

UNE Foundation Ltd



ABN: 77 094 834 107
Annual Financial Report
for the year ended
31 December 2017

INDEPENDENT AUDIT REPORT

The Audit Office of NSW will provide this report on 17 March 2018 as per CSP. The report is provided after the Board has signed the financial report.

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UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report together with the financial statements of UNE Foundation Ltd ("the Company") for the financial year ended 31 December 2017 and the Auditors Report thereon.

Director details

The following persons were Directors of the Company during or until the end of the financial year:

Mr Paul Barratt AO

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. He was appointed an Adjunct Professor in the University's School of Humanities in 2015.

Appointed a Director of UNE Foundation Ltd on 5 September 2006.

Special responsibilities : Chairman of the Board since 17 March 2015.

Professor Annabelle Duncan

BSc DipSc MSc (Otago) PhD (La Trobe) HonDsc (Murdoch) PSM

Professor Annabelle Duncan is 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.

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.

Mr Geoff Gorrie

BSc 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 former Chair of the Board of Australian Forestry Standard Ltd. He is a Director of Australia 21. 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.

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. Retired on 24 October 2017.

Ms Meredith Symons

BFA (UNE) ACA

Meredith Symons is a UNE Graduate (Bachelor of Financial Administration, Accounting and Finance) and ACA, who has lived on-campus at Earle Page College – and loved all aspects of the UNE college experience.

A corporate financial services professional with extensive domestic and international experience, Meredith has a global mindset with expertise in the treasury, tax, finance and shared services aspects of corporate financial management.

Meredith sits on a number of subsidiary boards at Goodman Fielder, as well as a Joint Venture board based in Indonesia. She has a group perspective, is skilled at considering the business implications from the numbers and has experience with technology including introducing new systems.

Meredith's career has taken her overseas and she has had responsibility for overseeing international portfolios. She has held senior financial positions at some of Australia's top corporates, including Goodman Fielder (FMCG, Food manufacturing); Macquarie Bank, UBS and Price Waterhouse Coopers.

Appointed a Director of UNE Foundation Ltd on 21 September 2015.

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 UNE Foundation Ltd on 27 September 2011. Retired on 26 September 2017.

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.

Appointed a Director of UNE Foundation Ltd on 17 August 2014.

Mr Martin Dolan

Martin Dolan was born in Scotland in 1957 and raised in Armidale, where his parents both taught at the university. He was educated at Armidale High School and the University of New England, where he completed a Bachelor of Arts degree with Honours in French.

Martin had a thirty-six year career with the Australian Government. He started his public service career in 1980 with AusAid, managing aid projects in developing countries, including a two-year posting to Bangladesh. He then undertook various corporate management roles in the Department of Agriculture, Fisheries and Forestry, including as Chief Finance Officer and Head of Corporate Management.

From 2001–2005 he was Executive Director, Aviation and Airports at the Department of Transport and Regional Services, with responsibility for airport sales and regulation, aviation security, aviation safety policy and international aviation negotiations. He was given charge of aviation security for two years in the aftermath of the events of 11 September 2001. In 2006, Martin was the first Chief Executive Officer of the Australian Energy Markets Commission. Following that, he was Deputy Chief Executive Officer and then CEO of Comcare, with responsibility for the occupational health and safety and workers' compensation of Commonwealth employees.

In July 2009, Martin was appointed as the first Chief Commissioner of the Australian Transport Safety Bureau for a term of five years, which was later extended for a further two years. The ATSB investigates transport accidents in the air, rail and marine sectors. In addition, it had led the search for the missing Malaysia Airlines flight MH 370.

Martin retired from the Australian Public Service in 2016 to focus on his writing. He is currently a PhD candidate in creative writing at the University of Canberra.

Appointed a Director of UNE Foundation Ltd on 29 November 2016.

Company Secretary

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

Mr Brendan Peet

LL.B, Grad Dip ACG, AGIA, ACIS, MAICD

Chief Legal and Governance Officer, University of New England

Brendan is a lawyer and Chartered Secretary with over sixteen years experience. Brendan's legal career included roles with leading Australian firms Clayton Utz and Minter Ellison, prior to moving to his current in-house role with the University in 2010.

He is a member of the senior executive at the University with responsibility for the legal, audit and risk, records management, policy and governance and secretariat functions. His role includes acting as the General Counsel and University Secretary.

Brendan is the company secretary of UNE Foundation Limited and UNE Life Pty Ltd. He is the Secretary of the Association of Australian University Secretaries and is Secretary of the Presbyterian Ladies College Armidale Foundation.

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 a Funds Manager 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.

The Board, as a matter of policy, seeks high quality advice in making its investment decisions, and from time-to-time will change its adviser in line with its contractual arrangements.

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	Meetings Attended	Eligible to Attend
Mr Paul Barratt	5	6
Professor Annabelle Duncan*	2	6
Mr Martin Dolan	5	6
Ms Caroline Forrest	6	6
Mr Geoff Gorrie	6	6
Ms Kerrie Murphy	3	5
Ms Meredith Symons	3	6
Ms Janine Wilson	4	5
Mr John Wilson	5	6

*When an apology, Prof Duncan was represented by Mr Kris Kauffmann, Chief Financial Officer.

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 2017, the collective liability of members was \$700 (\$100 per member, maximum number of members is 9).

Review of Operations

During 2017, the company continued to operate as trustee of UNE Foundation and had no financial results.

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.

Indemnification of Officers

Insurance coverage is provided for directors and officers of the Company under the University of New England global policies and no premium is apportioned to or paid by the Company.

Events after reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could affect the operations of the Company, the results of those operations or state of affairs of the Company in future financial years.

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 2017.

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


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Mr Paul Barratt
Chair - Director

07 March 2018


.....

Professor Annabelle Duncan
Director

07 March 2018



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 2017, 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.

S Bond .

Sally Bond
Director, Financial Audit Services

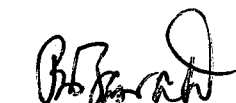
5 March 2018
SYDNEY

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 2017;
- (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*.



