99,604	1,219	1,319
Surplus / (deficit) from the previous year					
Total revenue including accrued revenue		(1,206)	104	266	114
Less expenses including accrued expenses		99,115	99,708	1,485	1,433
Surplus / (deficit) for reporting period		99,547 (432)	100,914 (1,206)	1,322 163	1,167 266
# 1 Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.					
# 2 Includes Equity Support Program					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)					
Net accrual adjustments		-	-	-	-
Revenue for the period	3(a)	-	-	-	-
Surplus / (deficit) from the previous year					
Total revenue including accrued revenue		(1,452)	4,954	12,812	26,336
Less expenses including accrued expenses		(1,452)	4,954	12,812	32,336
Surplus / (deficit) for reporting period		-	6,406	12,858	19,525
		(1,452)	(1,452)	(46)	12,811
# 3 Includes Collaboration and Structural Adjustment Program.					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)					
Net accrual adjustments		153	47	-	448
Revenue for the period	3(a)	153	47	-	448
Surplus / (deficit) from the previous year					
Total revenue including accrued revenue		8	70	-	417
Less expenses including accrued expenses		161	117	-	865
Surplus / (deficit) for reporting period		49	109	-	865
		112	8	-	-

		Partnership & Participation Program #2		Disability Support Program	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
		2,799	3,651	145	92
		-	-	-	-
		2,799	3,651	145	92
		2,027	4,934	134	232
		4,826	8,585	279	324
		3,485	6,558	446	190
		1,341	2,027	(167)	134

		Capital Development Pool		Diversity and Structural Adjustment Fund #3		Transitional Cost Program	
Notes		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)							
Net accrual adjustments		-	-	-	6,000	-	-
Revenue for the period	3(a)	-	-	-	6,000	-	-
Surplus / (deficit) from the previous year							
Total revenue including accrued revenue		(1,452)	4,954	12,812	26,336	-	-
Less expenses including accrued expenses		(1,452)	4,954	12,812	32,336	-	-
Surplus / (deficit) for reporting period		-	6,406	12,858	19,525	-	-
		(1,452)	(1,452)	(46)	12,811	-	-

		Promotion of Excellence in Learning and Teaching		Reward Funding		Total	
Notes		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)							
Net accrual adjustments		153	47	-	448	105,411 (774)	109,670 1,491
Revenue for the period	3(a)	153	47	-	448	104,637	111,161
Surplus / (deficit) from the previous year							
Total revenue including accrued revenue		8	70	-	417	12,590	37,162
Less expenses including accrued expenses		161	117	-	865	117,227	148,323
Surplus / (deficit) for reporting period		49	109	-	865	117,707	135,734
		112	8	-	-	(480)	12,589

42.2 Higher Education Loan Programs (excl OS-HELP)	Notes	Parent entity (University) Only HECS-HELP (Australian Government payments only)		FEE-HELP #4		SA-HELP		Total	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at beginning of year		191	(940)	(234)	(1,825)	-	(39)	(43)	(2,804)
Financial assistance received in cash during the reporting period		63,384	59,758	8,872	9,199	362	1,065	72,618	70,022
Cash available for the period		63,575	58,818	8,638	7,374	362	1,026	72,575	67,218
Revenue earned		62,671	58,627	8,611	7,608	359	1,027	71,641	67,262
Cash payable / (receivable) at end of year	3(b)	904	191	27	(234)	3	(1)	934	(44)

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

42.3 Scholarships	Notes	Parent entity (University) Only Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #5		Commonwealth Accommodation Scholarships #5	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		2,563	2,557	201	213	(69)	(507)	45	(29)
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(c)	2,563	2,557	201	213	(69)	(507)	45	(29)
Surplus / (deficit) from the previous year		234	538	-	94	1,371	1,964	189	287
Total revenue including accrued revenue		2,797	3,095	201	307	1,302	1,457	234	258
Less expenses including accrued expenses		2,392	2,861	244	307	50	86	45	69
Surplus / (deficit) for reporting period		405	234	(43)	-	1,252	1,371	189	189

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

42.3 Scholarships (continued)

	Notes	Indigenous Access Scholarships		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		78	(45)	2,818	2,189
Net accrual adjustments		-	-	-	-
Revenue for the period	3(c)	78	(45)	2,818	2,189
Surplus / (deficit) from the previous year		(94)	53	1,700	2,936
Total revenue including accrued revenue		(16)	8	4,518	5,125
Less expenses including accrued expenses		78	102	2,809	3,425
Surplus / (deficit) for reporting period		(94)	(94)	1,709	1,700

42.4 Education research

		Parent entity (University) Only		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		3,134	2,885	6,604	6,887	1,092	809	993	877
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,134	2,885	6,604	6,887	1,092	809	993	877
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		3,134	2,885	6,604	6,887	1,092	809	993	877
Less expenses including accrued expenses		3,134	2,885	6,604	6,887	1,092	809	993	877
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

Education research (continued)

Notes	Total 2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	11,823	11,458
Net accrual adjustments	-	-
Revenue for the period	11,823	11,458
3(d)		
Surplus / (deficit) from the previous year	-	-
Total revenue including accrued revenue	11,823	11,458
Less expenses including accrued expenses	11,823	11,458
Surplus / (deficit) for reporting period	-	-

42.5 Other capital funding

Notes	Parent entity (University) Only Teaching and Learning Capital Fund		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-
Net accrual adjustments	-	-	-	-
Revenue for the period	-	-	-	-
3(f)				
Surplus / (deficit) from the previous year	(3,496)	(3,496)	(3,496)	(3,496)
Total revenue including accrued revenue	(3,496)	(3,496)	(3,496)	(3,496)
Less expenses including accrued expenses	-	-	-	-
Surplus / (deficit) for reporting period	(3,496)	(3,496)	(3,496)	(3,496)

Parent entity (University) Only

42.6 Australian Research Council Grants

	Notes	Projects		ARC Discovery Early Career Researcher Award		Total	
		2014	2013	2014	2013	2014	2013
(a) Discovery		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		1,788	1,363	270	266	2,058	1,629
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(i)	1,788	1,363	270	266	2,058	1,629
Surplus / (deficit) from the previous year		720	759	127	83	847	842
Total revenue including accrued revenue		2,508	2,122	397	349	2,905	2,471
Less expenses including accrued expenses		1,610	1,402	196	222	1,806	1,624
Surplus / (deficit) for reporting period		898	720	201	127	1,099	847

Parent entity (University) Only

(b) Linkages

	Notes	Projects		ARC Future Fellowships		Total	
		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		295	357	670	193	965	550
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(ii)	295	357	670	193	965	550
Surplus / (deficit) from the previous year		156	71	151	144	307	215
Total revenue including accrued revenue		451	428	821	337	1,272	765
Less expenses including accrued expenses		291	272	253	186	544	458
Surplus / (deficit) for reporting period		160	156	568	151	728	307

42.7 OS-HELP		Parent entity (University) Only	
	Notes	2014 \$'000	2013 \$'000
Cash received during the reporting period		1,363	222
Cash spent during the reporting period		(975)	(189)
Net cash received	3(g)	388	33
Cash surplus / (deficit) from the previous period		44	11
Cash surplus / (deficit) for the reporting period		432	44

42.8 Student services and amenities fee		Parent entity (University) Only	
	Notes	2014 \$'000	2013 \$'000
Unspent / (overspent) revenue from previous period		4,054	2,425
SA-HELP revenue earned	3(b)	359	1,027
Student services fees direct from students	5	590	1,825
Total revenue expendable in period		5,003	5,277
Student services expenses during period		1,611	1,223
Unspent / (overspent) student services revenue		3,392	4,054

" End of Audited Financial Statements "

Agricultural Business Research Institute



**Agricultural Business
Research Institute**

**ABN: 59 781 301 088
Annual Financial Report
for the year ended
31 December 2014**



INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

To Members of the New South Wales Parliament and Members of the Agricultural Business Research Institute

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

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 18 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Karen Taylor
Director, Financial Audit Services

23 March 2015
SYDNEY

Agricultural Business Research Institute

Directors' Report

Your Directors submit their report, together with the financial statements of the company for the year ended 31 December 2014 and the Auditors Report thereon.

Director details

The following persons were Directors of the company during or since the end of the financial year:

Qualifications and Experience

Name and Occupation:	Anthony John Traherne COATES (AM)
Qualifications:	Bachelor of Rural Science
Experience:	Involvement in the beef cattle industry since 1962 as owner/manager of a cattle station. Councillor and Treasurer of Santa Gertrudis Breeders (Australia) Association and Chairman of Beef Genetics and Improvement Steering Committee of the Queensland Department of Primary Industries. Previously Deputy Chairman of South Burnett Meatworks Co-op Association.
Special Responsibilities	Chairman of the Board, IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since January, 1993 Resigned March 2014
Name and Occupation:	Charles Alexander MCDONALD
Qualifications:	Bachelor of Agricultural Science
Experience:	Mr McDonald worked in research and extension with the Victorian Department of Agriculture for 12 years. He then took up the role of National Coordinator of field services for the National Beef Recording Scheme for three years before coordinating the National Carcase Evaluation Project for three years. Since 1992, Mr McDonald has been General Manager of the Australian Limousin Breeders' Society Ltd. He is a director of the Performance Beef Breeders Association and Chairman of the PBBA's Technical Committee.
Special Responsibilities	Managing Director, IBRS, Finance and Admin, ILRIC and Dairy Express Sub-Committees Board member since April 2008.
Name and Occupation:	Robert Anthony BARWELL
Experience:	Mr Barwell is a sheep and cattle producer who is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Mr Barwell is a member of the Australian Meat Industry Language and Standards Committee, and represents Cattle Council of Australia on Safemeat, a Government and Industry partnership, where he Chairs a number of committees dealing with food safety and trade access matters. Previously he was the National Co-ordinator of the CATTLECARE and Flockcare programs. He has also been a Director and General Manager of a diverse agricultural company with properties throughout rural New South Wales, New Zealand and Fiji.
Special Responsibilities	IBRS Sub-Committee Board member since May 2004.
Name and Occupation:	Ian Michael LOCKE
Qualifications:	Bachelor of Agricultural Economics
Experience:	Worked as a agricultural business consultant in Poolmans Pty Ltd and in the Centre for Agricultural Risk Management Pty Ltd before returning to the family property in Holbrook in 1994. Is a principal of the Wirruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards.
Special Responsibilities	IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since June, 2002.
Name and Occupation:	Barry John PAFF
Experience:	Previous experience as a dairy farmer at Raleigh, milking 300 cows for many years and on the Board of Norco Co-operative and Norco Pauls JV Board, prior involvement in NSW Dairy Farmer's Association Dairy Committee, currently a lucerne farmer near Tamworth.
Special Responsibilities	Dairy Express Sub-Committee Board member since October 2005.
Name and Occupation:	Geoffrey Bradfield FOX
Qualifications:	Honours degree and doctorate in Rural Science at the University of New England and a post doctoral Masters of Arts in development economics and rural sociology at the Australian National University.
Experience:	Rural development and natural resource management specialist working in less developed countries for the World Bank (27 years) and AusAID (6 years). Currently, a grazier raising beef cattle. Chairman of the University of New England Foundation, member of the University of New England Council and its Finance Committee.
Special Responsibilities	Finance and Admin Sub-Committee Board member since June 2011
Name and Occupation:	Morris George MCINNES
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council.
Special Responsibilities	Dairy Express Sub-Committee Board member since November 2009.
Name and Occupation:	Michelle Denise CLARKE
Qualifications:	BCom MCom FCPA GAICD
Experience:	Michelle was previously CFO and company secretary of Tourism Queensland and was the executive director of its business performance and planning group. Before then she was responsible for strategy and finance for Suncorp Group Treasury. Michelle's experience includes corporate finance, financial risk management and project management in previous senior roles. Michelle is the Chief Financial Officer of University of New England.
Special Responsibilities	Finance and Admin Sub-Committee Board member since March 2013

Name and Occupation:	Andrew Paul INGLE
Qualifications:	Advanced Diploma Agribusiness Marcus Oldham College
Experience:	Andrew has spent many years working on Pastoral properties in Queensland & the Kimberly for AACO and Consolidated Pastoral Company. Current owner of a mixed farming operation in Southern NSW producing commercial Angus cattle & winter cereal crops. He has spent past 10 years working in the Live-export industry in Western/Northern & Southern Australia plus other countries building livestock supply outside of Australia to meet global customer requirements. Currently, General Manager Sales for Landmark Global Exports. Andrew is a board member of the Australian Livestock Exporters Council (ALEC), LIVEAIR Exporters and Landmark Global Exports Pty Ltd.
Special Responsibilities	ILRIC Sub-Committee Board member since July 2012 resigned March 2014
Name and Occupation:	Gideon J GOOSEN
Qualifications:	MBA (New Venture Management) and PhD in Quantitative Genetics
Experience:	Deon has 20 years of experience in the commercialisation of innovations from research and development programs. He has experience from multiple of Australia's Co-operative Research Centre's and was the CEO of a start-up company created from one such CRC. Deon has a sound depth of understanding of the technical issues associated with genetics and is a seasoned operator with respect to the challenges of commercialising new technologies and intellectual property.
Special Responsibilities	Managing Director, IBRS, Finance and Admin, ILRIC and Dairy Express Sub-Committees Board Member since July 2013 resigned July 2014
Name and Occupation:	Peter Brett COOMBE
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Brett is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Brett has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Associations Technical Committee. Board Member since July 2014

Company Secretary

The following person held the position of corporate secretary at the end of the financial year:

Name and Occupation:	Coenraad Hendrik Mouton (Manager/Accountant)
Qualifications:	B Econ(Accounting), BS (Computer Science)

Principal Activities

The principal activities of the company in the course of the year were to provide data processing services, computer software products and educational services to improve productivity and efficiency of Australian and overseas agribusiness and rural-based industries.

There have been no significant changes in the nature of these activities during the year.

Company Objectives

The ABRI's Constitution records the objects for which the company was established as follows:

- (a) To promote Australian primary production industries.
- (b) To conduct research into Australian primary production industries.
- (c) To provide genetic evaluation services aimed at improving the productivity of Australian livestock industries.
- (d) To develop software beneficial to members of Australian primary production industries.
- (e) To provide seminars, workshops and field days beneficial to members of Australian primary production industries.

Strategy for achieving these objectives

Object (a) – the ABRI provides an office environment that allows industry groups to set up their national headquarters and promote their sector of agriculture. Twenty two organisations have already done this. ABRI is also active in promoting Australia's cattle genetics in overseas countries. ABRI provides a service for accreditation of cattle for export as breeding stock.

Object (b) – ABRI provides research, particularly in beef cattle breeding, that assists beef cattle breeders increase the rate of genetic progress in their herds. ABRI is a Registered Research Agency with the Australian Government's Department of Innovation Industry, Science and Research.

Object (c) - ABRI provides the BREEDPLAN® genetic evaluation service to the beef cattle industry nationally. The average weighted production index of cows recorded by ABRI in southern Australia has improved from an index of \$10/cow to \$55/cow in the time ABRI has been offering a selection system.

Object (d) – ABRI has developed a range of software products to help Australia's primary producers:
ILR2 – new generation breed register software for all species.
BREEDPLAN – beef cattle genetic evaluation system.
Dairy Express – a comprehensive herd recording system for the dairy industry.
HerdMASTER – a PC-based herd management system for beef cattle breeders.

Object (e) ABRI has established two projects which provide seminars, workshops and field days to primary producers namely:

- Southern Beef Technology Services (in Southern Australia).
- Tropical Beef Technology Services (in Northern Australia).

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

Rate of genetic progress being achieved,
The number of animals being recorded,
Members participating in the services,
Number of attendees to various workshops and seminars,
Financial returns.

Directors' meetings

During the financial year ended 31 December, 2014 four directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Anthony John Traherne COATES (AM)	1	1
Charles Alexander MCDONALD	4	4
Robert Anthony BARWELL	4	2
Ian Michael LOCKE	4	4
Barry John PAFF	4	3
Geoffrey Bradfield FOX	4	4
Peter Brett COOMBE	2	2
Morris George MCINNES	4	4
Michelle Denise CLARKE	4	3
Andrew Paul INGLE	1	1
Gideon Jacobus GOOSEN	1	1

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has a \$100 liability should the company be wound up. At 31 December 2014, the collective liability of members was \$700 (\$100 per member, maximum number of members 7).

Review of Operations

The operating surplus of the company was \$750,438 (2013 = \$249,845) and the surplus after fair value adjustments on the financial assets was \$702,624 (2013 = \$535,532)

The operating surplus is deemed by the Directors to be a satisfactory result in the nineteenth year of trading as a distinct company.

Legal proceedings on behalf of the Company


There were no legal proceedings brought against the company during the financial year. At the date of this report, the directors are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2014.

The report is signed on behalf of the directors in accordance with a resolution of the directors made pursuant to the Corporations Act 2001.


.....
C A McDonald
Director


.....
R A Barwell
Director

19th March 2015



To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Agricultural Business Research Institute for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

Karen Taylor
Director, Financial Audit Services


18 March 2015
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2014;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act, 2001.


C A McDonald
Director


R A Barwell
Director

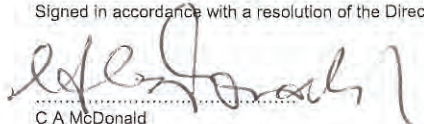
19th March 2015

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.


C A McDonald
Director


R A Barwell
Director

19th March 2015

Statement of Profit or Loss

For the Period ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations			
Investment revenue	2	336,968	325,289
Trading Revenue	4	8,052,476	7,926,933
Total revenue from continuing operations		8,389,444	8,252,222
Expenses from continuing operations			
Employee related expenses	5	4,934,402	5,037,960
Depreciation and amortisation	6	373,628	412,306
Repairs and maintenance	7	82,636	76,530
Impairment of assets	8	8,632	5,663
Other expenses	9	2,239,708	2,469,919
Total expenses from continuing operations		7,639,006	8,002,378
Surplus or (deficit) from continuing operations		750,438	249,844
Other gains and Losses			
Other investment income	3	(47,814)	285,688
Surplus or (deficit) attributable to the ABRI	19(b)	702,624	535,532

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

Statement of Other Comprehensive Income

For the Period ended 31 December 2014

	Notes	2014 \$	2013 \$
Surplus or (deficit) for the period		702,624	535,532
Items that may be reclassified to profit or loss			
Gain/(Loss) on value of available for sale financial assets		-	-
Gain/(Loss) on revaluation of Investments		-	-
		-	-
Items that will not be reclassified to profit or loss			
Gain/(Loss) on revaluation of land, buildings and infrastructure		(294,444)	-
Total other comprehensive income		(294,444)	-
Total comprehensive income for the period		408,180	535,532

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	5,544,003	5,121,350
Receivables	11	1,601,035	1,287,244
Other assets	13	262,958	259,523
Total current assets		7,407,996	6,668,117
Non-current assets			
Other financial assets	12	2,568,830	2,616,644
Property, plant and equipment	14	3,077,790	3,465,514
Intangible assets	15	283,608	396,584
Total non-current assets		5,930,228	6,478,742
Total assets		13,338,224	13,146,859
LIABILITIES			
Current liabilities			
Trade and other payables	16	552,791	622,505
Provisions	17	1,164,995	1,255,860
Other liabilities	18	285,497	362,733
Total current liabilities		2,003,283	2,241,098
Non-current liabilities			
Provisions	17	88,000	67,000
Total non-current liabilities		88,000	67,000
Total liabilities		2,091,283	2,308,098
Net assets		11,246,941	10,838,761
EQUITY			
Asset revaluation reserve	19(a)	1,165,896	1,460,340
Retained earnings	19(b)	10,081,046	9,378,421
Total equity attributable to equity holders of the company		11,246,942	10,838,761

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

Statement of Changes in Equity

For the Period ended 31 December 2014

	Reserves	Retained Earnings	Total
Balance at 1 January 2013	1,460,340	8,842,889	10,303,229
Surplus or (deficit)	-	535,532	535,532
Total comprehensive income	-	535,532	535,532
Balance at 31 December 2013	1,460,340	9,378,421	10,838,761
Balance at 1 January 2014	1,460,340	9,378,421	10,838,761
Surplus or (deficit)	-	702,624	702,624
Revaluation of Land, buildings and infrastructure	(294,444)	-	(294,444)
Total comprehensive income	(294,444)	702,624	408,180
Balance at 30 September 2014	1,165,896	10,081,045	11,246,941

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

Statement of Cash Flows

For the Period ended 31 December 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Receipts from customers	8,395,523	8,671,993
Dividends received	155,956	129,214
Interest received	191,643	149,344
Payments to suppliers and employees	(8,172,143)	(8,315,726)
Interest and other costs of finance	-	-
GST recovered/paid	-	-
Net cash provided by / (used in) operating activities	570,979	634,825
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	-
Payments for property, plant and equipment	(148,326)	(246,241)
Proceeds from sale of financial assets	-	-
Payments for financial assets	0	(294,570)
Repayment of loans	-	-
Net cash provided by / (used in) investing activities	(148,326)	(540,811)
Net increase / (decrease) in cash and cash equivalents	422,653	94,014
Cash and cash equivalents at the beginning of the financial year	5,121,350	5,027,336
Cash and cash equivalents at the end of the financial year	5,544,003	5,121,350

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

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	109
	Income	
2	Investment revenue and income	113
3	Gains and losses	113
4	Trading revenue	113
	Expenses	
5	Employee related expenses	113
6	Depreciation and amortisation	113
7	Repairs and maintenance	113
8	Impairment of assets	113
9	Other expenses	113
	Assets	
10	Cash and cash equivalents	114
11	Receivables	114
12	Other financial assets	115
13	Other assets	115
14	Property, plant and equipment	115
15	Intangible assets	116
	Liabilities	
16	Trade and other payables	116
17	Provisions	116
18	Other Liabilities	117
	Equity	
19	Reserves and retained earnings	117
20	Key management personnel disclosures	118
21	Remuneration of auditors	118
22	Contingencies	118
23	Commitments	119
24	Related parties	119
25	Reconciliation of operating result after income tax to net cash flows	119
26	Events subsequent to reporting period	119
27	Financial risk management	120
28	Fair value measurements	123

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Agricultural Business Research Institute, an income tax exempt entity, was incorporated in Australia on 11 January 1993 as a company limited by guarantee and is domiciled in Australia. The amount of the guarantee is limited to \$100 per member, which can be called upon in the event of winding up. At December 31, 2014 membership of the company stood at seven.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "*Consolidated and Separate Financial Statements*".

