FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2010
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 2010, the income statement, the 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.

Auditor’s 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 2010 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 (the 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 the preparation of the financial statements that give 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 the financial statements that 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 the 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 has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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, Corporations Act 2001 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.

I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of UNE Foundation Limited on 8 March 2011, would be in the same terms if provided to the directors as at the date of this auditor’s report.


Steven Martin
Director, Financial Audit Services

17 March 2011
SYDNEY
Directors Report

The directors present their report for the financial year ended 31 December 2010 and the auditors report thereon.

Directors

The following persons were directors of the company during the whole of the years and up to the date of this report:

Dr Geoffrey Fox (Chairman)
Professor James Barber
Mr Paul Barratt
Dr Laurie Piper
Mr Geoff Gorrie
Mr Matthew Irwin
Professor Deborah Ralston
Mrs Margaret Roberts

The following director was appointed during the year and continues in office at the date of this report:

Ms Kerrie Murphy - appointed 24 November 2010

UNE Foundation Limited Board Membership

Dr Geoffrey Fox (Chairman)
BJurSc(UoN), PhD (UNE), MA (ANU),

Geoff Fox 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 is Council’s nominated representative on the Foundation’s Board.

Appointed a Director of the Company on 26 February 2008 and has served as Chairman of the Board since 27 August 2008 and Chairman of Investment Committee.

Professor James Barber
BSocSc (RMIT) BA(Hons) PhD (Adelaide)

Professor Barber is Vice-Chancellor and CEO of the University of New England and took up this position in February 2010.

Previously he was Deputy-Vice Chancellor at the Royal Melbourne Institute of Technology (RMIT) University in Melbourne and was also interim President and Chief Executive Officer of RMIT Vietnam in 2009. He has been a Company Director on a number of national bodies, including Open Universities Australia (Australia’s leading provider of fee-paying online degree programs), Jesuit Social Services Australia and Graduate Careers Australia.

Professor Barber has held senior executive positions in the higher education sector, as well as that of Reader and then Professor of Social Work (La Trobe University and the University of Tasmania), Professor of Social Administration (Flinders University) and Dean of Social Work and Chair of Single Department Faculties (University of Toronto).

Professor Barber has significant education experience in Australia and overseas. He is committed to continuing the important contribution of UNE as a regional university in providing access to education, and also in driving economic prosperity and enhancing the morale, culture and identity of this region.

Throughout his career his research interests have focussed on experimental psychology, drug addiction, child welfare and evidence-based social policy.

Appointed a Director of the Company on 04 February 2010.
Mr Paul Barratt  
B.Sc. (Hons) (UNE), BA (ANU), FAICD, FCDA

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. He was made an Officer in the General Division of the Order of Australia in 1999, 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 the Company on 5 September 2006.

Dr Laurie Piper  
B.RurSc (UNE), PhD (Edin.), FAICD, FTSE

Dr Piper is an animal breeding consultant, Honorary Research Fellow at CSIRO Livestock Industries and Adjunct Professor of Animal Science at the University of New England. He is a Fellow of the Australian Institute of Company Directors, the Australian Academy of Technological Sciences and Engineering, the Australasian Association for Animal Breeding and Genetics and the Australian Society of Animal Production. He is a Board member of the Agribusiness Research Institute. Previous appointments include Board membership of Merinotech Australia Pty Ltd, the Queensland Sheep and Wool Institute and CEO of the Cooperative Research Centre for Premium Quality Wool.

His training and expertise is in genetics and animal breeding. He has worked as a research scientist/research manager in the wool and beef industries for the last 47 years and in more recent times has become involved in aquaculture genetics.

Appointed a Director of the Company 25 March 2009.

Mr Matthew Irwin  
MCom(Finance) BAgEc(Hons) UNE

Matthew is responsible for optimising the competitive position of Transfield Services’s portfolio of assets. Matthew was previously Chief Financial Officer and has played a pivotal role in global growth and in the successful public listing of Transfield Services Infrastructure Fund (TSI Fund) in 2007. He has 17 years experience in senior positions in finance, administration and banking.

Appointed a Director of the Company on 12 May 2009. Member of the Investment Committee.