Mr Paul Barratt
Chair - Director

07 March 2018



Professor Annabelle Duncan
Director

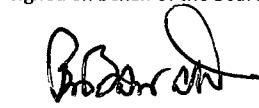
07 March 2018

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 2017 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 2015 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.



Mr Paul Barratt
Chair - Director

07 March 2018



Professor Annabelle Duncan
Director

07 March 2018

Statement of Profit or Loss
 For the year ended 31 December 2017

	2017	2016
	\$	\$
Income from continuing operations	-	-
Expenses from continuing operations	-	-
Net result from continuing operations	-	-

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

Statement of Comprehensive Income
 For the year ended 31 December 2017

	2017	2016
	\$	\$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
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 2017

	2017	2016
	\$	\$
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 2017

	Reserves	Retained Earnings	Total
Balance as 1 January 2016	-	-	-
Total comprehensive income			
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 1 January 2017	-	-	-
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>

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 2017

	2017	2016
	\$	\$
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	<u>-</u>	<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

Note		Page
1	Summary of significant accounting policies	16
2	Auditors remuneration	16
3	Right to indemnify out of the Trust assets	16
4	Directors remuneration	16
5	Employee benefits	16
6	Related parties	17
7	Commitments	17
8	Contingent assets and liabilities	17
9	Events subsequent to reporting period	17
10	New standards and interpretations not yet adopted	17
11	Economic Dependency	17

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 2017 were authorised for issue in accordance with a resolution of the Board on 07 March 2018.

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 the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2015*.

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 2017 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.

Notes to the financial statements
31 December 2017
(continued)

6.0 Related parties

University of New England provided the company with a range of administrative support services. Under a service level agreement, 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, and
- personnel services.

The value of these services has not been quantified or reported in the financial statements.

7.0 Commitments

The entity has not identified any material commitments at 31 December 2017 (2016: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2017 (2016: 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 2017 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 2017

Independent Audit Report

The Audit Office of NSW will provide this report on 17 March 2018 as per CSP. The report is provided after the Board has signed the financial report.

Independent Audit Report

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UNE FOUNDATION

TRUSTEE'S REPORT

The Trust was established by deed dated 6 December 2000. Under that deed the UNE Foundation Limited was appointed to act as Trustee of a charitable trust to be known as UNE Foundation.

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 (UNE) 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 2017 was a surplus of \$3,862,063 (2016: \$3,711,244).

Investment related revenue was \$1,214,860 in 2017 (2016: \$773,615). This was a 57 percent increase on the 2016 financial year.

Significant Changes in the State of Affairs

There were 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.



Mr Paul Barratt
Chair - Director

07 March 2018



Professor Annabelle Duncan
Director

07 March 2018

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 2017 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 2015*;
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 07 March 2018.

Signed in accordance with a resolution of the Board of UNE Foundation Limited, as Trustee for UNE Foundation



Mr Paul Barratt
Chair - Director

07 March 2018



Professor Annabelle Duncan
Director

07 March 2018

Statement of Profit or Loss
For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Income from continuing operations			
Donations and fundraising	2	1,615,615	3,942,020
Investment income	3	1,156,868	514,617
Other revenue	4	2,176,959	78,226
Other investment income	3	-	73,883
Gain on disposal of assets		-	141,024
Total income from continuing operations		4,949,442	4,749,770
Expenses from continuing operations			
Administrative expenses	5	129,224	80,251
Impairment of assets	6	-	7,111
Loss on disposal of assets		3,534	-
Total expenses from continuing operations		132,758	87,362
Net result from continuing operations before distributions to UNE		4,816,684	4,662,408
Distribution to UNE	7	954,621	951,164
Net result for the year after distribution to UNE		3,862,063	3,711,244

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

Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Net result for the year after distribution to UNE		3,862,063	3,711,244
Items that may be reclassified to profit or loss			
Unrealised gain in fair value of available for sale financial assets	13 (a)	340,969	65,754
Items that will not be reclassified to profit or loss			
Transfer from reserves	13 (a)	3,218	(73,883)
Total comprehensive income for the period		4,206,250	3,703,115

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

Statement of Financial Position
 As at 31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	49,433	110,735
Trade and other receivables	9	2,215,799	99,536
Other financial assets	10	-	546,000
Non-current assets classified as held for sale	11	-	1,258,803
Total current assets		<u>2,265,232</u>	<u>2,015,074</u>
Non-current assets			
Other financial assets	10	<u>18,635,265</u>	<u>14,698,083</u>
Total non-current assets		<u>18,635,265</u>	<u>14,698,083</u>
Total assets		<u>20,900,497</u>	<u>16,713,157</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	<u>78,972</u>	<u>97,882</u>
Total current liabilities		<u>78,972</u>	<u>97,882</u>
Total liabilities		<u>78,972</u>	<u>97,882</u>
Net assets		<u>20,821,525</u>	<u>16,615,275</u>
EQUITY			
Reserves	13 (a)	464,377	120,190
Retained earnings	13 (b)	20,357,148	16,495,085
Total equity		<u>20,821,525</u>	<u>16,615,275</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 2017

	Reserves	Retained earnings	Total
Balance at 1 January 2016	128,319	12,783,841	12,912,160
Net result	-	3,711,244	3,711,244
Unrealised gain on available for sale financial assets	65,754	-	65,754
Transfer (from) reserves on disposal of available for sale financial assets	(73,883)	-	(73,883)
Total comprehensive income	<u>(8,129)</u>	<u>3,711,244</u>	<u>3,703,115</u>
Balance at 31 December 2016	<u>120,190</u>	<u>16,495,085</u>	<u>16,615,275</u>
Balance at 1 January 2017	120,190	16,495,085	16,615,275
Net result	-	3,862,063	3,862,063
Unrealised gain on available for sale financial assets	340,969	-	340,969
Transfer to reserves on disposal of available for sale financial assets	3,218	-	3,218
Total comprehensive income	<u>344,187</u>	<u>3,862,063</u>	<u>4,206,250</u>
Balance at 31 December 2017	<u>464,377</u>	<u>20,357,148</u>	<u>20,821,525</u>