The principle address of ABRI is: C/o UNE, The Short Run, Armidale, NSW 2351

The financial statements for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board on 24 February 2015.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010, and the Corporations Act of 2001.

The Financial Statements has been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions have been translated to Australian currency at the exchange rates ruling on the date of the respective transactions and losses and gains arising are taken directly to the income statement. Balances existing at balance date have been translated at the exchange rates ruling at that date.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Trading revenue

Revenue from fees and charges, which is predominantly rendering of services, is recognised in proportion to the level of service provided under the sales contract.

(ii) Investment income

Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(d) Income tax

Agricultural Business Research Institute has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

Leases of property, plant and equipment where the Entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

(f) Impairment of assets

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

Note 1. Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 8. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Investments and other financial assets

Classification

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

The entity subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The company's investments are designated at fair value through profit and loss using the second leg of the fair value option; i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.

The movement in the fair value of the investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'Investment revenue'.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Entity's management has the positive intention and ability to hold to maturity. At balance date, the Entity held no assets in this category.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Note 1. Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, net asset value and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(j) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Entity is the current bid price.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

(k) Property, infrastructure, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 3 - 60 yrs,	Furniture and Fittings - 7-20 yrs,
Computing Equipment / Software - 5 - 15 yrs,	Other Plant and Equipment - 5 - 15 yrs,
Motor Vehicles - 5 yrs,	Intangible - 5yrs
Infrastructure - 10 yrs.	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Entity policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land, Buildings and Infrastructure controlled by the Entity were revalued as at 31 December 2014 by Global Valuation Services.

(l) Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

(ii) Licences

Licences have an infinite useful life and are not amortised. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with Note 1(f).

Note 1. Summary of significant accounting policies (Continued)

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and are recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and is measured at the rates paid or payable.

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Annual leave is not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. As such it is measured at nominal value, which is not materially different to present value.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(p) 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 acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(q) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(r) New standards and interpretations issued but not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	Impact immaterial

Notes to the financial statements
(continued)
31 December 2014

	Notes	2014	2013
Note 2.	Investment revenue		
	Interest	181,012	196,075
	Dividend Income	155,956	129,214
	Total investment revenue	336,968	325,289
Note 3.	Gains and losses		
	Other investment gains/(losses)	(47,814)	285,688
	Total gains and losses	(47,814)	285,688
Note 4.	Trading revenue		
	Fees and charges	8,052,476	7,926,933
	Total trading revenue	8,052,476	7,926,933
Note 5.	Employee related expenses		
	Salaries	4,365,516	4,471,432
	Contribution to funded superannuation and pension schemes	390,055	388,306
	Payroll tax	230,256	230,782
	Worker's compensation	6,499	8,531
	Leave accrual expense	(69,865)	(74,221)
	Other (Allowances, penalties and fringe benefits tax)	11,941	13,130
	Total employee related expenses	4,934,402	5,037,960
Note 6.	Depreciation and amortisation		
	Depreciation		
	Buildings	86,669	78,757
	Infrastructure	10,267	13,941
	Furniture and Fittings	17,319	15,429
	Plant and Equipment	57,956	66,228
	Motor Vehicles	20,127	32,263
	Total depreciation	192,338	206,618
	Amortisation		
	Intangibles	181,290	205,688
	Total amortisation	181,290	205,688
	Total depreciation and amortisation	373,628	412,306
Note 7.	Repairs and maintenance		
	Plant/furniture/equipment	82,636	76,530
	Total repairs and maintenance	82,636	76,530
Note 8.	Impairment of assets		
	Bad Debts	8,632	5,663
	Total impairment of assets	8,632	5,663
Note 9.	Other expenses		
	Non-capitalised equipment	11,241	13,964
	Advertising, marketing and promotional expenses	41,264	22,783
	Utilities	29,739	40,161
	Postal and Telecommunications	506,160	489,887
	Travel and Entertainment	101,008	144,028
	Operating Lease Rental Charges	33,023	32,229
	Consultants	580,247	555,128
	Royalties	414,703	550,937
	Computer and Office Supplies	87,225	116,828
	Other Expenditure	435,098	503,973
	Total other expenses	2,239,708	2,469,918

Notes to the financial statements
(continued)
31 December 2014

	Notes	2014 \$	2013 \$
Note 10. Cash and cash equivalents	1(g)		
Cash at bank		833,529	738,175
At call investments		4,710,474	4,383,175
Total cash and cash equivalents		5,544,003	5,121,350

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:

Balances as above	5,544,003	5,121,350
Less: Bank Overdrafts	-	-
Balance per cash flow statement	5,544,003	5,121,350

(b) Cash at bank and on hand

These are non-interest bearing.

- -

(c) Deposits at call

The deposits are bearing floating interest rates between 3.92% and 3.25% (2013: 4.35% and 3.92%). These deposits have an average maturity of 352 days.

Note 11. Receivables			
Current			
Trade and Other Debtors		1,614,921	1,301,079
Less: Provision for impaired receivables	1(h)	(13,886)	(13,835)
Total current receivables		1,601,035	1,287,244
Non-current			
Trade and Other Debtors		-	-
Total non-current receivables		-	-
Total receivables		1,601,035	1,287,244

(a) Impaired receivables

As at 31 December 2014 current receivables of the entity with a nominal value of \$13,886 (2013: \$13,835) were impaired. The amount of the provision was \$13,886 (2013: \$13,835).

The ageing of these receivables is as follows:

3 to 6 months	-	-
Over 6 months	13,886	13,835
	13,886	13,835

As of 31 December 2014, trade receivables of \$272,268 (2013: \$271,899) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	182,581	207,129
Over 6 months	89,687	64,770
	272,268	271,899

Movements in the provision for impaired receivables are as follows:

As at 1 January	13,835	17,081
Provision for impairment recognised during the year	8,633	1,754
Receivables written off during the year as uncollectible	(8,582)	(5,000)
	13,886	13,835

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

Notes to the financial statements
(continued)

31 December 2014

	Notes	2014 \$	2013 \$
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		2,568,830	2,616,644
Total non-current other financial assets		<u>2,568,830</u>	<u>2,616,644</u>

Note 13. Other assets

Current

Accrued Income	240,670	207,230
Prepaid Expenses	22,288	52,293
Total current other non-financial assets	<u>262,958</u>	<u>259,523</u>

Note 14. Property, plant and equipment

	Freehold land \$	Freehold buildings \$	Infrastructure \$	Plant and equipment \$	Motor vehicle \$	Furniture & fittings \$	Total \$
Year ended 31 December 2013							
Opening net book amount	400,000	2,805,369	65,167	135,677	58,162	71,958	3,536,333
Additions	-	-	80,011	16,055	32,737	6,997	135,800
Depreciation charge	-	(78,757)	(13,941)	(66,228)	(32,263)	(15,429)	(206,618)
Closing net book amount	<u>400,000</u>	<u>2,726,612</u>	<u>131,237</u>	<u>85,504</u>	<u>58,636</u>	<u>63,526</u>	<u>3,465,515</u>
At 31 December 2013							
- Cost	-	90,829	80,011	1,417,743	449,759	218,208	2,256,550.00
- Valuation	400,000	2,793,000	70,000	-	-	-	3,263,000.00
Accumulated depreciation	-	(157,217)	(18,774)	(1,332,240)	(391,122)	(154,682)	(2,054,035.00)
Net book amount	<u>400,000</u>	<u>2,726,612</u>	<u>131,237</u>	<u>85,503</u>	<u>58,637</u>	<u>63,526</u>	<u>3,465,515.00</u>
Year ended 31 December 2014							
Opening net book amount	400,000	2,726,612	131,237	85,504	58,636	63,526	3,465,515
Additions	-	33,530	-	53,709	(0)	26,304	113,543
Revaluation increment/(decrement)	-	(497,359)	(70,011)	-	-	-	(567,370)
Adjustment to accumulated depreciation on revaluation	-	243,886	29,041	-	-	-	272,927
Assets classified as held for sale and other disposals	-	-	-	-	(14,484)	-	(14,484)
Depreciation charge	-	(86,669)	(10,267)	(57,957)	(20,128)	(17,320)	(192,341)
Closing net book amount	<u>400,000</u>	<u>2,420,000</u>	<u>80,000</u>	<u>81,256</u>	<u>24,024</u>	<u>72,510</u>	<u>3,077,790</u>
At 31 December 2014							
- Cost	-	-	-	1,471,451	329,006	244,512	2,044,970
- Valuation	400,000	2,420,000	80,000	-	-	-	2,900,000
Accumulated depreciation	-	-	-	(1,390,196)	(304,982)	(172,002)	(1,867,179)
Net book amount	<u>400,000</u>	<u>2,420,000</u>	<u>80,000</u>	<u>81,256</u>	<u>24,025</u>	<u>72,510</u>	<u>3,077,790</u>

Notes to the financial statements
(continued)
31 December 2014

Note 15.	Intangible assets	Notes 1(l)	2014	2013
			\$	\$
	At 1 January			
	Cost		2,474,137	2,405,824
	Accumulated amortisation and impairment		(2,190,529)	(2,009,240)
	Net book amount		<u>283,608</u>	<u>396,584</u>
	Year ended 31 December			
	Opening net book amount		396,584	491,832
	Additions		68,314	110,440
	Amortisation charge		(181,290)	(205,688)
	Closing net book amount		<u>283,608</u>	<u>396,584</u>
Note 16.	Trade and other payables			
	Current			
	Trade Payables		552,791	622,505
	Total current trade and other payables		<u>552,791</u>	<u>622,505</u>
Note 17.	Provisions	1(n)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		312,395	348,320
	Long service leave		75,000	92,000
	Make good provision		3,600	3,600
	Total Current Provision		<u>390,995</u>	<u>443,920</u>
	Current provisions expected to be settled wholly after more than 12 Months			
	Employee benefits			
	Annual leave		320,000	351,940
	Long service leave		454,000	460,000
	Make good provision		-	-
	Subtotal		<u>774,000</u>	<u>811,940</u>
	Total Current Provision		<u>1,164,995</u>	<u>1,255,860</u>
	Non-current provisions			
	Employee benefits			
	Long service leave		88,000	67,000
	Total non-current provision		<u>88,000</u>	<u>67,000</u>
	Total provisions		<u>1,252,995</u>	<u>1,322,860</u>

Notes to the financial statements
(continued)
31 December 2014

	2014 \$	2013 \$
Note 18. Other Liabilities		
Current		
Accrued Liabilities		
Fees in Advance	285,497	362,733
Total current other liabilities	<u>285,497</u>	<u>362,733</u>
 Note 19. Reserves and retained earnings		
a) Reserves		
Revaluation Reserve		
- Land	320,000	320,000
- Buildings	816,867	1,070,340
- Infrastructure	29,029	70,000
	<u>1,165,896</u>	<u>1,460,340</u>
 Movements in reserves were as follows:		
Reserves at 1 January - Land	320,000	320,000
Increment/(decrement) on revaluation	-	-
Reserves at 31 December	<u>320,000</u>	<u>320,000</u>
 Reserves at 1 January - Buildings	1,070,340	1,070,340
Increment/(decrement) on revaluation	(253,473)	-
Reserves at 31 December	<u>816,867</u>	<u>1,070,340</u>
 Reserves at 1 January - Infrastructure	70,000	70,000
Increment/(decrement) on revaluation	(40,971)	-
Reserves at 31 December	<u>29,029</u>	<u>70,000</u>
 b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	9,378,422	8,842,889
Net Operating Result for the year	702,624	535,532
Retained Earnings at 31 December	<u>10,081,046</u>	<u>9,378,421</u>
 Total Equity	<u>11,246,942</u>	<u>10,838,761</u>

Notes to the financial statements
(continued)
31 December 2014

2014	2013
\$	\$

Note 20. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receives only a nominal amount to cover costs for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for Mr C.A. McDonald in his capacity as Managing Director of ABRI.

	No.	No.
Nil to \$9,999	9	10
	9	10

Aggregate Remuneration of Board Members

	\$	\$
Total Aggregate Remuneration	2,800	2,800

Remuneration of executive officers

	No.	No.
\$100,000 to \$119,999	4	2
\$120,000 to \$139,999	1	2
\$140,000 to 240,000	-	1
	5	5

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	667,694	679,525

Note 21. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the company, its related practices and non-related audit firms:

Audit and review of the Financial Statements

Fees paid to The Audit Office of NSW:	23,500	23,000
Total remuneration for audit services	23,500	23,000

Note 22. Contingencies

At balance date, no legal proceeding had been identified as being progressed against or on behalf of the company.

At balance date, no contingent liabilities or contingent assets of a material nature to the company had been identified.

Notes to the financial statements
(continued)
31 December 2014

Note 23.	Commitments	2014	2013
		\$	\$
	Operating Leases		
	Within one year	28,886	10,670
	Later than one year but not later than five years	4,838	-
	Total operating leases(Including GST)	33,724	10,670

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 24. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 20.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Transactions during the period

University of New England

Income received from	-	333
Payments made to	(251,817)	(276,827)
Net	(251,817)	(276,494)

Outstanding balances

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

University of New England

Payables to	20,107	55,925
-------------	--------	--------

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 25. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014	2013
	\$	\$
Operating result for the period	702,624	535,532
Depreciation and amortisation (net)	354,583	412,306
Provision for impaired receivables	51	(3,245)
(Gain)/Loss on revaluation of investments	47,814	(285,688)
Increase/(Decrease) in Payables and Prepaid Income	(132,212)	25,703
Increase/(Decrease) in Provision for Employee Entitlements	(2,000)	(103,289)
Increase/(Decrease) in Provision for Annual Leave	(67,865)	29,068
(Increase)/Decrease in Receivables and Prepaid Expenses	(332,016)	24,438
Net cash provided by / (used in) operating activities	570,979	634,825

Note 26. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 27. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 18	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(c)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(c)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 3.3% and 3.8%. Average maturity of 353 days
Listed Shares	12	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	16 & 18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

The economic entity undertakes certain transactions denominated in foreign currencies. These transactions expose the economic entity to exchange rate fluctuations. As the company recognises all transactions, assets and liabilities in Australian dollars only, it has some exposure to foreign exchange risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices.

The entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the entity's Investment Committee.

(iv) Cash flow and fair value interest rate risk

The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The company interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the company invests in a diverse range of financial instruments with varying degrees of potential returns.

(v) Summarised sensitivity analysis

The table on the last page of the financial report summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation thereunder. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the company:

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

Financial risk management (continued)

The finance committee monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

The following tables summarise the maturity of the Entity's financial assets and financial liabilities:

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.45	833,529					833,529
Investments-Term Deposits	3.60		4,710,474				4,710,474
Receivables						1,601,035	1,601,035
Listed Shares						2,568,830	2,568,830
Accrued Income						240,670	240,670
Total Financial Assets		833,529	4,710,474			4,410,535	9,954,538
Financial Liabilities							
Borrowings			-	-		-	-
Payables						552,791	552,791
Total Financial Liabilities			-	-		552,791	552,791
Net Financial Assets(Liabilities)		833,529	4,710,474	-	-	3,857,744	9,401,747

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	2.45	738,175					738,175
Investments - Term Deposits	4.07		4,383,175				4,383,175
Receivables						1,287,244	1,287,244
Listed Shares						2,616,644	2,616,644
Accrued Income						207,230	207,230
Total Financial Assets		738,175	4,383,175			4,111,118	9,232,468
Financial Liabilities							
Borrowings	-	-	-	-	-	-	-
Payables	-	-	-	-	-	622,505	622,505
Total Financial Liabilities	-	-	-	-	-	622,505	622,505
Net Financial Assets(Liabilities)	-	738,175	4,383,175	-	-	3,488,613	8,609,963

Financial risk management (continued)**Summarised sensitivity analysis**

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	833,529	(8,335)	(8,335)	8,335	8,335	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,710,474	(47,105)	(47,105)	47,105	47,105	N/A	N/A	N/A	N/A
Receivables	1,601,035								
Listed Shares	2,568,830					(25,688)	(25,688)	25,688	25,688
Accrued Income	240,670								
Total Financial Assets	9,954,538								
Financial Liabilities									
Payables	552,791								
Total Financial Liabilities	552,791								
Total increase / (decrease)	9,401,747	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	738,175	(7,382)	(7,382)	7,382	7,382	N/A	N/A	N/A	N/A
Investments - Term Deposits	4,383,175	(43,832)	(43,832)	43,832	43,832	N/A	N/A	N/A	N/A
Receivables	1,287,244								
Listed Shares	2,616,643					(26,166)	(26,166)	26,166	26,166
Accrued Income	207,231								
Total Financial Assets	9,232,468								
Financial Liabilities									
Creditors	622,505								
Other Amounts Owing	-								
Total Financial Liabilities	622,505								
Total increase / (decrease)	8,609,963	-	-	-	-	-	-	-	-

Note 28 Fair value measurements

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The Entity measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Land and buildings
- Infrastructure

(b) Fair value measurements recognised in the balance sheet are categorised into the following levels by valuation method:

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).

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

	31 Dec 2014 \$	Level 1 \$	Level 2	Level 3
Financial assets				
Other financial assets	2,568,830	2,568,830	-	-
Total	2,568,830	2,568,830	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,420,000	-	-	2,420,000
Infrastructure	80,000	-	-	80,000
Total	2,900,000	-	-	2,900,000
	31 Dec 2013 \$	Level 1 \$	Level 2	Level 3
Financial assets				
Other financial assets	2,616,644	2,616,644	-	-
Total	2,616,644	2,616,644	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,726,612	-	-	2,726,612
Infrastructure	131,237	-	-	131,237
Total	3,257,849	-	-	3,257,849

(c) Valuation techniques used to derive level 3

Land, buildings and infrastructure are valued independently at least every three years. At the end of each reporting period, the Entity updates the assessment of the fair value of each property, taking into account the most recent independent valuations.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Entity considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3 except for vacant land.