Professor Deborah Ralston  
BEd, DipFinMgmt, MEd (UNE), PhD (Bond), FAICD, FAIBF, FCPA

Deborah Ralston is a Professor of Finance at Monash University and is the Director of the Australian Centre for Financial Studies. She was formerly Pro Vice-Chancellor and Professor of Finance at the University of Canberra and has held a number of other senior appointments.

Deborah’s research interests include financial regulation, the strategy and management of financial institutions and regional economic development. She has published widely in these areas. Deborah is a Fellow of the Financial Services Institute of Australasia (Finsia), the Australian Institute of Company Directors, and CPA Australia. She is also a Director of the listed mortgage broking company, Mortgage Choice.

Appointed a Director of the Company on 12 May 2009. Member of the Investment Committee.
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 a Director of Australia 21 and is a member of the Serco Advisory Board. He is Chair of the Boards of Safe Food Production Queensland, Seafood Services Ltd and Australian Forestry Standard Ltd. He has held directorships with 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 holds a Bachelor of Science and a Diploma of Education from the University of New England as well as a Bachelor of Arts and a Bachelor of Economics from the Australian National University. He was awarded the Public Service Medal on Australia Day 2002.

Geoff retired as Deputy Secretary of the Australian Government Department of Agriculture, Fisheries and Forestry in January 2003.

Appointed a Director of the Company on 12 May 2009.

Mrs Margaret Roberts

Muswellbrook Country Women’s Association (CWA) president Mrs Margaret Roberts was the first Upper Hunter woman appointed to the top job - the CWA State President. At the time of her election in 2007, she was in the unprecedented position of holding three CWA posts: that of Muswellbrook branch president, Hunter River Group president and State president. Margaret has been a member of the Country Women’s Association (CWA) of NSW since 1968 and during that time has held most positions at Branch and Group level.

In recognition of her commitment, Margaret was awarded Life Membership of the CWA of NSW in 2004, and inducted into the Muswellbrook Shire Hall of Fame in 2007.

Margaret grew up in the Gunnedah area and was both School Captain and Sports Captain in her final year of High School. She trained as a teacher in Sydney and taught in schools in NSW, England and Scotland. She now lives on a cattle-fattening property in Muswellbrook having lived previously on cattle and sheep properties in the Monaro and Northern Tablelands.

Appointed a Director of the Company on 12 May 2009.

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 Waverley. 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 the Company on 24 November 2010.

All directors have had experience on other boards, committees or similar organisations.
Directors Meetings

The number of directors meetings and number of meetings attended by each of the directors of the company during the financial year are:

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td>Dr Geoffrey Fox</td>
<td>8</td>
</tr>
<tr>
<td>Professor James Barber</td>
<td></td>
</tr>
<tr>
<td>Mr Paul Barratt</td>
<td>8</td>
</tr>
<tr>
<td>Dr Laurie Piper</td>
<td>8</td>
</tr>
<tr>
<td>Mr Geoff Gorrie</td>
<td>7</td>
</tr>
<tr>
<td>Mr Matthew Irwin</td>
<td>6</td>
</tr>
<tr>
<td>Professor Deborah Ralston</td>
<td>5</td>
</tr>
<tr>
<td>Mrs Margaret Roberts</td>
<td>5</td>
</tr>
<tr>
<td>Ms Kerrie Murphy</td>
<td>1</td>
</tr>
</tbody>
</table>

A = Number of meetings attended  
B = Number of meetings held during the time the director held office during the year

Principal Activities

The principal activity of the company during the year was the provision of trustee services.

The entity's objectives are:

**Short-term**
To raise funds 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**
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 objectives

To achieve these objectives, the entity has adopted the following strategies:
- to actively seek donations through annual appeals and targeted personal visits to potential donors to fund scholarships, research and teaching & learning at UNE.  
- 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.
Review of Operations

During 2010, the company continued to operate as trustee of UNE Foundation and had no financial results.

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 company is not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, 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 Company’s operations which have been proposed for the immediate future.

Environmental Regulation

The company is not subject to any significant Commonwealth, State or Local Government statutes and requirements related to environmental matters.

Insurance of Officers

Directors and Officers insurance is provided for directors and officers under the University of New England global policies and no premium is apportioned to or paid by the UNE Foundation Limited.

Limited by Guarantee

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 2010, the collective liability of members was $900 ($100 per member, maximum number of members is 9).