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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Donations received		1,568,234	3,961,372
Transfer from UNE		44,200	30,692
Dividends received		109,942	33,487
Interest received		23,412	199,186
Other inflows		60,296	48,207
Payments to suppliers		(120,287)	(61,572)
Distribution to beneficiary		(982,297)	(915,978)
Net cash provided by operating activities	18	<u>703,500</u>	<u>3,295,394</u>
Cash flows from investing activities			
Purchase of financial assets		(3,558,804)	(11,423,752)
Proceeds from sale of financial assets		2,794,002	6,079,175
Net cash used in investing activities		<u>(764,802)</u>	<u>(5,344,577)</u>
Net decrease in cash and cash equivalents		(61,302)	(2,049,183)
Cash and cash equivalents at the beginning of the financial year		110,735	2,159,918
Cash and cash equivalents at the end of the financial year	8	<u>49,433</u>	<u>110,735</u>

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	10
2	Donation and fundraising	13
3	Investment income	13
4	Other revenue	13
	Expenses	
5	Administrative Expenses	13
6	Impairment of assets	13
7	Distribution to beneficiary	13
	Assets	
8	Cash and cash equivalents	13
9	Trade and other receivables	14
10	Other financial assets	14
11	Non-current assets classified as held for sale	14
	Liabilities	
12	Trade and other payables	14
	Equity	
13	Reserves and retained earnings	15
14	Remuneration of auditors	15
15	Contingencies	15
16	Commitments	15
17	Related parties	15
18	Reconciliation of operating result after income tax to net cash flow from operating activities	16
19	Events subsequent to reporting period	16
20	Financial risk management	17
21	Fair value measurements	20

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 2017 were authorised for issue by the Trustee on 07 March 2018.

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 2015*.

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) Non-current assets held for sale

Non-current assets 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 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, 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 is recognised at the date of derecognition.

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 statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(f) Investments and other financial assets

Classification

(i) 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.

(ii) 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 carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of 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 statement of profit or loss as gains and losses from investment securities.

Subsequent measurement

Available-for-sale financial assets are carried at fair value. 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 statement of profit or loss within other income or other expenses in the period in which they arise.

Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

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 statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

(g) 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.

(h) 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. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) 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.

(j) 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.

(k) 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.

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2017 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 2017 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 2017.

Notes to the financial statements
 31 December 2017
 (continued)

	Notes	2017 \$	2016 \$
Note 2. Donation and fundraising			
Donations and fundraising		1,615,615	3,942,020
Total donations and fundraising		1,615,615	3,942,020
Note 3. Investment income			
Bank interest		11,571	151,213
Dividend		1,035,256	328,677
Available for sale		110,041	34,727
Total investment income		1,156,868	514,617
Other investment income			
Cumulative gain reclassified from equity on disposal of available-for-sale investments		-	73,883
Total other investment income		-	73,883
Note 4. Other revenue			
Transferred from UNE		2,114,381	30,749
Franking credits		57,991	44,091
Other		4,587	3,386
Total other revenue		2,176,959	78,226
Note 5. Administrative expenses			
Consultancy fees		129,052	80,081
Bank fees		172	170
Total administrative expenses		129,224	80,251
Note 6. Impairment of assets			
Impairment of investments		-	7,111
Total impairment of assets		-	7,111
Note 7. Distribution to beneficiary			
University of New England - scholarships and prizes	1(k)	954,621	951,164
Total distribution to beneficiary		954,621	951,164
Note 8. Cash and cash equivalents			
Cash at bank		49,433	110,735
Total cash and cash equivalents		49,433	110,735
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		49,433	110,735
Less: Bank Overdrafts		-	-
Balance per statement of cash flows		49,433	110,735

Notes to the financial statements
 31 December 2017
 (continued)

	2017	2016
	\$	\$
Note 9. Trade and other receivables		
Trade receivables	47,150	500
Total trade receivables	47,150	500

Impaired trade receivables

As at 31 December 2017 current receivables of the entity with a nominal value of \$47,150 (2016: \$500) were not impaired.

Other receivables

Other accrued income	2,168,641	86,996
GST Input Tax Credit	-	191
Accrued Interest	8	11,849
Total other receivables	2,168,649	99,036
Total trade and other receivables	2,215,799	99,536

Note 10. Other financial assets

Current

Held-to-maturity	-	546,000
Total current other financial assets	-	546,000

Non-current

Available for sale financial assets	18,635,265	14,698,083
Total non-current other financial assets	18,635,265	14,698,083

Movement of available for sale financial assets are as follows:

Shares as at 1 January	14,698,083	6,700,401
Acquired through purchase, dividend reinvestment and capital distribution	3,596,212	14,426,742
Disposed	-	(6,494,813)
Unrealised gain in available for sale reserve	340,970	65,753
Fair value of investment at 31 December	18,635,265	14,698,083

Note 11. Non-current assets classified as held for sale

Available for sale financial asset - Unit Trust - Fixed interest	-	1,258,803
Total non-current assets classified as held for sale	-	1,258,803

Note 12. Trade and other payables

Accrued expense for scholarships, prizes and consultancy fees	78,972	97,882
Total trade and other payables	78,972	97,882

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 20.

Notes to the financial statements
 31 December 2017
 (continued)

	2017	2016
	\$	\$
Note 13. Reserves and retained earnings		
(a) Reserves		
Available for Sale Reserve - Investments	464,377	120,190
Total reserves	464,377	120,190
Movements		
Available for Sale Reserve - Investments		
Balance 1 January	120,190	128,319
Transfer to/(from) on disposal of investments	3,218	(73,883)
Unrealised gains in market value on valuation	340,969	65,754
Balance 31 December	464,377	120,190
(b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	16,495,085	12,783,841
Net result for the year	3,862,063	3,711,244
Retained earnings at 31 December	20,357,148	16,495,085

(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.

Note 14. 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 2017 was \$11,800 (2016: \$11,400).

Note 15. 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.