Note 28 Fair value measurements (continued)

(d) Fair value measurements using significant unobservable inputs (level 3)

Level 3 Fair value measurements 2014	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,718,700	131,237	3,249,937
Adoption of AASB 13	0	0	0	0
Acquisitions	0	33,530	0	33,530
Transfers from level 1	0	0	0	0
Transfers from level 1	0	0	0	0
Sales	0	0	0	0
Issues Settlements	0	0	0	0
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(78,756)	(10,267)	(89,023)
Recognised in other comprehensive income	0	(253,474)	(40,970)	(294,444)
Closing balance	400,000	2,420,000	80,000	2,900,000

Level 3 Fair value measurements 2013	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,805,369	65,167	3,270,536
Acquisitions	0	0	80,011	80,011
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(86,669)	(13,941)	(100,610)
Recognised in other comprehensive income	0	0	0	0
Closing balance	400,000	2,718,700	131,237	3,249,937

*change in unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Fair value at 31 Dec	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	400,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,420,000	Global Valuation	3	
Infrastructure	80,000	Global Valuation	3	

END OF AUDITED FINANCIAL STATEMENTS

**Sport UNE
Pty Ltd**



**ABN: 73 138 308 899
Annual Financial Report
for the year ended
31 December 2014**



INDEPENDENT AUDITOR'S REPORT

Sport UNE Pty Limited

To Members of the New South Wales Parliament

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

Opinion

In my opinion, the financial statements:

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

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

The Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

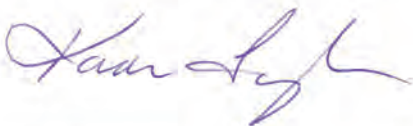
My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

12 March 2015
SYDNEY

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, Public Finance and Audit Regulation 2010;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Anita Taylor
Director



David Schmude
Director

10 March 2015

Statement of Profit or Loss

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations			
Trading Income	2	2,713,417	3,190,980
Investment revenue and income	3	7,777	13,072
Total revenue from continuing operations		<u>2,721,194</u>	<u>3,204,052</u>
Expenses from continuing operations			
Personnel services	4	1,570,550	1,469,067
Depreciation and amortisation	5	92,442	64,726
Repairs and maintenance	6	100,301	159,578
Impairment of assets	7	3,019	1,441
Other expenses	8	1,007,622	1,240,267
Total expenses from continuing operations		<u>2,773,934</u>	<u>2,935,079</u>
Surplus or (deficit) attributable to Sport UNE Pty Ltd	17	<u>(52,740)</u>	<u>268,973</u>

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

Statement of other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Surplus or (deficit) for the period		(52,740)	268,973
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(52,740)</u>	<u>268,973</u>

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	289,566	273,939
Receivables	10	58,686	43,695
Inventories	11	13,017	21,803
Total current assets		<u>361,269</u>	<u>339,437</u>
Non-current assets			
Plant, equipment & motor vehicle	12	550,730	643,172
Total non-current assets		<u>550,730</u>	<u>643,172</u>
Total assets		<u>911,999</u>	<u>982,609</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	91,460	177,999
Personnel services payable	14	110,321	111,975
Other liabilities	15	328,672	280,469
Total current liabilities		<u>530,453</u>	<u>570,443</u>
Non-current liabilities			
Personnel services payable	14	59,000	37,000
Total non-current liabilities		<u>59,000</u>	<u>37,000</u>
Total liabilities		<u>589,453</u>	<u>607,443</u>
Net assets		<u>322,546</u>	<u>375,166</u>
EQUITY			
Retained earnings	16	322,426	375,166
Share Capital	17	120	-
Total equity		<u>322,546</u>	<u>375,166</u>

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

Statement of Changes in Equity For the year ended 31 December 2014

	Shares	Retained Earnings	Total
Balance at 1 January 2013	-	106,193	106,193
Surplus / (Deficit)	-	268,973	268,973
Total comprehensive income	-	268,973	268,973
Balance at 31 December 2013	-	375,166	375,166
Balance at 1 January 2014	-	375,166	375,166
Surplus / (Deficit)	-	(52,740)	(52,740)
Issue of Share Capital	120	-	120
Total comprehensive income	120	(52,740)	(52,620)
Balance at 31 December 2014	120	322,426	322,546

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

Statement of Cash Flows For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		2,996,254	3,346,581
Interest received		7,777	12,790
Payments to suppliers and personnel services (inclusive of GST)		(2,988,404)	(2,918,387)
Net cash provided by / (used in) operating activities	24	15,627	440,984
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	8,290
Payment for property, plant & equipment		-	(245,287)
Net cash provided by / (used in) financing activities		-	(236,997)
Cash flows from financing activities			
Repayment of loans		-	(36,942)
Net cash provided by / (used in) financing activities		-	(36,942)
Net increase / (decrease) in cash and cash equivalents		15,627	167,045
Cash and cash equivalents at the beginning of the financial year		273,939	106,894
Cash and cash equivalents at the end of the financial year		289,566	273,939

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	133
	Income	
2	Trading income	137
3	Investment revenue and income	137
	Expenses	
4	Personnel services	137
5	Depreciation and amortisation	137
6	Repairs and maintenance	137
7	Impairment of assets	137
8	Other expenses	137
	Assets	
9	Cash and cash equivalents	138
10	Receivables	138
11	Inventories	139
12	Plant, equipment & motor vehicle	139
	Liabilities	
13	Trade and other payables	139
14	Personnel services payable	140
15	Other Liabilities	140
	Equity	
16	Retained Earnings	140
17	Share Capital	140
18	Key management personnel disclosures (continued)	140
19	Remuneration of auditors	141
20	Contingencies	141
21	Commitments	141
22	Related parties	142
23	Events subsequent to reporting period	142
24	Reconciliation of operating result after income tax to net cash flows from operating activities	143
25	Financial risk management	143
26	Fair value measurements	146

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Sport UNE Pty Ltd, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 15 July 2009 and is domiciled in Australia.

In 2014, the Company became a proprietary company limited by shares with the parent being the sole share holder.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "Consolidated and Separate Financial Statements".

The principal address of Sport UNE Pty Ltd is: Sport UNE Drive, Armidale NSW 2351, Australia.

The financial report for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board on 10 March 2015.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010.

The Financial Report has been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Trading income

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of services is recognised upon the delivery of the service to customers.

(ii) Investment income

Interest income is recognised when the Entity's right to receive payment has been established.

(iii) Other revenue

Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned or received.

(d) Income tax

Sport UNE Pty Ltd has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

(f) Impairment of assets

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

(g) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under Note 7. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory 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 of completion and the estimated costs necessary to make the sale.

(j) Property, plant and equipment

Land, buildings and infrastructure currently utilised by the entity are owned by the University of New England. These assets are utilised and maintained by Sport UNE Limited under an agreement.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment (continued)

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as follows:

Other Plant and Equipment - 6 to 10 yrs,
Motor Vehicles - 7 yrs,

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(n) Personnel Services

Employees of the University of New England work within the Entity. For the purpose of the financial statements, these employees have been treated as employees of the University therefore employee related expenses and liabilities are recognised as personnel services in Sport UNE Pty Ltd.

(o) 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 acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(p) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(q) Going Concern

The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

(r) New standards and interpretations issued but not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 /	1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has been assessed and is not likely to be material for Sport UNE Pty Ltd.

Notes to the financial statements
31 December 2014
(continued)

	2014 \$	2013 \$
Note 2. Trading income		
University contribution	1,172,170	1,414,603
Membership fees	854,138	846,143
Facility fees & equipment hire	348,363	358,754
Café sales	168,597	185,966
Twilight Sports & Sports camps	115,156	102,866
University sporting programs	46,773	52,353
Commercial programs & events	8,183	230,093
Sundry	37	202
Total trading income	2,713,417	3,190,980
Note 3. Investment revenue and income		
Interest	7,777	13,072
Total investment revenue	7,777	13,072
Note 4. Personnel services		
Personnel services	1,570,550	1,469,067
Total personnel services	1,570,550	1,469,067
Note 5. Depreciation and amortisation		
Plant and Equipment	83,679	55,962
Motor Vehicles	8,763	8,764
Total depreciation	92,442	64,726
Note 6. Repairs and maintenance		
Infrastructure/Plant & Equipment	35,707	73,022
Grounds	64,594	86,556
Total repairs and maintenance	100,301	159,578
Note 7. Impairment of assets		
Bad Debts	128	1,200
Doubtful debts	2,891	241
Total impairment of assets	3,019	1,441
Note 8. Other expenses		
Non-capitalised equipment	121,623	22,149
Advertising, marketing and promotional expenses	67,388	119,634
Motor Vehicles and Utilities	315,692	358,692
Inventory Used	105,800	117,807
Interest Expense	-	1,062
Postal and Telecommunications	8,118	8,718
Travel and Entertainment	6,680	6,316
Software & Computer expenses	12,238	10,964
Camps & University Sporting Programs	196,683	218,818
Office Expenses	6,579	7,652
Subscriptions & Associations	22,305	21,724
Scholarships & Donations	58,953	48,097
Sports Business	8,885	168,309
Insurance	4,838	18,634
Audit	19,500	18,900
Loss on disposal of asset	-	48,641
Other Expenditure	52,340	44,150
Total other expenses	1,007,622	1,240,267

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 9. Cash and cash equivalents	1(g)		
Cash on hand		1,400	1,400
Cash at bank		257,612	242,483
At call investments		30,554	30,056
Total cash and cash equivalents		289,566	273,939

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:

Balances as above	288,166	273,939
Less: Bank Overdraft	-	-
Balance per cash flow statement	288,166	273,939

(b) Cash on hand

These are non-interest bearing.

1,400	1,400
-------	-------

(c) At call investments

The deposits at call can be withdrawn at anytime with short notice. Deposits are at fixed interest rates with an average rate of 3.1%, (2013: 3.85%).

Note 10. Receivables

Current

Trade Debtors	63,606	40,092
Less: Provision for impaired receivables	(4,920)	(2,029)
GST Receivable	-	5,350
Interest Accrued	-	282
Total current receivables	58,686	43,695
Total receivables	58,686	43,695

Impaired receivables

As at 31 December 2014 the entity held provisions of \$4,920 (2013: \$2,029) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

The ageing of these receivables is as follows:

Current	-	-
3 to 6 months	-	336
Over 6 months	4,920	1,693
	4,920	2,029

As at 31 December 2014, trade receivables of \$14,607 (2013: \$14,757) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	3,357	414
Over 6 months	11,250	14,343
	14,607	14,757

Movements in the provision for impaired receivables are as follows:

At 1 January	2,029	1,788
Provision for impairment recognised during the year	3,019	1,441
Receivables written off during the year as uncollectible	(128)	(1,200)
At 31 December	4,920	2,029

The creation and release of the provision for impaired receivables has been included in 'Other Expenses' in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 11. Inventories	1(i)		
Other stocks		13,017	21,803
Total current inventories		<u>13,017</u>	<u>21,803</u>

Note 12. Plant, Equipment & Motor Vehicle

Plant & Equipment:

At cost	688,925	688,925
Accumulated depreciation	(186,050)	(102,371)
At cost - 31 December	<u>502,875</u>	<u>586,554</u>

Motor Vehicle

At cost	75,446	75,446
Accumulated depreciation	(27,591)	(18,828)
At cost - 31 December	<u>47,855</u>	<u>56,618</u>

Total plant, equipment & motor vehicle

<u>550,730</u>	<u>643,172</u>
----------------	----------------

Movements in Carrying Amounts

Movement in the carrying amounts plant and equipment between the beginning and the end of the current financial year:

	Plant & Equip	Motor Vehicle	Total
Balance 1 January 2013	454,160	65,382	519,542
Additions	245,288	-	245,288
Depreciation expense	(55,962)	(8,764)	(64,726)
Disposal	(75,020)	-	(75,020)
Depreciation written back on disposal	18,088	-	18,088
Carrying amount at 31 December 2013	<u>586,554</u>	<u>56,618</u>	<u>643,172</u>
Balance 1 January 2014	586,554	56,618	643,172
Additions	-	-	-
Depreciation expense	(83,679)	(8,763)	(92,442)
Disposals	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2014	<u>502,875</u>	<u>47,855</u>	<u>550,730</u>

	Notes	2014 \$	2013 \$
Note 13. Trade and other payables			
Trade Payables		91,460	177,999
Total current trade and other payables		<u>91,460</u>	<u>177,999</u>

Refer note 22 for disclosure of amount owing to the University of New England

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 14. Personnel services payable	1(n)		
Current Personnel services payable		110,321	111,975
Other payables		-	-
Total current payables		<u>110,321</u>	<u>111,975</u>
Non-current payables			
Non-current personnel services payable		59,000	37,000
Total non-current payable		<u>59,000</u>	<u>37,000</u>
Total payable		<u>169,321</u>	<u>148,975</u>
Note 15. Other Liabilities			
Members subscriptions in advance		145,407	129,869
Other Accrued Expenditure		35,991	38,479
PAYG Payable		19,928	18,350
GST Payable		220	-
Funds held in Trust		127,126	93,771
Total current other liabilities		<u>328,672</u>	<u>280,469</u>
Note 16. Retained Earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		375,166	106,193
Net operating surplus/(deficit) for the year		(52,740)	268,973
Retained Earnings at 31 December		<u>322,426</u>	<u>375,166</u>
Note 17. Share Capital			
Share Capital held - 120 at \$1 owned by the University of New England		120	-
		<u>120</u>	<u>-</u>
Note 18. Key management personnel disclosures			

(a) Names of responsible persons

The following person was a responsible person and executive officer of Sport UNE Limited from the beginning of the year to the reporting dates:

The following persons were appointed to the board during the year:

Bruce Pain (appointed 12th May 2014)
David Schmude (appointed 6th May 2014)
Anita Taylor (appointed 7th May 2014)

The following persons resigned from the board during the year:

Mr David Cushway (removed 6th may 2014)

Managing Director

Mr David Schmude

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of Sport UNE Pty Ltd during the financial year:

- Mrs Kathie Hunt
- Mr Ashley Clee

Notes to the financial statements
31 December 2014
(continued)

Key management personnel disclosures (continued)

(b) Remuneration of Directors and Executives

Remuneration of Directors

The Directors of the entity act in an honorary capacity and receives no benefits or fees for their services. The Directors did not receive benefits and fees from a related body corporate except for Mr David Schmude in his capacity as Managing Director of Sport UNE Pty Limited. Mr David Schmude's role also incorporates the role of Managing Director of UNE Life Pty Ltd

	2014 No.	2013 No.
Nil to \$9,999	4	10
	4	10

Aggregate Remuneration of Board Members

	\$	\$
Total Aggregate Remuneration	-	-

Remuneration of executive officers

	No.	No.
\$175,999 to \$199,999	-	1
\$200,000 to \$209,999	1	-
	1	1

Aggregate Remuneration of executive officers

	\$	\$
Total Aggregate Remuneration	208,751	180,631

Note 19. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of Sport UNE Limited, its related practices and non-related audit firms:

	2014 \$	2013 \$
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	19,500	18,900
Total remuneration for audit services	19,500	18,900

Note 20. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of Sport UNE Pty Ltd.

At balance date, no contingent liabilities or contingent assets of a material nature to Sport UNE Pty Ltd had been identified.

Note 21. Commitments

(a) Capital Commitments

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

	2014 \$	2013 \$
Property, Plant and Equipment Payable:		
Within one year	-	38,280
Later than one year	-	-
	-	38,280

(b) Lease Commitments

(i) Operating Leases

	2014 \$	2013 \$
Within one year	-	11,539
Between one and five years	-	-
Later than five years	-	-
Total operating leases	-	11,539
Total lease commitments	-	11,539

No lease arrangements existing as at 31 December 2014 that contains contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under work place agreements.

Notes to the financial statements
31 December 2014
(continued)

Note 22. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 18.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

<i>Transactions during the period</i>	2014	2013
	\$	\$
University of New England		
Income received	1,302,792	1,552,105
Payments made	(1,754,147)	(1,847,366)
Net	<u>(451,355)</u>	<u>(295,261)</u>
Services UNE		
Income received	550	-
Payments made	(19,892)	(48,030)
Net	<u>(19,342)</u>	<u>(48,030)</u>

Outstanding balances

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

University of New England		
Receivables	15,060	19,987
Payables	62,985	103,962
Services UNE		
Receivables	550	-
Payables	4,293	15,372

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 23. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Notes to the financial statements
31 December 2014
(continued)

Note 24. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014 \$	2013 \$
Operating surplus/(deficit) for the period	(52,740)	268,973
Depreciation and amortisation	92,442	64,726
Net (gain) / loss on sale of non-current assets	-	48,641
Increase/(Decrease) in Payables and Prepaid Income	(71,789)	(20,099)
Increase/(Decrease) in Provision for Employee Entitlements	20,345	16,892
Increase/(Decrease) in Other Provisions	36,245	82,697
(Increase)/Decrease in Receivables and Prepaid Expenses	(17,662)	(6,915)
(Increase)/Decrease in Inventories	8,786	(13,931)
Net cash provided by / (used in) operating activities	15,627	440,984

Note 25. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables *	10	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	9	Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Financial Liabilities			
Borrowings		Borrowings are carried at present value.	Minimum repayments are required on a quarterly basis with an option for additional repayments
Creditors and Accruals **	13 & 15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

(ii) Foreign exchange risk

As Sport UNE Pty Ltd recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. The economic entity has no direct exposure to equity securities or commodity price risk.

Notes to the financial statements
31 December 2014
(continued)

Financial risk management (continued)

(iv) Cash flow and fair value interest rate risk

The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

(v) Summarised sensitivity analysis

An attached table summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation there under. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

Sport UNE does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, Sport UNE Pty Ltd:

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The company monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

The following tables summarise the maturity of the Entity's financial assets and financial liabilities:

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.50%	259,012				-	259,012
Investments - term deposits	3.40%		30,554	-			30,554
Receivables						58,686	58,686
Total Financial Assets		259,012	30,554	-	-	58,686	348,252
Financial Liabilities							
Payables						91,460	91,460
Total Financial Liabilities		-	-	-	-	91,460	91,460
Net Financial Assets(Liabilities)		259,012	30,554	-	-	(32,774)	256,792

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	1.40%	242,483				1,400	243,883
Investments - term deposits	3.85%		13,837	16,219			30,056
Receivables						38,345	38,345
Total Financial Assets		242,483	13,837	16,219	-	39,745	312,284
Financial Liabilities							
Payables						177,999	177,999
Total Financial Liabilities		-	-	-	-	177,999	177,999
Net Financial Assets(Liabilities)		242,483	13,837	16,219	-	(138,254)	134,285

Financial risk management (continued)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk.

31 December 2014	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	259,012	(2,590)	(2,590)	2,590	2,590
Investments-Term Deposits	30,554	(306)	(306)	306	306
Receivables	58,686				
Total Financial Assets	348,252				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	91,460				
Total Financial Liabilities	91,460				
Total increase / (decrease)	256,792	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	243,883	(2,439)	(2,439)	2,439	2,439
Investments - Term Deposits	30,056	(301)	(301)	301	301
Receivables	38,345				
Total Financial Assets	312,284				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	177,999				
Total Financial Liabilities	177,999				
Total increase / (decrease)	134,285	-	-	-	-

Notes to the financial statements
31 December 2014
(continued)

Note 26 Fair value measurements

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

The entity categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	289,566	273,939	289,566	273,939
Receivables	58,686	38,345	58,686	38,345
Total financial assets	348,252	312,284	348,252	312,284
Financial liabilities				
Payables	91,460	177,999	91,460	177,999
Borrowings	0	0	0	0
Total financial liabilities	91,460	177,999	91,460	177,999

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd



ABN: 77 094 834 107
Annual Financial Report
for the year ended
31 December 2014



INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

To Members of the New South Wales Parliament and Members of UNE Foundation Limited

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

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 16 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.



Karen Taylor
Director Financial Audit Services

23 March 2015
SYDNEY

UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report for the financial year ended 31 December 2014 and the Auditors Report thereon.

Director details

The following persons were Directors of the Company during or since the end of the financial year:

Dr Geoffrey Fox (Chairman)

BRurSc (Hons) (UNE) MA (ANU) PhD (UNE)

Dr Geoffrey Fox has served as Chairman of the Board since 27 August 2008.