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 2010.

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

Director

10 March 2011
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 2010, I declare that, 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, and
- any applicable code of professional conduct in relation to the audit.

[Signature]
Steven Martin
Director, Financial Audit Services

8 March 2011
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 2010;

(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 s256(5) of the Corporations Act, 2001.

[Signatures]

10 March 2011

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 2010 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.

[Signatures]

10 March 2011
## Income Statement
For the year ended 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from continuing operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses from continuing operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating result from continuing operations</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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

## Statement of Comprehensive Income
For the year ended 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result from continuing operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the period, net of tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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

## Statement of Financial Position
As at 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EQUITY</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total equity</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*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 2010

<table>
<thead>
<tr>
<th></th>
<th>Reserves</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as 1 January 2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of Buildings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on Avail-for-sale Fin Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution from owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2009</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Balance at 1 January 2010      |          |                   |       |
| Profit or loss                 |          |                   |       |
| 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 2010    |          |                   |       |

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 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase / (decrease) in cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the financial year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above statement of cash flows should be read in conjunction with the accompanying notes.
## Contents of the notes to the Financial Statements

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Summary of significant accounting policies</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Auditors remuneration</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Right to indemnify out of the Trust assets</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Directors remuneration</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>Employee benefits</td>
<td>13</td>
</tr>
<tr>
<td>6</td>
<td>Related parties</td>
<td>13</td>
</tr>
<tr>
<td>7</td>
<td>Commitments</td>
<td>14</td>
</tr>
<tr>
<td>8</td>
<td>Contingent assets and liabilities</td>
<td>14</td>
</tr>
<tr>
<td>9</td>
<td>Post balance date events</td>
<td>14</td>
</tr>
<tr>
<td>10</td>
<td>New standards and interpretations not yet adopted</td>
<td>14</td>
</tr>
<tr>
<td>11</td>
<td>Economic Dependancy</td>
<td>15</td>
</tr>
</tbody>
</table>
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 2010 were authorised for issue in accordance with a resolution of the Board on 10 March 2011.

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 Corporations Act 2001, Australian Accounting Standards and 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. All amounts are expressed in Australian dollars.

2.0 Auditors remuneration

The audit fee for the Company is paid for 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 2010 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trusts, 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.
Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

Amendments from the improvements project
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
[AASB3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]
(annual period beginning on or after 1 July 2010)

Amendments from the improvements project
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1,AASB 7, AASB 101 & AASB 134 and Interpretations 13]
(annual periods beginning on or after 1 January 2011)

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
7.0 Commitments
The entity has not identified material commitments at 31 December 2010 (2009: Nil).

8.0 Contingent assets and liabilities
The Company is not aware of any contingent assets or liabilities existing at 31 December 2010 (2009: Nil).

9.0 Post balance date events
There are no post balance date events.

10.0 New standards and interpretations not yet adopted
The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2010, but have not been applied in preparing this financial statements.

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,116,119,121,132, 133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]  
(annual periods beginning on or after 1 Jan 2011)

Improving disclosures of transfers of financial assets
AASB 2010-6 Amendments to Australian Accounting Standards - Proposed Amendments to AASB 7 Financial Instruments: Disclosures - Transfers of Financial Assets  
(annual periods beginning on or after 1 July 2011)

Extinguishment of liabilities by issuing equity instruments
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments.  
AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]  
(annual periods beginning on or after 1 July 2010)

Relief to first-time adopters from making some comparative information disclosures under AASB 7  
AASB 2010-1 Amendments to Australian Accounting Standards - Limited Exemption from Comparative,  
AASB 7 Disclosures for First-time Adopters  
(annual periods beginning on or after 1 July 2010)

Related party disclosures
AASB 124 Related Party Disclosures  
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139, 1023 & 1031 and Interpretations 2,4,16,1038 & 1052]  
(annual period beginning on or after 1 January 2011)

Defined benefit fund asset
AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement  
[AASB Interpretation 14] (annual periods beginning on or after 1 January 2011)

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value  
AASB 9 Financial Instruments  
(annual periods beginning on or after 1 January 2013)

Rights issues must now be classified as equity, regardless of denomination, provided that the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its own non-derivative equity instruments  
AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues  
(annual periods beginning on or after 1 Feb 2010)