Note 16. Commitments

The entity has not identified any material commitments at 31 December 2017 (2016: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2016 Nil).

Note 17. Related parties

(a) Corporate Trustee

Directors of the Corporate Trustee

Directors who held office at any time during the financial year were:

Mr Paul Barratt (Chairman)	Ms Janine Wilson - retired 26 September 2017
Professor Annabelle Duncan	Mr John Wilson
Mr Geoff Gorrie	Ms Meredith Symons
Ms Kerrie Murphy - retired 24 October 2017	Mr Martin Dolan
Ms Caroline Forrest	

Notes to the financial statements
 31 December 2017
 (continued)

Note 17. Related parties (continued)

(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.

(c) Related Party Transactions

University of New England provided the Trust with a range of administrative support services. Under a service level agreement, 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, and
- 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>	2017 \$	2016 \$
University of New England		
Income received from	-	-
Transferred prizes and scholarship funds	2,114,381	30,749
Expenditures incurred for scholarships and prizes	(954,621)	(951,163)
Net	1,159,760	(920,414)
With other related parties		
Income received - UNE Life Pty Ltd	-	-
Income received - Agricultural Business Research Institute	12,100	12,000
Net	12,100	12,000

Outstanding balances

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

University of New England		
Receivables	2,075,298	4,366
Payables	44,383	71,529
With other related parties		
Receivables	-	-
Payables	-	530

Note 18. Reconciliation of operating result after income tax to net cash flows from operating activities

Net result for the period	3,862,063	3,711,244
Less non cash revenue		
Capitalisation and reinvestment of dividend	(1,026,923)	(351,761)
Net (Gain)/Loss on sale of Units	3,534	(141,024)
Net prior years (loss) transferred from reserves on disposal	-	(73,883)
Add non cash expenditures		
Impairment of assets	-	7,111
Decrease/(increase) in trade and other debtors	(2,116,264)	96,764
Increase/(decrease) in payables	(18,910)	46,943
Net cash provided by operating activities	703,500	3,295,394

Note 19. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 20. 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
Deposits At Call	8	Term Deposits are stated at cost	There were no term deposit investments in 2017.
Available-for-sale	10	Domestic and International equity carried at market value	Investment of perpetual pool funds managed by the Fund Managers.
	10	Australian cash enhanced fund - stated at market value	Investment of immediate pool funds managed by the Fund Managers.
	10	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and Accruals	12	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 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 2017
 (continued)

Financial risk management - continued

31 December 2017	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	1.50%	-	49,433			2,215,799	49,433
Receivables						13,739,038	2,215,799
Available for sale - Listed Shares					4,691,091	205,136	18,430,129
Total Financial Assets			49,433	-	4,691,091	16,159,973	20,900,497
Financial Liabilities							
Payables						78,972	78,972
Other Amounts Owing						-	-
Total Financial Liabilities			-	-	-	78,972	78,972
Net Financial Assets (Liabilities)			49,433	-	4,691,091	16,081,001	20,821,525

Comparative figures for the previous year are as follows:

31 December 2016	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	1.50%	-	110,735			99,536	110,735
Receivables						546,000	99,536
Held-to-maturity	3.18%		546,000		3,891,266	10,593,588	546,000
Available for sale - Listed Shares						213,229	14,484,854
Total Financial Assets			656,735	-	3,891,266	10,906,353	15,454,354
Financial Liabilities							
Payables						97,882	97,882
Other Amounts Owing						-	-
Total Financial Liabilities			-	-	-	97,882	97,882
Net Financial Assets (Liabilities)			656,735	-	3,891,266	10,808,471	15,356,472

Notes to the financial statements
 31 December 2017
 (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 2017	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	49,433	(494)	494										
Receivables	2,215,799												
Available for sale	18,430,129												
Available for sale - Listed Shares	205,136												
Total Financial Assets	20,900,497												
Financial Liabilities													
Payables	78,972	N/A	N/A										
Total Financial Liabilities	78,972												
Total increase / (decrease)	20,821,525												

Comparative figures for the previous year are as follows:

31 December 2016	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	110,735	(1,107)	1,107										
Receivables	99,536												
Held-to-maturity	546,000	(5,460)	5,460										
Available for sale	14,484,854												
Available for sale - Listed Shares	213,229												
Total Financial Assets	15,454,354												
Financial Liabilities													
Creditors	97,882	N/A	N/A										
Total Financial Liabilities	97,882												
Total increase / (decrease)	15,356,472												

Note 21. Fair Value Measurements

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 for identical assets or liabilities.

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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	49,433	110,735	49,433	110,735
Held-to-maturity investments - current	-	546,000	-	546,000
Available for sale	18,635,265	14,698,083	18,635,265	14,698,083
Non-current assets classified as held for sale	-	1,258,803	-	1,258,803
Total financial assets	18,684,698	16,613,621	18,684,698	16,613,621

Fair value measurements recognised in the statement of financial position are categorised into the following levels:

	31 Dec 2017	Level 1	Level 2	Level 3
Financial assets				
Available for sale	18,635,265	205,136	18,430,129	-
Receivables	2,215,799	-	2,215,799	-
Total	20,851,064	205,136	20,645,928	-

	31 Dec 2016	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	546,000	546,000	-	-
Equity securities	14,698,083	213,229	14,484,854	-
Receivables	99,536	-	99,536	-
Non-current assets classified as held for sale	1,258,803	-	1,258,803	-
Total	16,602,422	759,229	15,843,193	-

END OF AUDITED FINANCIAL STATEMENTS

**UNE Life
Pty Ltd**



**ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2017**

Independent Audit Report

Independent Audit Report

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 2017 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 2015*;
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 noting the factors outlined in Note 1(r) of the financial statements.

Signed in accordance with a resolution of the Directors.