Geoff is an agricultural economist with thirty-six years' experience in international development in East Asia/Pacific and countries of Eastern Europe and the former Soviet Union. He worked for the World Bank for 27 years, culminating his career as Director of Rural Development and Natural Resource Management for the East Asia and Pacific Region. His work focused on the formulation of rural policy and strategy, program development and project implementation.

Upon returning to Australia in 2000, he consulted for Australia's overseas aid agency, AusAID; and then joined the staff full-time in 2004 as Principal Adviser, Rural Development and the Environment. As a member of the Principal Advisers' multi-sectoral team, he supported AusAID management developing and implementing Australia's overseas aid program.

Since 2008, he has been raising cattle on his property close to Armidale. In August 2010 he was appointed a member of the University of New England Council, and served as Deputy Chancellor from 2012 to 19 November 2014. In 2011 he was appointed a Director of the Agricultural Business Research Institute.

Appointed a Director of UNE Foundation Ltd on 26 February 2008.

Special responsibilities : Chairman of the Board since 27 August 2008 ; Chairman of Investment Committee.

Professor Annabelle Duncan

BSc DipSc MSc (Otago) PhD (La Trobe) HonDsc (Murdoch) PSM

Professor Annabelle Duncan is currently the Vice-Chancellor and Chief Executive Officer of the University of New England. She joined the University in September 2010, initially as Deputy Vice-Chancellor Research and then as Deputy Vice-Chancellor.

Prior to joining UNE, Professor Duncan spent 16 years in the CSIRO, including 6 years as Chief of the Division of Molecular Science. She has also served in managerial roles within the Bio21 Institute at University of Melbourne and AgriBio Institute at La Trobe University.

Professor Duncan acted as an advisor to the Department of Foreign Affairs and Trade on biological weapons control, representing Australia at international arms control meetings and acting as a biological weapons inspector with the United Nations in Iraq.

She was awarded a Public Service Medal in 1996 and Honorary Doctor of Science (DSc) from Murdoch University in 2005, for her work in arms control.

Appointed a Director of UNE Foundation Ltd on 12 March 2014.

Special responsibilities : None

Ms Caroline Forrest

BComm BA Grad Dip Applied Finance (Finsia)

Caroline is an Investment Manager at New Zealand Trade & Enterprise, promoting investment opportunities, exports and trade across the Tasman. Prior to joining NZTE, Caroline worked at JPMorgan for six years as a relationship banker, looking after resources companies in Perth, superannuation funds in Melbourne and the New Zealand client base. Between 2000 and 2004, she was the research analyst for the JBWere Private Equity Fund.

Caroline has been involved in student mentoring through the Australian Business and Community Network. She completed an Advice Bank project with the Victorian State Library foundation and has been an active member of the Committee of Convocation at Melbourne University. She founded the Wine & Philosophy Club at Melbourne Business School.

Appointed a Director of UNE Foundation Ltd on 27 September 2011.

Special responsibilities : None

Mr Paul Barratt

BSc (Hons) (UNE) BA (ANU) FAICD

Paul Barratt joined the Department of Defence in 1966. He spent the next 25 years of his career in the Commonwealth Public Service, mainly in areas relating to resources, energy and international trade, becoming Deputy Secretary of the Department of Trade and Resources (1978-85); Special Trade Representative for North Asia (1985-88); and Deputy Secretary in the Department of Foreign Affairs and Trade (1988-91).

In 1992 he became Executive Director of the Business Council of Australia, a body consisting of the Chief Executive Officers of about 90 of the 100 largest companies in Australia.

In 1996 he returned to the Public Service, becoming Secretary to the Departments of Primary Industries and Energy (1996-98) and Defence (1998-9).

In 1997 he received a Distinguished Alumni Award from the University of New England. In 1999 he was made an Officer in the General Division of the Order of Australia, for service to public administration, public policy development, business and international trade.

He now runs his own consulting business, and is a director of Australia 21, a non-profit company dedicated to stimulating research and development on issues of strategic importance to Australia in the 21st century.

Appointed a Director of UNE Foundation Ltd on 5 September 2006. Resigned on 7 May 2013 after serving the maximum number of terms. Mr Barratt was then re-appointed (after a special resolution) on 13 September 2013.

Special responsibilities : None

Mr Geoff Gorrie

BEd BA (ANU) BSc DipEd (UNE) PSM

Geoff Gorrie has a long history in agricultural policy and programs, food policy, regional development and natural resources management at Australian Government level as well as extensive experience in change management and administration. He was involved in the implementation of food regulation reforms, water reform policies, water management in the Murray Darling Basin, the establishment of the Regional Forest Agreements and the Decade of Landcare which led into the establishment of the Natural Heritage Trust.

Geoff is Chair of the Boards of Seafood Services Ltd and Australian Forestry Standard Ltd. He is a Director of Australia 21 and is a member of the Serco Advisory Board. He has held directorships with Safe Food Production Queensland, the Australian Wine and Brandy Corporation, the Australian Wheat Board, AWB Ltd, the Wheat Export Authority, Landcare Australia Ltd, the Forests and Wood Products Research and Development Corporation, the Australian Wool Research and Promotion Organisation and the Woolmark Company. He was Commonwealth Commissioner on the Murray Darling Basin Commission between 1994 and 1998, Chair of the National Land and Water Resources Audit Advisory Council between 2003 and 2008, and a Director of the Co-operative Research Centre on Biosecurity.

Geoff has a very high affinity with rural Australia - he was born in Gulgong, grew up in Binnaway and then attended high school in Bathurst and went on to university in Armidale and Canberra. From the mid 1970s Geoff's public sector work dealt with aspects of rural and regional Australia.

Geoff was awarded the Public Service Medal on Australia Day 2002. He retired as Deputy Secretary of the Australian Government Department of Agriculture, Fisheries and Forestry in January 2003.

Appointed a Director of UNE Foundation Ltd on 12 May 2009.

Special responsibilities : None

Ms Kerrie Murphy
BA DipEd (USyd) MEd (UNE)

Kerrie Murphy has been in the education sector for many years, including Head of Department, Director of Curriculum and, for four years, Deputy Principal at St Catherine's School Waverly. In 2001, Kerrie became the Principal of the International Grammar School in Sydney until her retirement at the end of 2010.

She brings extensive industry experience to the Board together with proven leadership, strategic development and communication skills.

Kerrie has completed the Director's Training Course through the Australian Institute of Company Directors and has the ambition for the development of youth, driving culture change and building a climate of spirit and optimism.

Appointed a Director of UNE Foundation Ltd on 24 November 2010.

Special responsibilities : None

Ms Janine Wilson
BSc (La Trobe), MBA (Melb.)

Janine is the Executive Director, Donor Services for the Australian Red Cross Blood Service (ARCBS), for whom she has worked since 2005. In this role, she manages about 2,000 staff in more than 100 blood donor centres across Australia, as well as leading the organisation's marketing function. She established the first national Customer Service function for ARCBS, which facilitates the consistent provision of blood components and products to over 300 Australian hospitals. Her leadership in marketing raised public awareness and education during the 2009 "Year of the Blood Donor".

Prior to joining the ARCBS, she worked at the New York Blood Center in the area of Business Strategy and Development, as well as with McKinsey & Company as an Associate/Engagement Manager. Additionally, Janine spent four years in the field of Physiotherapy, based in Melbourne and London.

Janine has completed the Company Directors Course through the Australian Institute of Company Directors.

Appointed a Director of the Company on 27 September 2011.

Special responsibilities : None

Mr John Wilson
BA LLB Melbourne; LLM Duke; MAICD

John has over 25 years' experience in financial markets, working in the investment management industry.

He has a comprehensive knowledge of investment markets, portfolio management and portfolio risk management, along with an understanding of all asset sectors, a strong theoretical background in portfolio construction and practical experience of portfolio management.

John sits on the board of LG Super Queensland where he is Chairman of the Investment Committee; is the inaugural Chairman of the Australian Rugby Foundation, the official philanthropy of Australian rugby; is a director of Etihad Stadium in Melbourne; and Chairman of Domus Private Clients. Along with Rugby, he has passion for history, photographic art, literature and music.

Company Secretary

The following person held the position of corporate secretary at the end of the financial year.

Mrs Anita Taylor
CA B.Com(Acc)(UNSW) B.Sci(Psych)(USQ) MIAMA GAICD

Anita is an experienced company director and Chartered Accountant with mediation, psychology and governance qualifications. She currently also sits on the board of the Civil Aviation Safety Authority, Regional Development Australia Northern Inland and is Chair of UNE Life and serves on a number of board committees. She has previously served as the Executive President of the Gliding Federation of Australia and as Chair of the GFA Sports Committee, and has been a board member of other community and sporting organisations, including public and listed companies. Anita also runs a superfine merino and angus property at Kentucky, with her husband Bruce.

Principal Activities

The principal activity of the company during the year was the provision of trustee services.

There have been no significant changes in the nature of these activities during the year.

Short-term objectives

To hold funds raised that are to be applied in the provision of money, property or benefits to the University in accordance with subclause (a); (as the objects of its constitution).

Long-term objectives

To provide money, property or benefits to the University (being a fund, authority or institution covered by an Item in a table in Subdivision 30-B of the Tax Act):

- (i) for any purposes set out in the Item in the table in Subdivision 30-B of the Tax Act applicable to the University; or
- (ii) where the Item in the table in Subdivision 30-B of the Tax Act applicable to the University does not set out specific purposes, for purposes within the objects, functions and powers of the University, including but without limitation the provision of money, property or benefits to the University in or towards:
 - (a) the provision of scholarships;
 - (b) research;
 - (c) teaching and learning

And to act as trustee of a charitable trust to be known as UNE Foundation or such other name as may from time to time be determined by the Company to be established to carry out and give effect to these objects

Strategies for achieving short and long-term objectives:

- to meet with or provide advice to persons making inquiry about leaving a bequest to UNE.
- to meet as a board of Directors to act as trustees of the UNE Foundation and, by a decision of quorum, administer or dispense of funds held in trust for particular donative purposes.

The board implemented an investment policy by engaging Myer Family Company to manage invested funds in two investment pools namely "Immediate" and "Perpetual". The Board receives reports on these investments at every meeting. The financial statements include cash flow narrative and, twice per annum, the University of New England seeks reimbursement of funds paid out on behalf of UNE Foundation for specific scholarship, prize or other purposes for which the funds were donated.

Income and expenditure is measured on year to date and total year data for the current and previous years. These financial statements presented to the Board include comprehensive explanatory notes against performance indicators.

Directors' meetings

The number of meetings of Directors held during the year and number of meetings attended by each Director were as follows:

Board of Directors

Dr Geoffrey Fox
Professor Annabelle Duncan
Mr Paul Barratt
Mr Geoff Gorrie
Ms Kerrie Murphy
Ms Caroline Forrest
Ms Janine Wilson
Mr John Wilson

Board Meetings

A	B
5	5
2 *	5
4	5
5	5
3	5
5	5
5	5
2	2

* The CFO attended 3 other meetings on behalf of Professor Duncan who attended 2 meetings.

A = number of meetings the Director attended

B = number of meetings the Director was entitled to attend

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has \$100 liability should the company be wound up. At 31 December 2014, the collective liability of members was \$800 (\$100 per member, maximum number of members is 8).

Review of Operations

During 2014, the company continued to operate as trustee of UNE Foundation and had no financial results.

Legal proceedings on behalf of the Company

There were no legal proceedings brought against the company during the financial year. At the date of this report, the directors are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2014.

The report is signed on behalf of the directors in accordance with a resolution of the directors made pursuant to the Corporations Act 2001.



Dr Geoffrey Fox
Chair - Director

17 March 2015



Mr Paul Barratt
Director



To the Directors
UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UNE Foundation Limited for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

Karen Taylor
Director, Financial Audit Services

16 March 2015
SYDNEY

Directors' Declaration

The Directors declare that:


- (1) the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
- (2) the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2014;
- (3) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (4) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act, 2001.



Dr Geoffrey Fox
Chair - Director

17 March 2015



Mr Paul Barratt
Director

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the Directors of UNE Foundation Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 and the Corporations Act 2001, we state that:

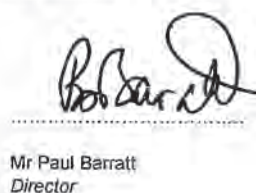
1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010 and the Corporations Act 2001*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board in accordance with a resolution of the Directors.



Dr Geoffrey Fox
Chair - Director

17 March 2015



Mr Paul Barratt
Director

Statement of Profit or Loss
For the year ended 31 December 2014

	2014	2013
	\$	\$
Revenue from continuing operations	-	-
Expenses from continuing operations	-	-
Operating surplus / (deficit) from continuing operations	-	-

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

Statement of Other Comprehensive Income
For the year ended 31 December 2014

	2014	2013
	\$	\$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position
As at 31 December 2014

	2014	2013
	\$	\$
ASSETS		
Current assets	-	-
Non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
EQUITY		
Total equity	-	-

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

Statement of Changes in Equity
For the year ended 31 December 2014

	Reserves	Retained Earnings	Total
Balance as 1 January 2013	-	-	-
Total comprehensive income			
Surplus / (deficit)	-	-	-
Revaluation of Buildings	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2013	-	-	-
Balance at 1 January 2014	-	-	-
Surplus / (deficit)	-	-	-
Revaluation of Buildings	-	-	-
Gain on Avail-for -sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2014	-	-	-

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

Statement of Cash Flows
For the year ended 31 December 2014

	2014 \$	2013 \$
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	-	-

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	160
2	Auditors remuneration	160
3	Right to indemnify out of the Trust assets	160
4	Directors remuneration	160
5	Employee benefits	160
6	Related parties	160
7	Commitments	161
8	Contingent assets and liabilities	161
9	Events subsequent to reporting period	161
10	New standards and interpretations not yet adopted	161
11	Economic Dependency	161

Notes to and forming part of the Financial Statements

1.0 Summary of significant accounting policies

1(a) Reporting Entity

UNE Foundation Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 23 October 2000 and is domiciled in Australia.

The company is deemed to be a controlled entity of the University of New England for the purposes of meeting the requirements of the Australian Accounting Standards, AASB 127 "Consolidated and Separate Financial Statements" and UIG 112 "Special Purpose Entities".

The principal address of UNE Foundation Limited is: University of New England, Armidale NSW 2351, Australia.

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Board on 17 March 2015.

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

1(b) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010.

The Financial Statements have been prepared in accordance with the historical cost convention. All amounts are expressed in Australian dollars.

2.0 Auditors remuneration

The audit fee for the Company is paid by the University of New England and is included with the fees for UNE Foundation.

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2014 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

4.0 Directors remuneration

The Directors act in an honorary capacity and do not receive remuneration in connection with the management of the affairs of the Company.

5.0 Employee benefits

The company did not employ any staff during the year. The University of New England provided and paid for all administrative support.

6.0 Related parties

University of New England provided the company with a range of administrative support services. These services have been provided at no charge to the Company and comprised the provision of:

- office accommodation facilities
- accounting and administrative services
- electricity and other utility services
- personnel services

The value of these services has not been quantified or reported in the financial statements.

Notes to the financial statements
31 December 2014
(continued)

7.0 Commitments

The entity has not identified material commitments at 31 December 2014 (2013: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2014 (2013: Nil).

9.0 Events subsequent to reporting period

There are no reportable events occurring after balance date.

10.0 New standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period.

The company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

11.0 Economic Dependency

The Company's operations are dependent upon the ongoing financial and other support of the University of New England.

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation



**ABN: 42 536 278 085
Annual Financial Report
for the year ended
31 December 2014**



INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Foundation (the Foundation), which comprise the statement of financial position as at 31 December 2014, the income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

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

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

The Trustees' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

23 March 2015
SYDNEY

UNE FOUNDATION

TRUSTEE'S REPORT

The Trust was established by deed dated 6 December 2000. Under that deed the UNE Foundation Limited was appointed as Trustee.

Principal Activities

The principal activities of the Trust during the course of the financial year were to provide money, property or benefits to the University of New England towards the provision of scholarships, research and teaching and learning.

Review of Operations

The operating result for the Trust for the year ended 31 December 2014 was a surplus of \$4,860,933 (\$569,975 excluding the transfer of \$4,290,958 from UNE) (2013 \$627,939).

Investment related revenue was \$647,385 in 2014 (2013: \$450,948). This was a 43.56 percent increase on the 2013 financial year.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company.

Matters Subsequent to the End of the Financial Year

The Trustee is not aware of any matter or circumstances that have arisen since the end of the financial year and that have significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Trust's operations which have been proposed for the immediate future.

Environmental Regulation

The Trust is not subject to any significant Commonwealth, State or Local Government statutes and requirements related to environmental matters.

Insurance of Officers

Insurance coverage is provided for directors and officers of the Trustee under the University of New England global policies and no premium is apportioned to or paid by the Trust.

Legal proceedings on behalf of the Trust

There were no legal proceedings brought against the Trust during the financial year. At the date of this report, the Trustees are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

By resolution of the Board of the UNE Foundation Limited, as Trustee of UNE Foundation.


.....
Dr Geoffrey Fox
Chair - Director
.....
Mr Paul Barratt
Director

17 March 2015

STATEMENT BY TRUSTEE

In the opinion of the Trustees of UNE Foundation:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Trust at 31 December 2014 and the results of its operations and transactions of the Trust for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This statement is in accordance with a resolution of the Trustee made on 17 March 2015.

Signed in accordance with a resolution of the Board of UNE Foundation Limited, as Trustee for UNE Foundation



Dr Geoffrey Fox
Chair - Director

17 March 2015



Mr Paul Barratt
Director

Income Statement
For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations			
Donations and fundraising	2	785,806	1,058,810
Investment income	3	616,654	350,435
Other revenue	4	4,322,516	100,513
Total revenue from continuing operations		<u>5,724,976</u>	<u>1,509,758</u>
Expenses from continuing operations			
Administrative expenses	5	70,904	48,759
Total expenses from continuing operations		<u>70,904</u>	<u>48,759</u>
Operating result from continuing operations before distributions to UNE		<u>5,654,072</u>	<u>1,460,999</u>
Less distribution to UNE	6	(793,139)	(833,060)
Operating surplus / (deficit) for the year after distribution to UNE		<u>4,860,933</u>	<u>627,939</u>

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

Statement of Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Operating surplus/ (deficit) for the year after distribution to UNE		4,860,933	627,939
Items that may be reclassified to profit or loss			
Gain/(loss) in fair value of available for sale financial assets	11 (a)	(75,774)	133,145
Items that will not be reclassified to profit or loss			
Transfer from reserves	11 (a)	(24,361)	(21,735)
Total other comprehensive income		<u>4,760,798</u>	<u>739,349</u>
Total comprehensive income for the period		<u>4,760,798</u>	<u>739,349</u>

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

Statement of Financial Position
As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	1,708,839	2,335,953
Trade and other receivables	8	182,446	91,528
Other financial assets	9	2,479,762	2,169,295
Total current assets		<u>4,371,047</u>	<u>4,596,776</u>
Non-current assets			
Other financial assets	9	8,120,885	3,095,651
Total non-current assets		<u>8,120,885</u>	<u>3,095,651</u>
Total assets		<u>12,491,932</u>	<u>7,692,427</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	59,693	41,139
Total current liabilities		<u>59,693</u>	<u>41,139</u>
Total liabilities		<u>59,693</u>	<u>41,139</u>
Net assets		<u>12,432,239</u>	<u>7,651,288</u>
EQUITY			
Reserves	11 (a)	139,131	239,266
Retained earnings	11 (b)	12,293,108	7,412,022
Total equity		<u>12,432,239</u>	<u>7,651,288</u>

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

Statement of Changes in Equity
For the year ended 31 December 2014

	Reserves	Retained earnings	Total
Balance at 1 January 2013	127,856	6,784,083	6,911,939
Profit/(loss)	-	627,939	627,939
Gain on available for sale financial assets	133,145	-	133,145
Transfer from reserves on disposal of available for sale financial assets	(21,735)	-	(21,735)
Total comprehensive income	111,410	627,939	739,349
Balance at 31 December 2013	239,266	7,412,022	7,651,288
Balance at 1 January 2014	239,266	7,412,022	7,651,288
Profit/(loss)	-	4,860,933	4,860,933
Gain/(loss) on available for sale financial assets	(75,774)	-	(75,774)
Transfer from reserves on disposal of available for sale financial assets	(24,361)	20,153	(4,208)
Total comprehensive income	(100,135)	4,881,086	4,780,951
Balance at 31 December 2014	139,131	12,293,108	12,432,239

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

Statement of Cash Flows
For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Donations received		763,027	1,038,588
Transfer from UNE		4,290,958	-
Dividends received		49,872	10,024
Interest received		180,709	247,814
Other inflows		40,924	49,901
Payments to suppliers		(69,848)	(52,319)
Distribution to beneficiary		(764,079)	(819,133)
Net cash provided by / (used in) operating activities	16	4,491,563	474,875
Cash flows from investing activities			
Purchase of financial assets		(5,288,677)	(3,354,638)
Proceeds from sale of financial assets		170,000	388,780
Net cash provided by / (used in) investing activities		(5,118,677)	(2,965,858)
Net increase / (decrease) in cash and cash equivalents		(627,114)	(2,490,983)
Cash and cash equivalents at the beginning of the financial year		2,335,953	4,826,936
Cash and cash equivalents at the end of the financial year	7	1,708,839	2,335,953

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	172
2	Donation and fundraising	174
3	Investment income	174
4	Other revenue	174
	Expenses	
5	Administrative Expenses	174
6	Distribution to beneficiary	174
	Assets	
7	Cash and cash equivalents	174
8	Trade and other receivables	175
9	Other financial assets	175
	Liabilities	
10	Trade and other payables	175
	Equity	
11	Reserves and retained earnings	176
12	Remuneration of auditors	176
13	Contingencies	176
14	Commitments	176
15	Related parties	176
16	Reconciliation of operating result after income tax to net cash flows from operating activities	177
17	Events subsequent to reporting period	177
18	Financial risk management	178

Notes to and forming part of the Financial Statements

1.0 Summary of significant accounting policies

UNE Foundation, a not for profit entity, was established by deed of settlement on 6 December 2000 and is domiciled in Australia.