.....
Dr Kerry Hudson
Director

.....
Mr David Schmude
Director

8 March 2018

Statement of Profit or Loss For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Income from continuing operations			
Trading income	2	6,449,191	4,995,336
Investment revenue	3	19,865	27,653
Other revenue	4	2,241,489	1,960,886
Total income from continuing operations		8,710,545	6,983,875
Expenses from continuing operations			
Employee related expenses	5	3,501,139	2,621,312
Depreciation and amortisation	6	209,211	357,736
Repairs and maintenance	7	162,133	232,827
Other expenses	8	5,118,802	3,438,749
Total expenses from continuing operations		8,991,285	6,650,624
Net result attributable to the Entity	18	(280,740)	333,251

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

Statement of Comprehensive Income For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Net result for the period		(280,740)	333,251
Other comprehensive income		-	-
Total comprehensive income for the period		(280,740)	333,251

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

Statement of Financial Position As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	990,376	2,088,817
Receivables	10	1,146,061	126,297
Inventories	11	320,290	204,638
Non financial assets	13	-	-
Total current assets		2,456,727	2,419,752
Non-current assets			
Other financial assets	12	500	500
Property, plant and equipment	14	693,338	580,857
Intangible assets	15	122,228	152,477
Total non-current assets		816,066	733,834
Total assets		3,272,793	3,153,586
LIABILITIES			
Current liabilities			
Trade and other payables	16	1,240,406	884,416
Provisions	17	104,594	84,637
Total current liabilities		1,345,000	969,053
Non-current liabilities			
Provisions	17	68,000	44,000
Total non-current liabilities		68,000	44,000
Total liabilities		1,413,000	1,013,053
Net assets		1,859,793	2,140,533
EQUITY			
Retained earnings	18	1,859,673	2,140,413
Share Capital	18	120	120
Total equity		1,859,793	2,140,533

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 2017

	Shares	Retained earnings	Total
Balance at 1 January 2016	120	1,807,162	1,807,282
Net result	-	333,251	333,251
Total comprehensive income	-	333,251	333,251
Balance at 31 December 2016	120	2,140,413	2,140,533
Balance at 1 January 2017	120	2,140,413	2,140,533
Net result	-	(280,740)	(280,740)
Total comprehensive income	-	(280,740)	(280,740)
Balance at 31 December 2017	120	1,859,673	1,859,793

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 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		8,543,049	6,665,288
Interest received		19,865	27,653
Payments to suppliers and employees (inclusive of GST)		(9,369,909)	(6,330,507)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	25	(806,995)	362,434
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(291,444)	(118,002)
Net cash provided by / (used in) investing activities		(291,444)	(118,002)
Cash flows from financing activities			
Cash transfer from Sport UNE Pty Ltd		-	1,582,133
Assets from Sport UNE Pty Ltd		-	143,686
Liabilities transfer from Sport UNE Pty Ltd		-	(1,274,795)
Net cash provided by / (used in) financing activities		-	451,024
Net increase / (decrease) in cash and cash equivalents		(1,098,439)	695,456
Cash and cash equivalents at the beginning of the financial year		2,088,815	1,393,359
Cash and cash equivalents at the end of the financial year		990,376	2,088,815

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	8
	Income	
2	Trading income	12
3	Investment revenue	12
4	Other revenue	12
	Expenses	
5	Employee related expenses	12
6	Depreciation and amortisation	12
7	Repairs and maintenance	12
8	Other expenses	13
	Assets	
9	Cash and cash equivalents	13
10	Receivables	13
11	Inventories	14
12	Other financial assets	14
13	Other non-financial assets	14
14	Property, plant and equipment	14
15	Intangible assets	15
	Liabilities	
16	Trade and other payables	15
17	Provisions	15
	Equity	
18	Reserves and retained earnings	15
19	Economic Dependency	16
20	Key management personnel disclosures	16
21	Remuneration of auditors	17
22	Contingencies	17
23	Commitments	17
24	Related parties	18
25	Reconciliation of net result after income tax to net cash provided / (used in) operating activities	18
26	Event occurring after the end of the reporting period	19
27	Financial risk management	19
28	Fair value measurements	22

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 2017 were authorised for issue in accordance with a resolution on 8 March 2018.

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 annual financial statements represent the audited general purpose financial statements of UNE Life Pty Ltd. They have been prepared on an accrual basis and comply with Australian Accounting Standard.

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*.

UNE Life Pty Ltd 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 IFRS requirements.

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) 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, 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. In some cases this may not be probable until consideration is received or an uncertainty is removed. 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.

Note 1. Summary of significant accounting policies (continued)

(iv) Other revenue

Represents income from various activities derived from core business and other miscellaneous income which is recognised when it is earned.

Contributions from the University of New England and the Student Amenities Fee are recognised inline with the agreed funding period as negotiated with the University of New England.

(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) 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 30 days from the date of recognition.

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 Entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability 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 receivables are 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 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

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.

Note 1. Summary of significant accounting policies (continued)

(j) Property, 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 of New England policy of capitalising plant and equipment with an initial purchase price of \$5,000 or greater either individually or forming part of a network costing more than \$5,000. All plant and equipment under this threshold is expensed when purchased.

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:

	2017	2016
Leasehold Improvements -	5 - 50 yrs	5 - 50 yrs
Plant & Equipment -	2 - 10 yrs	2 - 10 yrs
Motor Vehicle -	3 -10 yrs,	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).

(ii) Software

Computer software is recognised as having a finite life and is amortised over 5 years. Annual subscription fees are expensed when incurred.

(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 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) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 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.

Note 1. Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Annual leave

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Management has obtained external actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

(iii) Long service leave

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB119 Employee Benefits. This is based on external actuarial advice obtained based on the application of certain factors to employees with five or more years of service, using the current rate of pay. Market yields on Government Bonds are used to discount such employee benefits.

(iv) Consequential On-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(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 Australian Taxation Office. 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 Australian Taxation Office 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 Australian Taxation Office, are presented as operating cash flows.

(p) Licenses

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(f).

(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) 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".

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

Certain new Accounting Standards and Interpretations have been published for the 31 December 2017 reporting period.

The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future interpretations and considers the impact to be insignificant for the year ending December 2017.