UNE Foundation Limited acts as Trustee to the Trust. The Trust is for the benefit of the University of New England.

The principal address of UNE Foundation Trust is: University of New England, Armidale NSW 2351.

The financial statements for the year ended 31 December 2014 were authorised for issue by the Trustee on 17 March 2015.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2010*.

The Financial Statements have been prepared in accordance with the historical cost convention except for available for sale financial assets which have been measured at fair value. All amounts are in Australian currency.

(b) Revenue recognition

The Trust receives all donations by way of cheques, direct deposits and electronic funds transfer. All donations are recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the Trust.

Interest income is recognised on an accrual basis. Dividends and distributions are recognised as revenue when the Trust's right to receive payment is established. Refunds of imputation credits arising from investment income received, are recognised as revenue when the application for refund is lodged with the Australian Taxation Office.

Gains and losses on realisation of investments are taken to the income statement when the investment is disposed of. The gain or loss is the difference between the net proceeds of disposal and the carrying value of the investment.

(c) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(d) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

(e) Investments and other financial assets

Classification

(i) Available-for-sale financial assets

The Trust classifies its investments as available-for-sale financial assets. Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Trust commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

Investments and other financial assets (continued)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Trust's management has the positive intention and ability to hold to maturity.

Subsequent measurement

Available-for-sale financial assets are carried at fair value.

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, net asset value and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Trust assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the current bid price.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of financial year, which are unpaid.

(h) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(i) Income Tax

The Trust is exempt from Income Tax. The Trust does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the Trust does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(j) Distributions

In accordance with the Trust Deed, the Trust fully distributes by cash or reinvests its distributable income. Any funds remaining on hand are held available for distribution to the University of New England.

Notes to the financial statements
31 December 2014
(continued)

(k) New standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

	Notes	2014 \$	2013 \$
2.0 Donation and fundraising			
Donations and fundraising		785,806	1,058,810
3.0 Investment income			
Interest		225,452	216,187
Dividend		391,202	134,248
Total investment income		616,654	350,435
4.0 Other revenue			
Transferred from UNE		4,290,958	-
Net surplus on disposal of units		5,215	56,012
Franking credits		25,516	22,766
Other		827	21,735
Total other revenue		4,322,516	100,513
5.0 Administrative Expenses			
Consultancy fees		70,747	48,508
Bank fees		157	251
Total administrative expenses		70,904	48,759
6.0 Distribution to beneficiary			
University of New England - scholarships and prizes	1(j)	793,139	833,060
7.0 Cash and cash equivalents			
Cash at bank		155,996	2,335,953
At call investments		1,552,843	-
Total cash and cash equivalents		1,708,839	2,335,953
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:			
Balances as above		1,708,839	2,335,953
Less: Bank Overdrafts		-	-
Balance per statement of cash flows		1,708,839	2,335,953

The at call investments had a floating interest rate of 3.12% (2013 - 3.67%). These deposits have an average maturity of 31 days (2013 - 68 days).

Notes to the financial statements
31 December 2014
(continued)

2014
\$

2013
\$

8.0 Trade and other receivables

Trade receivables	-	12,000
Total trade receivables	-	12,000

Impaired trade receivables

As at 31 December 2014 current receivables of the entity with a nominal value of \$Nil (2013: \$12,000) were not impaired.

Other receivables		
Other accrued income	80,015	22,594
GST Input Tax Credit	2,011	1,258
Accrued Interest	100,420	55,676
Total other receivables	182,446	79,528
Total trade and other receivables	182,446	91,528

9.0 Other financial assets

Current

Held-to-maturity	2,479,762	2,169,295
Total current other financial assets	2,479,762	2,169,295

Non-current

Held-to-maturity	1,733,532	1,185,343
Available for sale financial assets - At fair value		
Unit Trust and Domestic Equity	6,196,074	1,747,708
Australian listed equity securities	191,279	162,600
Total non-current other financial assets	8,120,885	3,095,651

Movement of available for sale financial assets are as follows:

Shares as at 1 January	1,910,308	1,980,472
Acquired through purchase, dividend reinvestment and capital distribution	4,721,812	129,459
Disposed	(168,993)	(332,768)
Available for Sale Reserve (gain/loss)	(75,774)	133,145
Fair value of investment at 31 December	6,387,353	1,910,308

10.0 Trade and other payables

Accrued expense for scholarships, prizes and consultancy fees	59,693	41,139
Total trade and other payables	59,693	41,139

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 18.

Notes to the financial statements
31 December 2014
(continued)

	2014 \$	2013 \$
11.0 Reserves and retained earnings		
(a) Reserves		
Available for Sale Reserve - Investments	139,131	239,266
Movements		
Available for Sale Reserve - Investments		
Balance 1 January	239,266	127,856
Less write back due to disposal of investment	(24,361)	(21,735)
Gain/(Loss)	(75,774)	133,145
Balance 31 December	139,131	239,266
(b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	7,412,022	6,784,083
Transfer to reserves	20,153	-
Net Operating Result for the year	4,860,933	627,939
Retained earnings at 31 December	12,293,108	7,412,022
(c) Nature and purpose of reserves		
Revaluation Reserve		
The asset revaluation reserve is used to record increments and decrements, on the revaluation of available for sale financial assets.		

12.0 Remuneration of auditors

The audit fee payable by the University of New England, in respect of the audit of the financial reports for the Trust to the Audit Office of NSW for the financial year ended 31 December 2014 was \$10,700 (2013: \$10,200).

13.0 Contingencies

At balance date, no legal proceedings had been identified as being progressed on behalf of or against the Trust.

At balance date, no contingent liabilities or contingent assets of a material nature to the Trust had been identified.

14.0 Commitments

The entity has not identified material commitments at 31 December 2014 (2013: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2013: Nil).

15.0 Related parties

(a) Corporate Trustee

Directors of the Corporate Trustee

Directors who held office at any time during the financial year were:-

Dr Geoffrey Fox (Chairman)
Professor Annabelle Duncan - appointed 13 March 2014
Mr Paul Barratt
Mr Geoff Gorrie
Ms Kerrie Murphy
Ms Caroline Forrest
Ms Janine Wilson
Mr John Wilson

(b) Controlling entity

For the purposes of meeting the requirements of the Australian Accounting Standards, the University of New England is deemed to be the controlling entity of the Trust and its Corporate Trustee, UNE Foundation Limited.

Notes to the financial statements
31 December 2014
(continued)

15.0 Related parties (continued)

(c) Related Party Transactions

University of New England provided the Trust with a range of administrative support services. These services have been provided at no charge to the Trust and comprised the provision of:

- office accommodation facilities
- accounting and administrative services
- electricity and other utility services
- personnel services

The value of these services has not been quantified or reported in the financial statements.

The following transactions occurred with related parties:

<i>Transactions during the period</i>	2014	2013
	\$	\$
University of New England		
Income received from	87,832	8,755
Transferred prizes and scholarship funds	4,290,958	-
Expenditures incurred for	(793,139)	(833,060)
Net	3,585,651	(824,305)
With other related parties		
Income received - UNE Partnership Pty Ltd	-	200,000
Income received - UNE Life Pty Ltd	10,000	10,000
Income received - Agricultural Business Return Institute	12,000	-
Net	22,000	210,000

Outstanding balances

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

University of New England		
Receivables	1,419	8,182
Payables	37,613	27,303

16.0 Reconciliation of operating result after income tax to net cash flows from operating activities

Operating result for the period	4,860,933	627,939
Less non cash revenue		
Capitalisation and reinvestment of dividend	(291,788)	(129,460)
Net (Gain)/Loss on sale of Units	(5,215)	(77,747)
Decrease/(increase) in trade and other debtors	(90,919)	38,925
Increase/(decrease) in payables	18,552	15,218
Net cash provided by / (used in) operating activities	4,491,563	474,875

17.0 Events subsequent to reporting period

There are no reportable events occurring after balance date.

18.0 Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	8	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	7	Term Deposits are stated at cost	Term deposits are for a period of up to 90 days. Interest rate was 3.12% and average maturity of 31 days.
Other Financial Assets	9	Unit trust and domestic equity carried at market value	
		Held-to-maturity deposits - current are stated at cost	Interest rates are between 3.65% and 4.18% with average maturity of 313 days.
		Held-to-maturity deposits- non current are stated at cost	Interest rates are between 3.73% and 4.15% with average maturity of 913 days.
Listed Shares	9	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year.

(ii) Foreign exchange risk

UNE Foundation Trust recognises all transactions, assets and liabilities in Australian currency only and is not exposed to foreign exchange risk.

(iii) Price risk

The Trust is exposed to Price Risk through its investments classified as available for sale financial assets. The risk is managed through diversification of the portfolio.

(iv) Cash flow and fair value interest rate risk

The entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates.

(v) Summarised sensitivity analysis

The table at the end of the note summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation there under. The entity's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets included in the statement of financial position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity :

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The Trustee monitors the actual and forecast cash flow of the entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the entity as they fall due.

Notes to the financial statements
31 December 2014
(continued)

Financial risk management - continued

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.60%	-	155,996				155,996
At call Investments	3.12%		1,552,843				1,552,843
Receivables						182,446	182,446
Held-to-maturity	3.80%		2,479,762				2,479,762
Available for sale						6,196,074	6,196,074
Listed Shares						191,279	191,279
Held-to-maturity	3.97%			1,733,532			1,733,532
Total Financial Assets		-	4,188,601	1,733,532		6,569,799	12,491,932
Financial Liabilities							
Payables						59,693	59,693
Other Amounts Owning						-	-
Total Financial Liabilities						59,693	59,693
Net Financial Assets/(Liabilities)		-	4,188,601	1,733,532		6,510,106	12,432,239

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	3.01%	-	2,335,953				2,335,953
At call Investments	3.67%		-			-	0
Receivables						91,528	91,528
Held-to-maturity	4.17%		2,169,295				2,169,295
Available for sale						1,747,708	1,747,708
Listed Shares						162,600	162,600
Held-to-maturity	4.18%			1,185,343			1,185,343
Total Financial Assets		-	4,505,248	1,185,343		2,001,836	7,692,427
Financial Liabilities							
Payables	-					41,139	41,139
Other Amounts Owning	-					-	-
Total Financial Liabilities						41,139	41,139
Net Financial Assets/(Liabilities)		-	4,505,248	1,185,343		1,960,697	7,651,288

(d) Net Fair Values of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the current bid price.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The Trust uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,708,839	2,335,953	1,708,839	2,335,953
Held-to-maturity investments - current	2,479,762	2,169,295	2,479,762	2,169,295
Held-to-maturity investments - non current	1,733,532	1,185,343	1,733,532	1,185,343
Equity securities	6,387,353	1,910,308	6,387,353	1,910,308
Total financial assets	<u>8,120,885</u>	<u>3,095,651</u>	<u>8,120,885</u>	<u>3,095,651</u>

Fair value measurements recognised in the statement of financial position are categorised into the following levels:

	31 Dec 2014	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	2,479,762	-	2,479,762	-
Held-to-maturity investments - non current	1,733,532	-	1,733,532	-
Equity securities	6,387,353	191,279	6,196,074	-
Total	<u>8,120,885</u>	<u>191,279</u>	<u>7,929,606</u>	<u>-</u>
	31 Dec 2013	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	2,169,295	-	2,169,295	-
Held-to-maturity investments - non current	1,185,343	-	1,185,343	-
Equity securities	1,910,308	162,600	1,747,708	-
Total	<u>3,095,651</u>	<u>162,600</u>	<u>2,933,051</u>	<u>-</u>

Notes to the financial statements
31 December 2014
(continued)

Financial risk management - continued
Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%			+1%			-10%			+10%			-1%			+1%		
		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets																			
Cash and cash equivalents	155,996	(1,560)	(1,560)		1,560	1,560		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
At call investments	1,552,843	(15,528)	(15,528)		15,528	15,528		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Receivables	182,446																		
Held-to-maturity	2,479,762	(24,798)	(24,798)		24,798	24,798													
Other financial assets	6,196,074	(61,961)	(61,961)		61,961	61,961													
Listed Shares	191,279																		
Held-to-maturity	1,733,532	(17,335)	(17,335)		17,335	17,335													
Total Financial Assets	12,491,932																		
Financial Liabilities																			
Payables	59,693	N/A	N/A		N/A	N/A													
Total Financial Liabilities	59,693																		
Total increase / (decrease)	12,432,239	-	-		-	-													

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%			+1%			-10%			+10%			-1%			+1%		
		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets																			
Cash and cash equivalents	2,335,953	(23,360)	(23,360)		23,360	23,360		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
At call investments	-	-	-		-	-													
Receivables	91,528																		
Held-to-maturity	2,169,295	(21,693)	(21,693)		21,693	21,693													
Other financial assets	1,747,708	(17,477)	(17,477)		17,477	17,477													
Listed Shares	162,600																		
Held-to-maturity	1,185,343	(11,853)	(11,853)		11,853	11,853													
Total Financial Assets	7,692,427																		
Financial Liabilities																			
Creditors	41,139	N/A	N/A		N/A	N/A													
Total Financial Liabilities	41,139																		
Total increase / (decrease)	7,651,288	-	-		-	-													

END OF AUDITED FINANCIAL STATEMENTS

**UNE Health
Pty Ltd**

**ABN: 62 161 262 933
Annual Financial Report
for the year ended
31 December 2014**



INDEPENDENT AUDITOR'S REPORT

UNE Health Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Health Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

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

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

The Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

20 March 2015
SYDNEY

UNE Health Pty Ltd

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year ended 31 December 2014;
2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Professor Annabelle Duncan

18 March 2015

Statement of Profit or Loss

For the year ended 31 December 2014

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Revenue			
Transfer of net assets	2	237,535	-
Income	2	460	2,219
Total revenue		<u>237,995</u>	<u>2,219</u>
Expenses			
Employee related expenses	3	167,371	57,652
Other expenses	4	8,631	6,680
Total expenses		<u>176,002</u>	<u>64,332</u>
Result before income tax		<u>61,993</u>	<u>(62,113)</u>
Income tax expense	1(d)	-	-
Result attributable to UNE Health Pty Ltd	10	<u><u>61,993</u></u>	<u><u>(62,113)</u></u>

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

Statement of other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Surplus/(deficit) for the period		61,993	(62,113)
Other comprehensive income		-	-
Total comprehensive income for the period		<u><u>61,993</u></u>	<u><u>(62,113)</u></u>

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014	16-Nov-12 to 31-Dec-13
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	-	2,648
Other receivables	6	-	3
Total current assets		-	2,651
Total assets		-	2,651
LIABILITIES			
Current liabilities			
Trade and other payables		-	50,000
Loans	7	-	11,158
Other liabilities	8	-	3,486
Provision	9	-	
Total current liabilities		-	64,644
Total liabilities		-	64,644
Net assets		-	(61,993)
EQUITY			
Issued capital	10 (a)	120	120
Retained earnings	10 (b)	(120)	(62,113)
Total equity attributable to equity holders of the company		-	(61,993)

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

Statement of Changes in Equity

For the year ended 31 December 2014

	Issued Capital	Retained Earnings	Total
Balance at 16 November 2012			
Issued capital	120	-	120
Surplus for the year	-	(62,113)	(62,113)
Total comprehensive income	120	(62,113)	(61,993)
Balance at 31 December 2013	120	(62,113)	(61,993)
Balance at 1 January 2014	120	(62,113)	(61,993)
Surplus/(deficit) for the period		61,993	61,993
Total comprehensive income	-	61,993	61,993
Balance at 31 December 2014	120	(120)	-

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

Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014	16-Nov-12 to 31-Dec-13
		\$	\$
Cash flows from operating activities			
Receipts from customers		180	1,990
Interest received		280	229
Payments to suppliers and employees (inclusive of GST)		(176,695)	(49,750)
GST recovered/paid		36	59
Net cash provided by / (used in) operating activities	16	(176,199)	(47,472)
Cash flows from financing activities			
Cash transferred to UNE		(1,449)	-
Issued shares		-	120
Loan		175,000	50,000
Net cash provided by / (used in) financing activities		173,551	50,120
Net increase / (decrease) in cash and cash equivalents		(2,648)	2,648
Cash and cash equivalents at the beginning of the financial period		2,648	-
Cash and cash equivalents at the end of the financial period	5	-	2,648

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

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	189
	Income	
2	Income	192
	Expenses	
3	Employee related expenses	192
4	Other expenses	192
	Assets	
5	Cash and cash equivalents	192
6	Other receivables	192
	Liabilities	
7	Loan	192
8	Other Liabilities	192
9	Provision	192
	Equity	
10	Reserves and retained earnings	193
11	Key management personnel disclosures	193
12	Remuneration of auditors	194
13	Contingencies	194
14	Commitments	194
15	Related parties	194
16	Reconciliation of operating result after income tax to net cash flows from operating activities	195
17	Events subsequent to reporting period	195
18	Financial risk management	195

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Health Pty Ltd, a not for profit entity, was incorporated in Australia as a small proprietary company limited by shares on 16 November 2012 and is domiciled in Australia. The company was formerly known as UNE Physician Practice Management Company Pty Ltd. The change of name to UNE Health Pty Ltd was effective from 15 January 2014.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "*Consolidated and Separate Financial Statements*".

The principal address of UNE Health Pty Ltd is: University of New England, Armidale, NSW 2351, Australia.

The financial report for the year ended 31 December 2014 was authorised for issue on 18 March 2015. The company ceased operations on 23 December 2014.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

The Financial Report has been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The future primary sources of revenue for the entity will be private and bulk-bill consultation fees. At this early stage, the entity is reliant on the parent entity for current funding of expenditures.

Revenue for the current period is recognised as follows:

(i) Investment income

Interest income is recognised as it accrues.

(ii) Other revenue

Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(d) Income tax

UNE Health Pty Ltd was established solely for the public charitable purpose of exclusively providing funding to the University of New England for educational and research purposes. It is a not for profit entity and is not subject to income tax.

(e) Leases

The entity operated from an office on the University Premises and there is a free of charge leasing arrangements.

(f) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of one year 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(j) Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(k) Goods and Services Tax

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 acquiring the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(l) New accounting standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period.

The entity has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

(m) Going concern

These accounts have not been prepared as a going concern as UNE Health Pty Ltd ceased operations on 23 December 2014. All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment, between UNE Health Pty Ltd and the University of New England, and outstanding loan to UNE Health Pty Ltd was forgiven by the University of New England. UNE Health Pty Ltd was deregistered by ASIC on 24 February 2015.