	Note	2017 \$	2016 \$
Note 2. Trading income			
Sale of goods		5,878,760	4,754,291
Rendering of services		570,431	241,045
Total trading income		<u>6,449,191</u>	<u>4,995,336</u>
Note 3. Investment revenue			
Interest		19,865	27,653
Total investment revenue		<u>19,865</u>	<u>27,653</u>
Note 4. Other revenue			
UNE contribution		1,295,659	434,786
UNE Student Services & Amenities contribution		836,642	514,657
Rent		71,093	106,836
Transition of Business		-	904,607
Other revenue		38,095	-
Total other revenue		<u>2,241,489</u>	<u>1,960,886</u>
Note 5. Employee related expenses			
Salaries		2,928,072	2,258,045
Contribution to funded superannuation and pension schemes		287,608	212,457
Payroll tax		172,741	127,932
Worker's compensation		29,857	30,777
Annual & long service leave		44,819	(12,503)
Other (Allowances, penalties and uniforms)		38,042	4,604
Total employee related expenses		<u>3,501,139</u>	<u>2,621,312</u>
Note 6. Depreciation and amortisation			
Depreciation			
Plant and Equipment		87,264	239,731
Motor Vehicles		13,931	12,938
Total depreciation		<u>101,195</u>	<u>252,669</u>
Amortisation			
Leasehold improvements		73,017	75,390
Intangibles		34,999	29,677
Total amortisation		<u>108,016</u>	<u>105,067</u>
Total depreciation and amortisation		<u>209,211</u>	<u>357,736</u>
Note 7. Repairs and maintenance			
Plant/furniture/equipment		162,133	232,827
Total repairs and maintenance		<u>162,133</u>	<u>232,827</u>

	Notes	2017 \$	2016 \$
Note 8. Other expenses			
Cost of Goods Sold		2,360,005	2,183,802
Advertising		78,666	54,936
Cleaning and materials		117,055	25,343
Computer Expenses		44,717	42,021
Insurance		5,585	12,025
Printing and Stationery		36,108	21,465
Minor Equipment Purchases		73,337	80,774
Security		48,492	45,177
Utilities		286,204	186,613
Rent		108,469	106,837
Personnel services paid*		1,136,455	184,346
Subscriptions and Membership		66,924	48,786
Student Programs and activities		325,019	47,701
Student Experience Expense		144,184	96,455
Other Expenditure		287,582	302,468
Total other expenses		<u>5,118,802</u>	<u>3,438,749</u>

*personnel services paid relates to staff supplied by the University of New England to assist in the operations of UNE Life

	1(g)	2017	2016
Note 9. Cash and cash equivalents			
Cash on hand and at bank		956,281	1,527,780
Short term deposits		34,095	561,037
Total cash and cash equivalents		<u>990,376</u>	<u>2,088,817</u>

(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	990,376	2,088,817
Less: Bank Overdrafts	-	-
Balance per cash flow statement	<u>990,376</u>	<u>2,088,817</u>

(b) Cash on hand

These are non-interest bearing. 21,367 14,010

(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 1.75% and 2.5% (2016 - 1.85% and 2.7%). These deposits have an average maturity of 30 days.

Note 10. Receivables

Current

Trade and other receivables		1,147,510	130,966
Less: Provision for impaired receivables	1(h)	(1,449)	(4,669)
Total receivables		<u>1,146,061</u>	<u>126,297</u>

As of 31 December 2017, trade receivables of \$48,129 (2016: \$24,385) were past due but not impaired current receivables. 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	30,916	4,585
6 to 12 months	17,213	19,800
Over 12 months	-	-
Total Past due but not impaired current receivables	<u>48,129</u>	<u>24,385</u>

(a) Impaired receivables

As at 31 December 2017 current receivables of the entity with a nominal value of \$1449 (2016: \$4,669) were impaired. The amount of the provision was \$1449 (2016: \$4,669).

	Notes	2017 \$	2016 \$
Note 10. Receivables (continued)			
(a) Impaired 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		320,290	204,638
Total current inventories		320,290	204,638
Note 12. Other financial assets			
Non-current			
Available for sale		500	500
Total non-current other financial assets		500	500
Note 13. Other non-financial assets			
Current			
Prepaid Expenses		-	-
Total current other non-financial assets		-	-
Note 14. Property, plant and equipment			
Plant and equipment - At cost		1,013,982	846,854
Less: Accumulated depreciation		(550,350)	(461,997)
		463,632	384,857
Motor Vehicles – At cost		198,109	77,454
Less: Accumulated depreciation		(45,156)	(31,224)
		152,953	46,230
Leasehold improvements - At cost		672,527	672,527
Less: Accumulated Amortisation		(595,774)	(522,757)
		76,753	149,770
Total Property Plant & Equipment		693,338	580,857
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		384,857	129,971
Additions		166,039	41,041
Additions from business transfer		-	453,223
Disposals		-	-
Depreciation		(87,264)	(239,378)
Carrying amount at end of year		463,632	384,857

	Notes	2017 \$	2016 \$
Note 14. Property, plant and equipment (continued)			
Motor Vehicles			
Carrying amount at beginning of year		46,230	28,120
Additions		120,654	31,049
Disposals		-	-
Depreciation		(13,931)	(12,939)
Carrying amount at end of year		<u>152,953</u>	<u>46,230</u>
Leasehold improvements			
Carrying amount at beginning of year		149,770	225,161
Additions		-	-
Disposals		-	-
Amortisation		(73,017)	(75,391)
Carrying amount at end of year		<u>76,753</u>	<u>149,770</u>
Note 15. Intangible assets			
	1(k)		
Australia Post Licence – At cost		<u>25,000</u>	<u>25,000</u>
Computer Software		170,258	166,596
Less Amortisation		(73,030)	(39,119)
		<u>97,228</u>	<u>127,477</u>
Total Intangible assets		<u>122,228</u>	<u>152,477</u>
Note 16. Trade and other payables			
Current			
Trade Payables & Accruals		583,455	594,116
Income in Advance		431,822	152,448
Funds held in Trust		117,759	92,493
GST payable		41,936	13,623
PAYG Payable		65,434	31,736
Total current trade and other payables		<u>1,240,406</u>	<u>884,416</u>
Note 17. Provisions			
	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		67,594	59,637
Long service leave		12,000	7,000
Subtotal		<u>79,594</u>	<u>66,637</u>
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Long service leave		25,000	18,000
Subtotal		<u>25,000</u>	<u>18,000</u>
Total Current Provision		<u>104,594</u>	<u>84,637</u>
Non-current provisions			
Employee benefits			
Long service leave		68,000	44,000
Total non-current provision		<u>68,000</u>	<u>44,000</u>
Total provisions		<u>172,594</u>	<u>128,637</u>
Summary movements employee benefits			
Carrying amount at start of year		128,637	141,140
Current year movement in provisions			
- Annual Leave		7,957	(3,503)
- Long Service Leave - current		12,000	(8,000)
- Long Service Leave - non current		24,000	(1,000)
Carrying amount at end of year		<u>172,594</u>	<u>128,637</u>

Note 18. Reserves and retained earnings

	2017	2016
	\$	\$
Retained Earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	2,140,413	1,807,162
Net result for the year	(280,740)	333,251
Retained earnings at 31 December	1,859,673	2,140,413

Share Capital

Share Capital held - 120 at \$1 owned by the University of New England	120	120
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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:

Director

Mr David Schmude

The following persons were appointed to the board on the 9th March 2017:

Dr Kerry Hudson
 Mrs Megan Aitken
 Prof Peter Creamer
 Ms Kara Tighe

The following persons resigned from the board on the 14th June 2017:

Ms Kara Tighe

The following persons held the role of company secretary of the board for the year:

Mr Brendan Peet

Executive Officers

Mr David Schmude - Managing Director & Chief Executive Officer
 Mr Ashley Clee - Deputy Director & Chief Financial Officer

Mr Schmude's and Mr Clee's remuneration is met by the University of New England.

(b) Remuneration of Board Members and Executives

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

Remuneration of Board Members

	2017 No.	2016 No.
Nil to \$9,999	3	2
Aggregate Remuneration of Board Members	\$'000	\$'000
Total Aggregate Remuneration	12	-

	2017	2016
	\$	\$
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:	42,000	30,000
Total paid for audit services	42,000	30,000

Note 22. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Life Pty Ltd had been identified.

Note 23. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2017 of \$0 (2016: \$0).

(b) Lease Commitments

(i) Operating Leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows;

Within one year	118,872	116,739
Between one and five years	118,872	233,477
GST Recoverable	(21,613)	(31,838)
Later than five years	-	-
Total operating leases	216,131	318,378

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 2017, (2016: Nil).

Total commitments	216,131	318,378
-------------------	---------	---------

No lease arrangements, existing as at 31 December 2017, 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

UNE Life Pty Ltd is a 100% owned subsidiary of 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:

<i>Transactions during the period</i>	2017	2016
	\$	\$
University of New England		
UNE - Commercial transactions	812,000	410,448
UNE Support	1,295,659	317,900
Student Amenities Contribution	836,642	511,525
Payments made	<u>(1,868,000)</u>	<u>(359,376)</u>
Net	<u>1,076,301</u>	<u>880,497</u>
With other related parties		
Income received	-	993,039
Payments made	-	-
Net	<u>-</u>	<u>993,039</u>

Outstanding balances

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

University of New England

Receivables	1,000,480	39,693
Payables	(276,535)	(159,067)

(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 net result after income tax to net cash provided by / (used by) operating activities

Net result for the period	(280,740)	333,251
Depreciation and amortisation	209,211	357,736
Gain on Transfer	-	(904,607)
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables and Prepaid Income	357,443	624,665
Increase/(Decrease) in Provision for Employee Entitlements	43,957	(12,504)
(Increase)/Decrease in Receivables and Prepaid Expenses	(1,021,213)	(38,493)
(Increase)/Decrease in Inventories	(115,653)	2,386
Net cash provided by / (used in) operating activities	<u>(806,995)</u>	<u>362,434</u>

Note 26. Events occurring after the end of the 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)	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 at Call are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	9	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are 2.5%. Average maturity of 330 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2017.	
Creditors and Accruals (Excludes statutory payables and unearned revenue)	16	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 within 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.

(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 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

Note 27. Financial risk management (continued)

(c) Liquidity Risk (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.

The following tables summarise the maturity of the Groups financial assets and financial liabilities:

31 December 2017	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	1.90%	934,914	34,095			21,367	990,376
Receivables & other non-financial assets						1,146,061	1,146,061
Unlisted shares						500	500
Total Financial Assets		934,914	34,095			1,167,928	2,136,937
Financial Liabilities							
Borrowings			-	-			-
Payables						583,455	583,455
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		583,455	583,455

31 December 2016	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	2.30%	1,513,770	561,037			14,010	2,088,817
Receivables & other non-financial assets						126,297	126,297
Unlisted shares						500	500
Total Financial Assets		1,513,770	561,037			140,807	2,215,614
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					594,116	594,116
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		594,116	594,116

Note 27. Financial risk management (continued)

(c) Liquidity Risk (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 2017	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	
Financial Assets					
Cash and cash equivalents	969,009	(9,690)	(9,690)	9,690	9,690
Receivables	1,146,061	-	-	-	-
Unlisted shares	500	-	-	-	-
Total Financial Assets	2,115,570				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	583,455	-	-	-	-
Other Amounts Owinq	-	-	-	-	-
Total Financial Liabilities	583,455				
Total increase / (decrease)	1,532,115				

31 December 2016	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	
Financial Assets					
Cash and cash equivalents	2,074,807	(20,748)	(20,748)	20,748	20,748
Receivables	126,297	-	-	-	-
Unlisted shares	500	-	-	-	-
Total Financial Assets	2,201,604				
Financial Liabilities					
Borrowings	-	-	-	-	-
Creditors	594,116	-	-	-	-
Other Amounts Owinq	-	-	-	-	-
Total Financial Liabilities	594,116				
Total increase / (decrease)	1,607,488				

Notes to the financial statements
 31 December 2017
 (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:

	Note	Carrying Amount		Fair Value	
		2017	2016	2017	2016
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9	990,376	2,088,817	990,376	2,088,817
Receivables	10	1,146,061	126,297	1,146,061	126,297
Other financial assets	12	500	500	500	500
Total financial assets		2,136,937	2,215,614	2,136,937	2,215,614
Financial liabilities					
Payables	16	1,240,406	884,416	1,240,406	884,416
Total financial liabilities		1,240,406	884,416	1,240,406	884,416

End of Audited Financial Statements

**UNE Partnerships
Pty Ltd**



**ABN: 74 003 099 125
Annual Financial Report
for the year ended
31 December 2017**

Independent Auditors Report

Independent Auditors Report

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 2017 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 2015;
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.