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Note 2. Income			
Other income		180	1,990
Interest income		280	229
Contribution - University of New England *		237,535	-
Total income		<u>237,995</u>	<u>2,219</u>
* Represents forgiveness of debt from the University of New England to cover the net assets of the entity.			
Note 3. Employee related expenses			
Salaries		157,685	45,003
Contribution to funded superannuation		13,173	4,163
Annual leave		(3,486)	3,486
Relocation Fees		-	5,000
Total employee related expenses		<u>167,372</u>	<u>57,652</u>
Note 4. Other expenses			
Audit Fees		8,000	6,000
Agency services		481	620
Bank fees		150	60
Total other expenses		<u>8,631</u>	<u>6,680</u>
Note 5. Cash and cash equivalents	1(f)		
Cash at bank		-	2,648
Total cash and cash equivalents		<u>-</u>	<u>2,648</u>
Note 6. Other receivables	1(g)		
Other receivables		-	-
GST receivables		-	3
Total other receivables		<u>-</u>	<u>3</u>
Note 7. Loan			
Current			
Loan from the University of New England		-	50,000
Total loan		<u>-</u>	<u>50,000</u>
Note 8. Other Liabilities			
Current			
Accrued Liabilities			
Salary related		-	5,158
Other accrued expenditure		-	6,000
Total current other liabilities		<u>-</u>	<u>11,158</u>
Note 9. Provision			
Current			
Annual leave		-	3,486
Total provision		<u>-</u>	<u>3,486</u>

Notes

2014 **16-Nov-12**
 to
 31-Dec-13
\$ **\$**

Note 10. Reserves and retained earnings

(a) Issued Capital

120 ordinary shares @ \$1.00 each fully paid

120	120
-----	-----

(b) Retained earnings

Movements in retained earnings were as follows:

Retained earnings

(62,113)	-
----------	---

Net Operating Result for the period

61,993	(62,113)
--------	----------

Retained earnings at 31 December

(120)	(62,113)
-------	----------

Note 11. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Health Pty Ltd from the beginning of the period to the reporting date:

Directors

Robert Finch - term expired 19 December 2014

Rosemary Leitch - term expired 19 December 2014

Gae Raby - term expired 19 December 2014

James Treloar - term expired 19 December 2014

Chief Operating Officer

Roberto Rojas-Morales - term expired 16 December 2014

Company Secretary

JS Hempel - term expired 19 December 2014

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receive no benefits or fees for their services as Directors.

	2014	16-Nov-12 to 31-Dec-13
	No.	No.
Nil to \$9,999	4	4
	4	4

Aggregate Remuneration of Board Members

Total Aggregate Remuneration

\$	\$
-	-

Remuneration of executive officer

\$50,000 to \$59,999

\$160,000 to \$169,999

No.	No.
-	1
1	-
1	1

Aggregate Remuneration of executive officers

Total Aggregate Remuneration

\$	\$
167,371	57,652

Notes to the financial statements
31 December 2014
(continued)

2014	16-Nov-12 to 31-Dec-13
\$	\$

Note 12. Remuneration of auditors

During the period, the following fees were paid for services provided by the auditor of UNE Health Pty Ltd, its related practices and non-related audit firms:

Audit and review of the Financial Statements

Fees paid to The Audit Office of NSW:

Total remuneration for audit services

8,000	6,000
<u>8,000</u>	<u>6,000</u>

Note 13. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Health Pty Ltd had been identified.

Note 14. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2014.

(b) Lease Commitments

There were no lease commitments at 31 December 2014.

Note 15. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 11.

(d) Transactions with related parties

University of New England provided the UNE Health Pty Ltd with a range of administrative support services. These services have been provided at no charge to the Entity.

The value of these services has not been quantified or reported in the financial statements.

The following transactions occurred with related parties:

Transactions during the period

University of New England

Issued capital	-	120
Loan	175,000	50,000
Income received	237,535	-
Payments made	1,449	-

Outstanding balances

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

University of New England

Payables - Loan	175,000	50,000
-----------------	---------	--------

All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment, between UNE Health Pty Ltd and the University of New England, and outstanding loan to UNE Health Pty Ltd was forgiven by the University of New England.

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 16. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014	16-Nov-12 to 31-Dec-13
	\$	\$
Operating result for the period	61,993	(62,113)
Forgiveness of loan	(175,000)	-
Transfer of cash	1,449	-
Increase/(Decrease) in loan payable	(50,000)	-
Increase/(Decrease) in Payables and Prepaid Income	(14,644)	14,644
(Increase)/Decrease in Receivables and Prepaid Expenses	3	(3)
Net cash provided by / (used in) operating activities	(176,199)	(47,472)

Note 17. Events subsequent to reporting period

UNE Health Pty Ltd made application to ASIC to deregister on 24 December 2014. The company was deregistered on 24 February 2015.

Note 18. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	6	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days.
Financial Liabilities			
Creditors and Accruals	8	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms
Loan	7	Loan from Parent Entity are recognised at amounts to be paid under the terms of the loan agreement.	As per the terms of the loan agreement

(ii) Foreign exchange risk

As UNE Health Pty Ltd recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The economic entity has no direct exposure to cash flow and fair value interest rate risk as it currently does not invest in term deposits.

(v) Summarised sensitivity analysis

The table on the last page of the financial report summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party to a contract or financial position, failing to discharge a financial obligation thereunder. The Economic Entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, UNE Health Pty Ltd:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than their worth;
- may be unable to settle or recover a financial asset at all.

Notes to the financial statements
31 December 2014
(continued)

Financial risk management (continued)

The entity currently receives financial support from the University to ensure sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.00	-				-	-
Receivables						-	-
Total Financial Assets		-	-			-	0
Financial Liabilities							
Loan						-	-
Other liabilities						-	-
Total Financial Liabilities			-	-		-	-
Net Financial Assets(Liabilities)		-	-	-		-	-

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	2.25	2,648				-	2,648
Investments - Term Deposits			-				-
Receivables	-					3	3
Total Financial Assets		2,648	-			3	2,651
Financial Liabilities							
Loan	-					50,000	50,000
Other liabilities	-					14,644	14,644
Total Financial Liabilities			-	-		64,644	64,644
Net Financial Assets(Liabilities)		2,648	-	-		(64,641)	(61,993)

(d) Net Fair Values of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

Notes to the financial statements
23 December 2014
(continued)

Financial risk management (continued)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

23 December 2014	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Financial Assets	\$												
Cash and cash equivalents	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	-					-	-	-	-				
Total Financial Assets	-												
Financial Liabilities													
Payables	-												
Loan	-												
Other Amounts Owing	-												
Total Financial Liabilities	-												
Total increase/(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Financial Assets	\$												
Cash and cash equivalents	2,648	(26)	(26)	26	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	3					-	-	-	-				
Total Financial Assets	2,651												
Financial Liabilities													
Payables	-												
Loan	50,000												
Other Amounts Owing	14,644												
Total Financial Liabilities	64,644												
Total increase / (decrease)	(61,993)	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Life Pty Ltd



ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2014



INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Ltd

To Members of the New South Wales Parliament

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

Opinion

In my opinion, the financial statements:

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

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

The Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

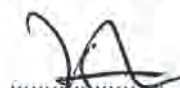
12 March 2015
SYDNEY

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

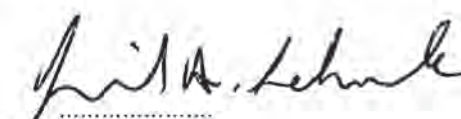
In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, Public Finance and Audit Regulations 2010;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Anita Taylor
Director



David Schmude
Director

10 March 2015

Statement of Profit or Loss For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations			
Trading income	2	4,099,140	4,135,731
Investment revenue	3	57,091	81,302
Other revenue	4	440,834	796,903
Total revenue from continuing operations		<u>4,597,065</u>	<u>5,013,936</u>
Expenses from continuing operations			
Employee related expenses	5	2,047,043	2,111,241
Depreciation and amortisation	6	109,070	191,022
Repairs and maintenance	7	122,470	104,008
Other expenses	8	3,109,494	2,723,165
Total expenses from continuing operations		<u>5,388,077</u>	<u>5,129,436</u>
Surplus or (deficit) attributable to the Entity	18	<u>(791,012)</u>	<u>(115,500)</u>

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

Statement of Other Comprehensive Income For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Surplus or (deficit) for the period		(791,012)	(115,500)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(791,012)</u>	<u>(115,500)</u>

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	1,610,182	1,853,795
Receivables	10	145,543	143,516
Inventories	11	231,781	220,305
Other assets	13	-	12,671
Total current assets		1,987,506	2,230,287
Non-current assets			
Other financial assets	12	500	500
Property, plant and equipment	14	422,274	926,090
Intangible assets	15	25,000	25,000
Total non-current assets		447,774	951,590
Total assets		2,435,280	3,181,877
LIABILITIES			
Current liabilities			
Trade and other payables	16	429,828	364,334
Provisions	17	98,520	123,719
Total current liabilities		528,348	488,053
Non-current liabilities			
Provisions	17	38,000	34,000
Total non-current liabilities		38,000	34,000
Total liabilities		566,348	522,053
Net assets		1,868,932	2,659,824
EQUITY			
Retained earnings	18	1,868,812	2,659,824
Share Capital	18	120	-
Total equity		1,868,932	2,659,824

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

Statement of Changes in Equity For the year ended 31 December 2014

	Shares	Retained Earnings	Total
Balance at 1 January 2013	-	2,775,324	2,775,324
Surplus / (Deficit)	-	(115,500)	(115,500)
Total comprehensive income	-	(115,500)	(115,500)
Balance at 31 December 2013	-	2,659,824	2,659,824
Balance at 1 January 2014	-	2,659,824	2,659,824
Surplus / (Deficit)	-	(791,012)	(791,012)
Issue of Share Capital	120	-	120
Total comprehensive income	120	(791,012)	(790,892)
Balance at 31 December 2014	120	1,868,812	1,868,932

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

Statement of Cash Flows For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		5,106,833	5,324,441
Interest received		57,091	81,302
Payments to suppliers and employees (inclusive of GST)		(5,353,218)	(5,300,854)
Interest and other costs of finance		-	(27,754)
Net cash provided by / (used in) operating activities	25	(189,294)	77,135
Cash flows from investing activities			
Payments for property, plant and equipment		(54,319)	(422,843)
Net cash provided by / (used in) investing activities		(54,319)	(422,843)
Net increase / (decrease) in cash and cash equivalents		(243,613)	(345,708)
Cash and cash equivalents at the beginning of the financial year		1,853,795	2,199,503
Cash and cash equivalents at the end of the financial year		1,610,182	1,853,795

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	207
	Income	
2	Trading income	211
3	Investment revenue and income	211
4	Other revenue	211
	Expenses	
5	Employee related expenses	211
6	Depreciation and amortisation	211
7	Repairs and maintenance	211
8	Other expenses	212
	Assets	
9	Cash and cash equivalents	212
10	Receivables	212
11	Inventories	213
12	Other financial assets	213
13	Other non-financial assets	213
14	Property, plant and equipment	213
15	Intangible assets	214
	Liabilities	
16	Trade and other payables	214
17	Provisions	214
	Equity	
18	Reserves and retained surplus	214
19	Economic Dependency	215
20	Key management personnel disclosures	215
21	Remuneration of auditors	215
22	Contingencies	215
23	Commitments	216
24	Related parties	217
25	Reconciliation of operating result after income tax to net cash flows from operating activities	217
26	Events subsequent to reporting period	218
27	Financial risk management	218
28	Fair value measurements	221

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Services UNE Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 14 July 1994 and is domiciled in Australia. On the 19th of December 2013, the University of New England, being the sole Member and owning 100% of the issued shares through a special resolution resolved that Services UNE Limited:

- changed from a public company limited by guarantee to a proprietary company limited by shares;
- changed its name to "Services UNE Pty Ltd"

On 19 August 2014, the company changed its name to UNE Life Pty Ltd.

The principal address of UNE Life Pty Ltd is:
Madgwick Hall, Union Road
University of New England, NSW 2351

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 *"Consolidated and Separate Financial Statements"*.

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution on 10 March 2015.

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

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010.

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Entity's functional and presentation currency.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of Goods

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

(ii) Rendering of services

Revenue from rendering of services is recognised when there is unlikely to be any further effort or contribution necessary by the Entity to fulfil the obligations of the sale and the transfer of risk and reward to the customer is complete.

(iii) Interest received

Interest income is recognised as it accrues.

(iv) Other revenue

Represents income from various activities derived from core business and other miscellaneous income which is recognised when it is earned.

(d) Income tax

UNE Life Pty Ltd has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

(f) Impairment of assets

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

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 8. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Stocks on hand are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A provision for stock write down has been created to cover possible non-realisation of cost price for some stock. The amount of the provision is recognised in the income statement.

Impairment

The Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(j) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of the items. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

In 2014, the entity adopted the University policy of capitalising plant and equipment with an initial purchase price of \$5,000 or greater. Therefore, the written down value of all plant and equipment in the asset register purchased for less than \$5,000 were expensed in 2014. By adopting this policy the 2014 accounts showed an additional one off expense of \$436,069.

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

Leasehold Improvements - 5 - 50 yrs,
Plant & Equipment - 2 - 10 yrs,
Motor Vehicle - 3 - 7 yrs,

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(k) Intangible assets

(i) Licences

Licences have an infinite useful life and are not amortised. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with note 1(f).

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating deficits.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and are recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and is measured at the rates paid or payable.

(ii) Annual leave and sick leave

Annual Leave is not expected to be settled within twelve months after the end of the annual reporting period in which employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(o) 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 acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(p) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(q) New accounting standards and interpretations issued but not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.

Notes to the financial statements
31 December 2014
(continued)

(r) Going Concern

The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

	Notes	2014 \$	2013 \$
Note 2. Trading income			
Sale of goods		3,823,054	3,870,893
Rendering of services		276,086	264,838
		<u>4,099,140</u>	<u>4,135,731</u>
Note 3. Investment revenue and income			
Interest		57,091	81,302
Total investment revenue		<u>57,091</u>	<u>81,302</u>
Note 4. Other revenue			
UNE Fees		223,855	335,000
UNE Student Services & Amenities Fees		26,738	240,587
Rent		104,149	159,823
Other revenue		86,092	61,493
		<u>440,834</u>	<u>796,903</u>
Note 5. Employee related expenses			
Salaries		1,778,453	1,799,246
Contribution to funded superannuation and pension schemes		170,460	187,750
Payroll tax		96,089	88,063
Worker's compensation		7,859	8,779
Annual & long service leave		(19,758)	20,237
Other (Allowances, penalties and fringe benefits tax)		13,940	7,166
Total employee related expenses		<u>2,047,043</u>	<u>2,111,241</u>
Note 6. Depreciation and amortisation			
Depreciation			
Plant and Equipment		35,234	91,582
Motor Vehicles		-	-
Total depreciation		<u>35,234</u>	<u>91,582</u>
Amortisation			
Leasehold improvements		73,836	99,440
Total amortisation		<u>73,836</u>	<u>99,440</u>
Total depreciation and amortisation		<u>109,070</u>	<u>191,022</u>
Note 7. Repairs and maintenance			
Plant/furniture/equipment		122,470	104,008
Total repairs and maintenance		<u>122,470</u>	<u>104,008</u>

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 8. Other expenses			
Cost of Goods Sold		1,777,272	1,785,675
Assets Written Off *		436,069	-
Advertising		30,447	31,592
Cleaning and materials		60,002	55,763
Computer Expenses		19,114	24,449
Insurance		6,281	23,154
Printing and Stationery		19,107	49,046
Minor Equipment Purchases		156,201	-
Security		32,757	37,880
Utilities		175,181	200,123
Rent		111,142	99,148
Subscriptions and Membership		32,135	36,483
Other Engagements		11,121	43,904
Other Programs and activities		4,095	115,705
Other Expenditure		238,570	220,243
Total other expenses		3,109,494	2,723,165

* During the 2014 year UNE Life undertook the application of the parent companies asset capitilisation policy

Note 9. Cash and cash equivalents	1(g)		
Cash on hand		15,510	18,310
Cash at bank at call		582,396	731,170
Term Investments		1,012,276	1,104,315
Total cash and cash equivalents		1,610,182	1,853,795

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:

Balances as above	1,610,182	1,853,795
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,610,182	1,853,795

(b) Cash on hand

These are non-interest bearing. 15,510 18,310

(c) Deposits at call

The deposits at call and at investment terms of less than 12 months are bearing floating and fixed interest rates between 2.5% and 3.5% (2013 - 2.5% and 3.9%). These deposits have an average maturity of 180 days.

Note 10. Receivables

Current

Trade and Other Debtors		145,543	143,516
Less: Provision for impaired receivables	1(h)	-	-
Total receivables		145,543	143,516

(a) Impaired receivables

As at 31 December 2014 current receivables of the entity with a nominal value of \$Nil (2013: \$Nil) were impaired. The amount of the provision was \$Nil (2013: \$Nil).

As of 31 December 2014, trade receivables of \$145,543 (2013: \$32,134) were past due but not impaired. These relate to a number of related and independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	11,873	20,648
Over 6 months	-	11,486
	11,873	32,134

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Receivables (Continued)			
The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.			
The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.			
Note 11. Inventories	1(i)		
Current			
Stock on hand		231,781	220,305
Total current inventories		<u>231,781</u>	<u>220,305</u>
Note 12. Other financial assets			
Non-current			
Available for sale		500	500
Total non-current other financial assets		<u>500</u>	<u>500</u>
Note 13. Other non-financial assets			
Current			
Prepaid Expenses		-	12,671
Total current other non-financial assets		<u>-</u>	<u>12,671</u>
Note 14. Property, plant and equipment			
Plant and equipment - At cost		312,857	1,429,402
Less: Accumulated depreciation		(180,886)	(957,170)
		<u>131,971</u>	<u>472,232</u>
Motor Vehicles – At cost		35,278	35,278
Less: Accumulated depreciation		(35,278)	(35,278)
		<u>-</u>	<u>-</u>
Leasehold improvements - At cost		663,583	637,123
Less: Accumulated depreciation		(373,280)	(277,803)
		<u>290,303</u>	<u>359,320</u>
Work in progress - At cost		-	94,538
		<u>-</u>	<u>94,538</u>
Total Property Plant & Equipment		<u>422,274</u>	<u>926,090</u>
Reconciliation			
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
Plant and Equipment			
Carrying amount at beginning of year		472,232	173,941
Additions		54,319	389,873
Disposals		(359,346)	-
Depreciation		(35,234)	(91,582)
Carrying amount at end of year		<u>131,971</u>	<u>472,232</u>

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Property, plant and equipment (continued)			
Leasehold improvements			
Carrying amount at beginning of year		359,320	437,112
Additions		-	32,970
Reclassifications		81,542	-
Disposals		(76,723)	(11,322)
Depreciation		(73,836)	(99,440)
Carrying amount at end of year		290,303	359,320
Note 15. Intangible assets			
	1(k)		
Australia Post Licence – At cost		25,000	25,000
Note 16. Trade and other payables			
Current			
Trade Payables		429,828	269,796
Other Payables		-	94,538
Total current trade and other payables		429,828	364,334
Note 17. Provisions			
	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		66,520	90,719
Long service leave		7,000	-
Subtotal		73,520	90,719
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Long service leave		25,000	33,000
Subtotal		25,000	33,000
Total Current Provision		98,520	123,719
Non-current provisions			
Employee benefits			
Long service leave		38,000	34,000
Total non-current provision		38,000	34,000
Total provisions		136,520	157,719
Note 18. Retained Earnings & Share Capital			
Retained earnings			
Movements in retained surplus were as follows:			
Retained earnings at 1 January		2,659,824	2,775,324
Operating surplus / (deficit) for the year		(791,012)	(115,500)
Retained earnings at 31 December		1,868,812	2,659,824
Share Capital			
Share Capital held - 120 at \$1 owned by the University of New England		120	-

Note 19. Economic Dependency

Under the present structure the company is dependent upon the continued support of the University of New England.

Note 20. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers for all or part of the year to the reporting dates:

Directors

Bruce Pain (appointed 12th May 2014)
David Schmude (appointed 6th May 2014)
Anita Taylor (appointed 7th May 2014)

The following persons resigned from the board during the year:

Mr David Cushway (removed 6th may 2014)

Executive Officers

David Schmude - Managing Director and Company Secretary
Mr David Schmude's role also incorporates the role of Managing Director of Sport UNE Pty Ltd. His remuneration is met by Sport Une Pty Ltd.
Simon Paul - Director of Finance & Administration (resigned 17th September 2014)

(b) Remuneration of Board Members and Executives

The Directors of the company act in an honorary capacity and receive no benefits or fees for their services as Directors. Any benefits and remunerations are received in their capacity as employees of the University of New England or UNE Life Pty Ltd in the case of the Executive Officer.

Remuneration of Board Members

	2014	2013
	No.	No.
Nil to \$9,999	3	5

	\$'000	\$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-

Remuneration of executive officers	No.	No.
\$140,000 to \$149,999	-	1
\$150,000 to \$159,999	-	-
\$160,000 to \$169,999	-	-
\$170,000 to \$179,999	-	-
\$180,000 to \$189,999*	1	-
	1	-

*The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows includes redundancy payment to Mr Simon Paul:

	\$	\$
Key Management Personnel Compensation	184,692	149,516

Note 21. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the company, its related practices and non-related audit firms:

Audit and review of the Financial Statements

Fees paid to The Audit Office of NSW:	24,900	24,835
Total remuneration for audit services	24,900	24,835

Note 22. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Life Pty Ltd had been identified. A Bank Guarantee from the National Australia Bank for \$20,000 in favour of Road Show Film Distributor in place through into 2014 has been lifted.

2014	2013
\$	\$

Note 23. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2014 of \$0 (2013: \$6,000).

(b) Lease Commitments

(i) Operating Leases

Within one year	112,438	113,974
Between one and five years	449,712	19,033
GST Recoverable	(51,105)	(12,092)
Later than five years	-	-
Total operating leases	511,046	120,915

On 3 February 2015 the company exercised an option over the lease of the cinema for a further five years. The operating lease commitments associated with this option have been included above.

(ii) Finance Leases

There were no commitments for Finance Leases at 31 December 2014, (2013: Nil).

Total commitments	511,046	120,915
-------------------	----------------	----------------

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under workplace agreements.

Note 24. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 20.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2014 \$	2013 \$
<i>Transactions during the period</i>		
University of New England		
UNE - Commercial transactions	150,799	378,500
UNE Support	250,593	576,010
Payments made	(264,290)	(223,532)
Net	137,102	730,978
With other related parties		
Income received	19,892	48,030
Payments made	10,000	10,000
Net	29,892	58,030

Outstanding balances

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

University of New England		
Receivables	82,978	43,762
Payables	(164,050)	(345)
With other related parties		
Receivables	4,303	-
Payables	(550)	-

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 25. Reconciliation of operating result after income tax to net cash flows from operating activities

Operating surplus / (deficit) for the period	(791,012)	(115,500)
Depreciation and amortisation	109,070	191,022
Assets written off	436,069	
Provision for impaired receivables and inventory	-	(3,989)
Net (gain) / loss on sale of non-current assets	-	11,322
Increase/(Decrease) in Payables and Prepaid Income	65,939	16,968
Increase/(Decrease) in Provision for Employee Entitlements	(21,199)	24,529
(Increase)/Decrease in Receivables and Prepaid Expenses	23,315	(74,462)
(Increase)/Decrease in Inventories	(11,476)	27,245
Net cash provided by / (used in) operating activities	(189,294)	77,135

Note 26. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 27. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables (Excludes statutory receivables and prepayments)	11	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	10	Deposits at Call are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.5% and 3.5%. Average maturity of 180 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2014.	
Creditors and Accruals (Excludes statutory payables and unearned revenue)	17	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

The entity recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(ii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the entity invests in a diverse range of financial instruments with varying degrees of potential returns.

(v) Summarised sensitivity analysis

The table on the last page summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation there under. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity:

- will not have sufficient funds to settle a transaction on the due date

Notes to the financial statements
31 December 2014
(continued)

Financial risk management (continued)

- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The Board monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.50%	582,396				15,510	597,906
Investments-Term Deposits	3.50%		1,012,276				1,012,276
Receivables & other non-financial assets						145,543	145,543
Unlisted shares						500	500
Total Financial Assets		582,396	1,012,276			161,553	1,756,225
Financial Liabilities							
Borrowings			-	-			-
Payables						429,828	429,828
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		429,828	429,828
Net Financial Assets(Liabilities)		582,396	1,012,276	-		(268,275)	1,326,397

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	3.50%	731,170				18,310	749,480
Investments - Term Deposits	3.70%		1,104,315				1,104,315
Receivables						143,516	143,516
Unlisted shares						500	500
Total Financial Assets		731,170	1,104,315			162,326	1,997,811
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					364,334	364,334
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		364,334	364,334
Net Financial Assets(Liabilities)		731,170	1,104,315	-		(202,008)	1,633,477

Notes to the financial statements
31 December 2014
(continued)

Financial risk management (continued)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk.

31 December 2014	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	597,906	(5,979)	(5,979)	5,979	5,979
Investments-Term Deposits	1,012,276	(10,123)	(10,123)	10,123	10,123
Receivables	145,543				
Listed Shares	500				
Total Financial Assets	1,756,225				
Financial Liabilities					
Borrowings	-				
Payables	429,828				
Other Amounts Owing	-				
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,326,397	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	749,480	(7,495)	(7,495)	7,495	7,495
Investments - Term Deposits	1,104,315	(11,043)	(11,043)	11,043	11,043
Receivables	143,516				
Listed Shares	500				
Total Financial Assets	1,997,811				
Financial Liabilities					
Borrowings	-	-		-	-
Creditors	364,334				
Other Amounts Owing	-				
Total Financial Liabilities	364,334				
Total increase / (decrease)	1,633,477	-	-	-	-

Notes to the financial statements
31 December 2014
(continued)

Note 28 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

The entity categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history, it is expected that the receivables that are neither past due nor impaired will be received when due.

The entity holds 500 shares in the Tertiary Access Group Cooperative. These unlisted shares are valued at \$500. The shares are classified as Level 3 as the shares are not traded on an active market and there is no observable market data for them.

The carrying amounts of financial assets and liabilities at approximate fair value:

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,610,183	1,853,795	1,610,183	1,853,795
Receivables	145,543	143,516	145,543	143,516
Other financial assets	500	500	500	500
Total financial assets	1,756,226	1,997,811	1,756,226	1,997,811
Financial liabilities				
Payables	429,828	364,334	429,828	364,334
Total financial liabilities	429,828	364,334	429,828	364,334

End of Audited Financial Statements

UNE Open Pty Ltd



ABN: 92 161 263 430
Annual Financial Report
for the year ended
31 December 2014



INDEPENDENT AUDITOR'S REPORT

uneOpen Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of uneOpen Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

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

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

The Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

20 March 2015
SYDNEY

UNE Open Pty Limited

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year ended 31 December 2014;
2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due noting the factors outlined in Note 1(l) to the financial statements.

Signed in accordance with a resolution of the Directors.



Professor Annabelle Duncan

18 March 2015

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Revenue			
Transfer of net assets	2	231,717	-
Income	2	1,314	644
Total revenue		<u>233,031</u>	<u>644</u>
Expenses			
Other expenses	3	284,118	49,677
Total expenses		<u>284,118</u>	<u>49,677</u>
Surplus/(deficit) before income tax		<u>(51,087)</u>	<u>(49,033)</u>
Income tax expense	1(d)	-	-
Surplus/(deficit) attributable to UNE Open Pty Limited	8 (b)	<u>(51,087)</u>	<u>(49,033)</u>

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

Statement of other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Surplus/(deficit) for the period		(51,087)	(49,033)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(51,087)</u>	<u>(49,033)</u>

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014	16-Nov-12 to 31-Dec-13
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	-	84,990
Other receivables	5	-	462
Total current assets		-	85,452
Total assets		-	85,452
LIABILITIES			
Current liabilities			
Trade and other payables	6	-	17,703
Other liabilities	7	-	16,662
Total current liabilities		-	34,365
Total liabilities		-	34,365
Net assets		-	51,087
EQUITY			
Issued capital	8 (a)	100,120	100,120
Retained earnings	8 (b)	(100,120)	(49,033)
Total equity attributable to equity holders of the company		-	51,087

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

Statement of Changes in Equity

For the year ended 31 December 2014

	Issued Capital	Retained Earnings	Total
Balance at 16 November 2012			
Issued capital	100,120	-	100,120
Surplus/(deficit) for the period	-	(49,033)	(49,033)
Total comprehensive income	100,120	(49,033)	51,087
Balance at 31 December 2013	100,120	(49,033)	51,087
Balance at 1 January 2014	100,120	(49,033)	51,087
Issued capital	-	-	-
Surplus/(deficit) for the period	-	(51,087)	(51,087)
Total comprehensive income	-	(51,087)	(51,087)
Balance at 31 December 2014	100,120	(100,120)	-

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

Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Cash flows from operating activities			
Receipts from customers		990	495
Interest received		1,314	644
Payments to suppliers (inclusive of GST)		(14,779)	(17,063)
GST recovered/paid		690	914
Net cash provided by / (used in) operating activities	14	(11,785)	(15,010)
Cash flows from financing activities			
Cash transferred to UNE		(73,325)	-
Issued capital		120	100,000
Loan		-	5,000
Repayment of loan		-	(5,000)
Net cash provided by / (used in) financing activities		(73,205)	100,000
Net increase / (decrease) in cash and cash equivalents		(84,990)	84,990
Cash and cash equivalents at the beginning of the financial period		84,990	-
Cash and cash equivalents at the end of the financial period	4	-	84,990

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

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	231
	Income	
2	Income	233
	Expenses	
3	Other expenses	233
	Assets	
4	Cash and cash equivalents	233
5	Other receivables	233
	Liabilities	
6	Trade and other payables	233
7	Other Liabilities	233
	Equity	
8	Reserves and retained earnings	234
9	Key management personnel disclosures	234
10	Remuneration of auditors	234
11	Contingencies	235
12	Commitments	235
13	Related parties	235
14	Reconciliation of operating result after income tax to net cash flows from operating activities	236
15	Events subsequent to reporting period	236
16	Financial risk management	236

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Open Pty Limited, a not for profit entity, was incorporated in Australia as a small proprietary company limited by shares on 16 November 2012 and is domiciled in Australia.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 *"Consolidated and Separate Financial Statements"*.

The principal address of UNE Open Pty Limited is: University of New England, Armidale, NSW 2351, Australia.

The financial report for the year ended 31 December 2014 was authorised for issue on 18 March 2015. The company ceased operations on 18 November 2014.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

The Financial Report has been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

(i) Premium services

UNE Open Pty Limited offered a range of premium services alongside the free subject content enabling a student to connect with academic and teaching staff when they need to.

(ii) Investment income

Interest income is recognised as it accrues.

(iii) Other revenue

Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(d) Income tax

Item 15.2 of UNE Open Pty Limited's constitution states that it is a not for profit entity and as such, is not subject to income tax.

(e) Leases

The entity operated from an office on the University Premises with a free of charge leasing arrangements.

(f) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of one year 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Goods and Services Tax

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 acquiring the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(j) Employee benefits

The University of New England provided and paid for all administrative support for the entity. Some of the directors were remunerated by the entity for their role as directors of the entity.

(k) New accounting standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period.

The entity has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

(l) Going concern

These accounts have not been prepared as a going concern as UNE Open Pty Ltd ceased operations on 18 November 2014. All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment, between UNE Open Pty Ltd and the University of New England, and outstanding loan to UNE Open Pty Ltd was forgiven by the University of New England. UNE Open Pty Ltd has lodged a request to voluntary deregister the company with ASIC.

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Note 2. Income			
Other income		-	-
Interest income		1,314	644
Contribution - University of New England *		231,717	-
Total income		233,031	644
*Amount represents costs to UNE Open met by the University of New England and brought to account on the close of business on 18 November 2014.			
Note 3. Other expenses			
Personnel services		245,449	-
Travel - Local		1,698	-
Travel - Overseas		2,190	-
Accommodation - Overseas		4,507	-
Advertising		1,754	-
Computer equipment		66	-
Telephone		644	-
Stationery		27	-
Entertainment		22	-
Membership subscription		23	-
Directors fees and other related costs		21,831	42,897
Audit fees		5,000	6,000
ASIC fees		236	299
Bank fees		670	481
Total other expenses		284,117	49,677
Note 4. Cash and cash equivalents	1(f)		
Cash at bank		-	84,990
Total cash and cash equivalents		-	84,990
Note 5. Other receivables	1(g)		
Other receivables		-	462
Total other receivables		-	462
Note 6. Trade and other payables			
Current			
Trade payables		-	17,703
Total current trade and other payables		-	17,703
Note 7. Other Liabilities			
Current			
Accrued Liabilities			
Other accrued expenditure		-	16,662
Total current other liabilities		-	16,662

	Notes	2014 \$	16-Nov-12 to 31-Dec-13 \$
Note 8. Reserves and retained earnings			
(a) Issued Capital			
100,120 ordinary shares @ \$1.00 each fully paid		100,120	100,120
(b) Retained earnings			
Movements in retained earnings were as follows:			
Retained earnings		(49,033)	-
Net Operating Result for the period		(51,087)	(49,033)
Retained earnings at end of the period		(100,120)	(49,033)
Note 9. Key management personnel disclosures			
(a) Names of responsible persons			
<p>The following persons were responsible persons and executive officers of UNE Open Pty Limited from 1 January 2014 to the reporting date:</p> <p>Directors Annabelle Duncan - Chair - term expired 18 November 2014 James Harris - term expired 18 November 2014 Janette McClelland - term expired 18 November 2014</p> <p>Executive Officer James Bell - resigned 18 August 2014</p> <p>Company Secretary Anita Taylor - term expired 18 November 2014</p>			
(b) Remuneration of Board Members and Executives			
Remuneration of Board Members			
Some of the Directors of the company were paid fees for their services as Directors.			
\$1.00 to \$60,999		2	4
		2	4
Aggregate Remuneration of Board Members		\$	\$
Total Aggregate Remuneration		21,831	42,897
Note 10. Remuneration of auditors			
During the year, the following fees were paid for services provided by the auditor of UNE Open Pty Limited, its related practices and non-related audit firms:			
Audit and review of the Financial Statements			
Fees paid to The Audit Office of NSW:		8,000	6,000
Total remuneration for audit services		8,000	6,000

Note 11. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Open Pty Limited had been identified.

Note 12. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2014, (2013: Nil).

(b) Lease Commitments

There were no lease commitments at 31 December 2014, (2013: Nil).

Note 13. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 9.

(d) Transactions with related parties

University of New England provided the Entity with a range of administrative support services. These services have been provided at no charge to the Entity. The University also absorbed all start-up costs of UNE Open Pty Ltd.

The value of these services has not been quantified or reported in the financial statements.

The following transactions occurred with related parties:

	2014	2013
	\$	\$
<i>Transactions during the period</i>		
University of New England		
Purchase of issued capital	-	100,120
Loan received	-	5,000
Payments made	73,325	5,000
Income received	231,717	-
Net	<u>158,392</u>	<u>100,120</u>

Outstanding balances

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

University of New England

Payables - -

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 14. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014	16-Nov-12 to 31-Dec-13
	\$	\$
Operating result for the period	(51,087)	(49,033)
Transferred to UNE	73,205	-
Increase/(Decrease) in Payables and Prepaid Income	(34,365)	34,365
(Increase)/Decrease in Receivables and Prepaid Expenses	462	(342)
Net cash provided by / (used in) operating activities	(11,785)	(15,010)

Note 15. Events subsequent to reporting period

UNE Open Pty Ltd made application to the Australian Securities and Investment Commission (ASIC) to deregister on 18 November 2014. The notice of the proposed deregistration of the entity was published by ASIC on 13 February 2015. There are no reportable events occurring after reporting date and cessation of operations.

Note 16. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	5	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days; some clients can establish instalment plans spanning 10 months.
Financial Liabilities			
Creditors and Accruals	6 & 7	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

As UNE Open Pty Limited recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The economic entity has no direct exposure to cash flow and fair value interest rate risk as it currently does not invest in term deposits.

(v) Summarised sensitivity analysis

The table on the last page of the financial report summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party to a contract or financial position, failing to discharge a financial obligation thereunder. The Economic Entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, UNE Open Pty Limited:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than their worth;
- may be unable to settle or recover a financial asset at all.

Financial risk management (continued)

The entity currently receives financial support from the University to ensure sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.00	-				-	-
Receivables						-	-
Total Financial Assets		-	-			-	-
Financial Liabilities							
Payables						-	-
Total Financial Liabilities			-	-		-	-
Net Financial Assets(Liabilities)		-	-	-		-	-

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	2.25	84,990				-	84,990
Investments - Term Deposits			-				-
Receivables	-					-	-
Total Financial Assets		84,990	-			-	84,990
Financial Liabilities							
Payables	-					17,703	17,703
Total Financial Liabilities			-	-		17,703	17,703
Net Financial Assets(Liabilities)		84,990	-	-		(17,703)	67,287

(d) Net Fair Values of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

Financial risk management (continued)
Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

18 November 2014	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%			+1%			-10%			+10%			-1%			+1%		
		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity	
Financial Assets																			
Cash and cash equivalents																			
Receivables																			
Total Financial Assets																			
Financial Liabilities																			
Payables																			
Total Financial Liabilities																			
Total increase/(decrease)																			

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%			+1%			-10%			+10%			-1%			+1%		
		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity		Result	Equity	
Financial Assets																			
Cash and cash equivalents																			
Investments - Term Deposits																			
Receivables																			
Total Financial Assets																			
Financial Liabilities																			
Payables																			
Total Financial Liabilities																			
Total increase / (decrease)																			

END OF AUDITED FINANCIAL STATEMENTS

**UNE Partnerships
Pty Ltd**



**ABN: 74 003 099 125
Annual Financial Report
for the year ended
31 December 2014**



INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Partnerships Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit and loss, the statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity's declaration.

Opinion

In my opinion, the financial statements:

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

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

The Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Karen Taylor
Director, Financial Audit Services

16 March 2015
SYDNEY

UNE Partnerships Pty Limited

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2014 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Dr James HARRIS
Director



Mr Shaun McDONAGH
Director

10th March 2015

Statement of Profit or Loss

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations			
Sales revenue	2	5,219,576	5,217,660
Investment revenue	3	73,185	108,682
Total revenue from continuing operations		<u>5,292,761</u>	<u>5,326,342</u>
Expenses from continuing operations			
Employee related expenses	4	2,879,058	3,109,410
Depreciation and amortisation	5	248,207	254,228
Impairment of assets	6	223,462	8,399
Marketing and promotion		128,042	348,142
Travel and accommodation		237,385	292,135
Scholarships		-	208,992
Course delivery expenses		1,606,408	1,570,186
Other expenses	7	778,194	463,454
Total expenses from continuing operations		<u>6,100,756</u>	<u>6,254,946</u>
Surplus or (deficit) attributable to UNE Partnerships Pty Limited	17(b)	<u>(807,995)</u>	<u>(928,604)</u>

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

Statement of Other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Surplus or (deficit) for the period		(807,995)	(928,604)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(807,995)</u>	<u>(928,604)</u>

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,573,480	1,836,900
Receivables	9	513,572	573,764
Inventories	10	14,746	36,715
Other non-financial assets	11	82,933	61,846
Total current assets		2,184,731	2,509,225
Non-current assets			
Plant and equipment	12	65,945	90,181
Intangible assets	13	678,384	1,014,667
Total non-current assets		744,329	1,104,848
Total assets		2,929,060	3,614,073
LIABILITIES			
Current liabilities			
Trade and other payables	14	150,681	60,265
Provisions	15	330,366	396,452
Other liabilities	16	809,592	695,940
Total current liabilities		1,290,639	1,152,657
Non-current liabilities			
Provisions	15	69,000	84,000
Total non-current liabilities		69,000	84,000
Total liabilities		1,359,639	1,236,657
Net assets		1,569,421	2,377,416
EQUITY			
Issued capital	17(a)	1,198,937	1,198,937
Retained earnings	17(b)	370,484	1,178,479
Total equity attributable to equity holders of the company		1,569,421	2,377,416
Total equity		1,569,421	2,377,416

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

Statement of Changes in Equity
For the year ended 31 December 2014

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2013	\$1,198,937	\$2,107,083	\$3,306,020
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	(\$928,604)	(\$928,604)
Total comprehensive income	-	(\$928,604)	(\$928,604)
Balance at 31 December 2013	\$1,198,937	\$1,178,479	\$2,377,416
Balance at 1 January 2014	\$1,198,937	\$1,178,479	\$2,377,416
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	(\$807,995)	(\$807,995)
Total comprehensive income	-	(\$807,995)	(\$807,995)
Balance at 31 December 2014	\$1,198,937	\$370,484	\$1,569,421

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

Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from student fees and other customers		5,482,083	5,253,281
Interest received		63,327	136,869
Payments to suppliers and employees		(5,741,271)	(6,412,064)
GST recovered/paid		42,438	64,495
Net cash provided by / (used in) operating activities	23	<u>(153,423)</u>	<u>(957,419)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(18,564)	(136,165)
Net cash outflow for intangibles purchased		(91,433)	(200,000)
Net cash provided by / (used in) investing activities		<u>(109,997)</u>	<u>(336,165)</u>
Net cash provided by / (used in) financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		(263,420)	(1,293,584)
Cash and cash equivalents at the beginning of the financial year		<u>1,836,900</u>	<u>3,130,484</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>1,573,480</u></u>	<u><u>1,836,900</u></u>

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

Contents of the notes to the financial statements

	Page
1 Summary of significant accounting policies	248
Income	
2 Sales revenue	252
3 Investment revenue	252
Expenses	
4 Employee related expenses	252
5 Depreciation and amortisation	252
6 Impairment of assets	252
7 Other expenses	252
Assets	
8 Cash and cash equivalents	253
9 Receivables	253
10 Inventories	254
11 Other non-financial assets	254
12 Plant and equipment	254
13 Intangible assets	255
Liabilities	
14 Trade and other payables	255
15 Provisions	256
16 Other Liabilities	256
Equity	
17 Reserves and retained earnings	256
18 Key management personnel disclosures	257
19 Remuneration of auditors	258
20 Contingencies	258
21 Commitments	258
22 Related parties	259
23 Reconciliation of operating result after income tax to net cash flows from operating activities	260
24 Events subsequent to reporting period	260
25 Financial risk management	260

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Partnerships Pty Limited, a not for profit entity, was incorporated in Australia as a company limited by shares on 15 May 1986 and is domiciled in Australia.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "*Consolidated and Separate Financial Statements*".

The principal address of UNE Partnerships Pty Limited is: 122-132 Mossman St, Armidale, NSW.

The financial statement for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board on 10th March 2015.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The Financial Statements are general purpose financial statements, prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

The Financial Statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Education services: fee paying students

Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method described in AASB 118 - Revenue. At year-end a reliable estimate is made of the future costs to be incurred in the remainder of each student's enrolment term as the indicator of 'Percent Completion'. A corresponding proportion of enrolment fees is transferred to the liability 'Income received in advance'.

(ii) Education services: government funded students

Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(iii) Workshops, Consultancy, Product Sales and Annual enrolment and administration fees

Revenue is recognised as income in the year when the relevant fee becomes payable.

(iv) Interest income

Interest income is recognised as it accrues.

Revenue recognition (continued)

(d) Income tax

UNE Partnerships Pty Limited has been granted exemption from paying tax under the provisions of Subdivision 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

(f) Impairment of assets

Intangible assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Intangible assets with a definite useful life (e.g. contracts transferred during an acquisition) are subject to individual amortisation on a straight line basis over the known life of the contract.

Other assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of one year 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under Note 6. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and current replacement cost. Cost comprises direct materials and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory 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 of completion and the estimated costs necessary to make the sale.

Notes to the financial statements
31 December 2014
(continued)

(j) Plant and equipment

Other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Furniture and Fittings: 3 - 11 yrs
Computing Equipment / Software: 2 - 5 yrs
Intangibles: 3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(k) Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Expenditures on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

(ii) Licences

Licences have an infinite useful life and are not amortised. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with note 1(f).

(iii) Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Annual leave and sick leave

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Annual leave is not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is measured at nominal value which is not materially different to present value.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) Goods and Services Tax

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 acquiring the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(p) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(q) New accounting standards and interpretations not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 2.	Sales revenue		
	Education services (fee paying and government funded)	3,635,662	3,256,520
	Workshops	816,646	1,239,214
	Consultancy	755,665	703,196
	Product sales	11,603	18,730
	Total sales revenue	5,219,576	5,217,660
Note 3.	Investment revenue		
	Interest	73,185	108,682
	Total investment revenue	73,185	108,682
Note 4.	Employee related expenses		
	Salaries	2,187,000	2,410,437
	Contribution to funded superannuation and pension schemes	216,106	235,092
	Payroll tax	142,332	154,766
	Worker's compensation	5,220	13,127
	Long service leave expense	78,490	13,685
	Annual leave	246,457	272,002
	Other (Allowances, penalties and fringe benefits tax)	3,453	10,301
	Total employee related expenses	2,879,058	3,109,410
Note 5.	Depreciation and amortisation		
	Depreciation		
	Furniture and Fittings	19,207	13,168
	Computer Equipment	25,235	31,747
	Total depreciation	44,442	44,915
	Amortisation		
	Intellectual property and courseware	110,377	96,907
	Contracts acquired in acquisition	93,388	112,406
	Total amortisation	203,765	209,313
	Total depreciation and amortisation	248,207	254,228
Note 6.	Impairment of assets		
	Bad Debts	1,155	8,399
	Movement in provision for doubtful debts	(436)	-
	Impairment of assets	222,307	-
	Total impairment of assets	223,026	8,399
Note 7.	Other expenses		
	Non-capitalised equipment	16,046	25,663
	Utilities	118,526	116,825
	Inventory Used	17,128	18,903
	Postal and Telecommunications	46,882	54,185
	Books, Serials and Other Library Media	58,721	20,166
	Consultants and authors' fees	436,770	136,427
	Catering Services	67,083	76,592
	Interest Expense	-	6,150
	Repairs & maintenance - plant/furniture/equipment	2,678	2,407
	Other Expenditure	14,359	6,136
	Total other expenses	778,193	463,454

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 8. Cash and cash equivalents	1(g)		
Cash on hand		900	900
Cash at bank		97,580	486,438
At call investments		1,475,000	1,349,562
Total cash and cash equivalents		1,573,480	1,836,900

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:

Balances as above	1,573,480	1,836,900
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,573,480	1,836,900

(b) Cash at bank and on hand

Cash at bank (credit funds) is interest-generating; cash on hand is non interest-bearing.

(c) Deposits at call

The deposits are bearing floating interest rates between 3.5% and 4.0% (2013 - 3.5% and 4.0%). These deposits have an average maturity of 90 days.

Note 9. Receivables

Current

Trade and Other Debtors	517,477	578,104
Less: Provision for impaired receivables	(3,904)	(4,340)
Total receivables	513,573	573,764

(a) Impaired receivables

As at 31 December 2014 current receivables of the entity with a nominal value of \$5,364 (2013: \$7,630) were impaired. The amount of the provision was \$3,904 (2013: \$4,340). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

3 to 6 months	3,650	3,030
Over 6 months	1,714	4,600
	5,364	7,630

As of 31 December 2014, trade receivables of \$25,299 (2013: \$169,696) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	211	111,213
Over 6 months	25,088	58,483
	25,299	169,696

Movements in the provision for impaired receivables are as follows:

As at 1 January	4,340	19,126
Provision for impairment recognised during the year	719	8,399
Receivables written off during the year as uncollectible	(1,155)	(23,185)
As at 31 December	3,904	4,340

The creation and release of the provision for impaired receivables has been included in 'Impairment of assets' in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 10. Inventories			
Current	1(i)		
Stock of course materials		14,746	36,715
Total current inventories		<u>14,746</u>	<u>36,715</u>
Note 11. Other non-financial assets			
Current			
Accrued Income		32,848	24,118
Prepaid Expenses		50,085	37,728
Total current other non-financial assets		<u>82,933</u>	<u>61,846</u>
Note 12. Plant and equipment:			
Plant and equipment:			
At cost		45,209	45,209
Accumulated depreciation		(40,039)	(38,823)
		<u>5,170</u>	<u>6,386</u>
Computer cost			
At cost		229,531	221,371
Accumulated depreciation		(178,337)	(160,268)
		<u>51,194</u>	<u>61,103</u>
Leasehold Improvements			
At cost		122,701	122,701
Accumulated depreciation		(113,120)	(100,009)
		<u>9,581</u>	<u>22,692</u>
Total Plant and Equipment		<u>65,945</u>	<u>90,181</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment beginning and the end of the current financial year:

	Plant & Equip	Computer Equip	Leasehold Improv.	Total
Balance at 1 January 2013	7,581	73,195	27,183	107,959
Additions	-	19,655	7,482	27,137
Depreciation expense	(1,195)	(31,747)	(11,973)	(44,915)
Derecognition	-	(10,575)	-	(10,575)
Depreciation written back on disposal	-	10,575	-	10,575
Balance at 31 December 2013	<u>6,386</u>	<u>61,103</u>	<u>22,692</u>	<u>90,181</u>
Balance 1 January 2014	6,386	61,103	22,692	90,181
Additions	-	20,206	-	20,206
Depreciation expense	(1,216)	(30,115)	(13,111)	(44,442)
Derecognition	-	(12,047)	-	(12,047)
Depreciation written back on disposal	-	12,047	-	12,047
Carrying amount at 31 December 2014	<u>5,170</u>	<u>51,194</u>	<u>9,581</u>	<u>65,945</u>

	Notes	2014 \$	2013 \$
Note 13. Intangible assets			
Course Development Expenses			
Cost		479,097	525,578
Accumulated amortisation		(277,735)	(303,628)
Net carrying value		<u>201,362</u>	<u>221,950</u>
Reconciliation of course development expenses			
Balance at the beginning of year		221,950	209,829
Additions		92,476	109,028
Eliminations		(2,687)	-
Amortisation charge		(110,377)	(96,907)
Closing carrying value at 31 December		<u>201,362</u>	<u>221,950</u>
Acquisition Expenses			
Goodwill at cost (incl contingent portion)		584,504	584,504
Accumulated impairment losses		(222,307)	-
Value of contracts and client relationships, at cost		684,575	684,575
Accumulated amortisation		(569,750)	(476,362)
Net carrying value		<u>477,022</u>	<u>792,717</u>
Reconciliation of acquisition outlays			
Balance as at the beginning of year		792,717	905,123
Impairment charge		(222,307)	-
Amortisation charge		(93,388)	(112,406)
Closing carrying value at 31 December		<u>477,022</u>	<u>792,717</u>
Total net carrying value		<u>678,384</u>	<u>1,014,667</u>

A material impairment loss was recognised in 2014 for goodwill acquired in the purchase of Contracting and Tendering Services in July 2012. The indicators of loss are: lower than expected revenue during 2014 as a result of an insufficient number of senior consulting and training personnel; and longer than expected development time to create new accredited courses in Procurement and Contract Management. Both factors restrained short-term revenue growth relative to the pre-acquisition estimates.

Management calculates the impairment to Goodwill at \$222,306. This amount is included within 'Impairment of assets' in the Statement of Profit or Loss. The impairment loss is based on the 'Value In Use' method, using a discount rate of 37.5% applied against estimated future earnings for three years. Management's estimates were based on:

- Estimated future revenue from the unit in its current state of development;
- Known or predicted cost structures which are expected to apply during the three-year forecast;
- The resulting profit figure was discounted at a rate which reflects the lack of ready market, the volatile nature of revenue streams and the exposure of revenue to the ongoing performance of key personnel. The discount rate applied was towards the higher end of the range of discount factors commonly used in valuations of professional practices which have non-recurring earnings derived largely from personnel time.

The Goodwill relates to performance of a cash-generating unit which offers training and consulting services in the field of procurement and contract management. The company does not report any Goodwill value for any of its other activities.

Note 14. Trade and other payables			
Current			
Trade Payables		150,681	60,265
Total current trade and other payables		<u>150,681</u>	<u>60,265</u>

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 26.

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014 \$	2013 \$
Note 15. Provisions	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		129,392	174,306
Long service leave		156,000	191,000
Receivables			
Movement in provision		435	-
Subtotal		285,827	365,306
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		44,539	31,146
Subtotal		44,539	31,146
Total Current Provision		330,366	396,452
Non-current provisions			
Employee benefits			
Long service leave		69,000	84,000
Total non-current provision		69,000	84,000
Total provisions		399,366	480,452
Note 16. Other Liabilities			
Current			
Accrued Liabilities			
Salary Related		66,797	57,611
Other Accrued Expenditure		77,349	78,281
Income received in advance		665,446	560,048
Total current other liabilities		809,592	695,940
Note 17. Reserves and retained earnings			
(a) Issued Capital			
1,198,937 ordinary shares @ \$1.00 each fully paid		1,198,937	1,198,937
(b) Retained earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		1,178,479	2,107,083
Net Operating Result for the year		(807,995)	(928,604)
Retained earnings at 31 December		370,484	1,178,479

Note 18.
(a) Key management personnel disclosures
Names of responsible persons

The following persons were responsible persons and executive officers of UNE Partnerships Pty Limited from the beginning of the year to the reporting date:

Directors

Dr James R. HARRIS - Chairman
Philip M. ATTARD
Michelle CLARKE
Suzanne A. JONES
Janette McCLELLAND
Shaun G. McDONAGH
Professor Alison J. NETHERY

Executive Officer

Shaun G. McDonagh

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of UNE Partnerships Pty Limited during the financial year:

Mr RJ Doyle (ceased 29 April 2014)
Mr SG McDonagh (commenced 16 June 2014)
Mr O Barry (promoted 1 January 2014)
Mr I Brown (ceased 4 December 2014)
Ms K Hogan
Mr GJ Kendall (ceased 31 October 2014)
Ms P Klass (ceased 28 November 2014)
Ms M Michell
Ms D Swanson
Ms D Yeomans (ceased 25 November 2014)

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

The non-executive directors of the company are entitled to earn Directors' Fees.
All 2014 payments to non-executive directors have been included as paid/accrued.

	2014	2013
	No.	No.
Nil to \$9,999	6	6
	6	6
Aggregate Remuneration of Board Members	\$	\$
Total Aggregate Remuneration	27,000	-
Remuneration of executive officers	No.	No.
Nil to \$150,000	2	-
\$175,000 to \$189,999	-	1
	2	1
Aggregate Remuneration of executive officers	\$	\$
Total Aggregate Remuneration	209,047	182,524

During the year there was a change of executive officer. Aggregate remuneration includes all payments to both executive officers during the year and includes payment of accrued annual and long service leave to the departing executive.

Note 19. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of UNE Partnerships Pty Ltd, its related practices and non-related audit firms:

	2014	2013
	\$	\$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	23,100	27,000
Total remuneration for audit services	<u>23,100</u>	<u>27,000</u>
Other audit and assurance services		
Fees paid	-	5,000
Total remuneration for non-audit services	<u>-</u>	<u>5,000</u>

Nil services purchased in 2014; services purchased in 2013 relate to internal reviews of financial systems and controls.

Note 20. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of UNE Partnerships Pty Limited.

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Partnerships Pty Limited had been identified.

Note 21. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2014 (2013: Nil).

(b) Lease Commitments

Operating Leases

Within one year	91,204	96,569
Between one and five years	48,559	89,251
Later than five years	-	-
Total operating leases	<u>139,763</u>	<u>185,820</u>
Total lease commitments	<u>139,763</u>	<u>185,820</u>

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

The Chief Executive Officer is compensated in part via a bonus plan reflecting the performance of the business. The liability for 2014 will be recommended by the Remuneration and Nominations Committee of the Board and will be recognised as an expense in 2015 when the amount has been determined.

Notes to the financial statements
31 December 2014
(continued)

Note 22. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 18.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2014 \$	2013 \$
<i>Transactions during the period</i>		
University of New England		
Sales to University of New England	151,749	140,562
Purchases from the University of New England	210,512	136,726
Net	(58,763)	3,836
Income received	-	-
Payments made to UNE Foundation	-	200,000
Net	-	(200,000)
With other related parties: A company controlled by Mr GP Smith, a former director of UNE Partnerships Pty Limited. Payments to Mr Smith's company are at normal commercial terms (incl \$7,415 during his period as director in 2013)	-	65,932
Net	-	(65,932)

Outstanding balances

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

University of New England		
Owed to University of New England	(86,431)	(1,714)
Owed by University of New England	-	7,174

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Notes to the financial statements
31 December 2014
(continued)

Note 23. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014 \$	2013 \$
Operating result for the period	(807,995)	(928,604)
Depreciation and amortisation	248,207	254,228
Impairment of assets	222,307	-
Provision for impaired receivables	-	4,340
Increase/(Decrease) in Payables and Prepaid Income	204,068	(264,608)
Increase/(Decrease) in Provision for Employee Entitlements	(81,520)	(33,190)
(Increase)/Decrease in Interest Receivable	-	28,187
(Increase)/Decrease in Receivables and Prepaid Expenses	39,540	(23,804)
(Increase)/Decrease in Inventories	21,970	6,032
Net cash provided by / (used in) operating activities	(153,423)	(957,419)

Note 24. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 25. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	9	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days; some clients can establish instalment plans spanning 10 months.
Deposits At Call	8	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	8	Term Deposits are stated at cost	Term deposits are for a period of up to seven months. Interest rates are between 3.50% and 4.0%. Average maturity of 90 days.
Financial Liabilities			
Creditors and Accruals	14 & 16	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms

(ii) Cash flow and fair value interest rate risk

The economic entity invests in near-dated term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations at date of rollover.

(iii) Summarised sensitivity analysis

The table on the last page of the financial statement summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party to a contract or financial position, failing to discharge a financial obligation thereunder. The Economic Entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, UNE Partnerships Pty Limited:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than their worth;
- may be unable to settle or recover a financial asset at all.

Finance personnel monitor the actual and forecast cash flow of the economic entity on a frequent basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.37	97,580				900	98,480
Investments-Term Deposits	3.59		1,475,000				1,475,000
Receivables						513,572	513,572
Total Financial Assets		97,580	1,475,000			514,472	2,087,052
Financial Liabilities							
Payables						150,681	150,681
Other Amounts Owning						144,146	144,146
Total Financial Liabilities			-	-		294,827	294,827
Net Financial Assets(Liabilities)		97,580	1,475,000	-	-	219,645	1,792,225

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	2.00	486,438				900	487,338
Investments - Term Deposits	3.73		1,349,562				1,349,562
Receivables	-					573,764	573,764
Total Financial Assets		486,438	1,349,562			574,664	2,410,664
Financial Liabilities							
Payables	-					60,265	60,265
Other Amounts Owning	-					135,892	135,892
Total Financial Liabilities			-	-		196,157	196,157
Net Financial Assets(Liabilities)		486,438	1,349,562	-	-	378,507	2,214,507

Note 25 Financial risk management (continued)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets													
Cash and cash equivalents	98,480	(985)	(985)	985	985	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,475,000	(14,750)	(14,750)	14,750	14,750	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	513,572	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	2,087,052	(15,735)	(15,735)	15,735	15,735	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	150,681	-	-	-	-	-	-	-	-	-	-	-	-
Other Amounts Owing	144,146	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	294,827	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)	1,792,225	(15,735)	(15,735)	15,735	15,735	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets													
Cash and cash equivalents	487,338	(4,873)	(4,873)	4,873	4,873	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,349,562	(13,496)	(13,496)	13,496	13,496	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	573,764	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	2,410,664	(18,369)	(18,369)	18,369	18,369	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	60,265	-	-	-	-	-	-	-	-	-	-	-	-
Other Amounts Owing	135,892	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	196,157	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	2,214,507	(18,369)	(18,369)	18,369	18,369	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

This Annual Report was produced by officers of the University of New England and can be accessed directly from the University website at: www.une.edu.au

The University of New England
Madgwick Drive
Armidale NSW 2351

CRICOS Provider No. 00003G
ISSN: 0375-4588