.....

Director / Chairman

.....

Director

9 March 2018

Income Statement

For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Income from continuing operations			
Sales revenue	2	5,879,729	4,302,750
Investment revenue	3	3,056	3,056
Total income from continuing operations		5,882,785	4,305,806
Expenses from continuing operations			
Employee related expenses	4	2,791,311	2,978,179
Depreciation and amortisation	5	152,520	94,687
Impairment of assets	6	380,936	101,154
Marketing and promotion		95,741	47,302
Travel and accommodation		108,271	100,631
Course delivery expenses		623,669	1,072,795
Other expenses	7	2,620,593	1,049,658
Total expenses from continuing operations		6,773,041	5,444,406
Net result attributable to UNE Partnerships Pty Limited	16(b)	(890,256)	(1,138,600)

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

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Net result for the period		(890,256)	(1,138,600)
Other comprehensive income		-	-
Total comprehensive income for the period		(890,256)	(1,138,600)

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

Statement of Financial Position As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	678,817	242,989
Receivables	9	282,819	558,458
Other non-financial assets	10	53,753	21,567
Total current assets		1,015,389	823,014
Non-current assets			
Plant and equipment	11	34,163	25,717
Intangible assets	12	802,232	942,648
Total non-current assets		836,395	968,365
Total assets		1,851,784	1,791,379
LIABILITIES			
Current liabilities			
Trade and other payables	13	442,922	393,411
Provisions	14	270,044	254,402
Other liabilities	15	1,036,173	1,124,281
Borrowings		700,000	-
Total current liabilities		2,449,139	1,772,094
Non-current liabilities			
Provisions	14	25,164	25,457
Borrowings		1,302,164	1,028,255
Total non-current liabilities		1,327,328	1,053,712
Total liabilities		3,776,467	2,825,806
Net assets		(1,924,683)	(1,034,427)
EQUITY			
Issued capital	16(a)	1,198,937	1,198,937
Retained earnings	16(b)	(3,123,620)	(2,233,364)
Total equity attributable to equity holders of the company		(1,924,683)	(1,034,427)
Total equity		(1,924,683)	(1,034,427)

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 2017

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2016	1,198,937	(\$1,094,764)	\$104,173
Net result attributable to UNE Partnerships Pty Ltd	-	(\$1,138,600)	(\$1,138,600)
Total comprehensive income	-	(\$1,138,600)	(\$1,138,600)
Balance at 31 December 2016	1,198,937	(\$2,233,364)	(\$1,034,427)
Balance at 1 January 2017	1,198,937	(\$2,233,364)	(\$1,034,427)
Net result attributable to UNE Partnerships Pty Ltd	-	(\$890,256)	(\$890,256)
Total comprehensive income	-	(\$890,256)	(\$890,256)
Balance at 31 December 2017	1,198,937	(\$3,123,620)	(\$1,924,683)

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 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from student fees and other customers		5,905,848	4,315,820
Receipts from government funded students		415,033	207,487
Interest received		3,056	3,056
Payments to suppliers and employees		(6,460,061)	(5,210,799)
GST recovered/paid		47,311	(84,519)
Net cash provided by / (used in) operating activities	22	<u>(88,813)</u>	<u>(768,955)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,773	650
Payments for property, plant and equipment		(23,665)	(9,415)
Net cash outflow for intangibles purchased/created		(360,424)	(170,395)
Net cash provided by / (used in) investing activities		<u>(382,316)</u>	<u>(179,160)</u>
Cash flows from financing activities			
Proceeds from borrowings		908,789	1,000,000
Repayment of borrowings		(1,834)	-
Net cash provided by / (used in) financing activities		<u>906,955</u>	<u>1,000,000</u>
Net increase / (decrease) in cash and cash equivalents			
		435,826	51,885
Cash and cash equivalents at the beginning of the financial year		242,991	191,106
Cash and cash equivalents at the end of the financial year	8	<u><u>678,817</u></u>	<u><u>242,991</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

Note		Page
1	Summary of significant accounting policies	9
	Income	
2	Sales revenue	13
3	Investment revenue	13
	Expenses	
4	Employee related expenses	13
5	Depreciation and amortisation	13
6	Impairment of assets	13
7	Other expenses	13
	Assets	
8	Cash and cash equivalents	14
9	Receivables	14
10	Other non-financial assets	15
11	Plant and equipment	15
12	Intangible assets	16
	Liabilities	
13	Trade and other payables	16
14	Provisions	17
15	Other Liabilities	17
	Equity	
16	Retained earnings	17
	Note Disclosures	
17	Key management personnel disclosures	18
18	Remuneration of auditors	18
19	Contingencies	18
20	Commitments	19
21	Related parties	19
22	Reconciliation of net result after income tax to net cash provided by / (used in) operating activities	20
23	Events subsequent to reporting period	20
24	Financial risk management	21

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 2017 was authorised for issue in accordance with a resolution of the Board on 9 March 2018.

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 2015.

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*. As course fees are invoiced, all educational delivery components of sales are posted to deferred liability and recognised over the contract term as measured by individually measured delivery. Over the enrolment period individually measured service delivery by reference to submitted assessments as the indicator of percent complete is maintained. A corresponding proportion of enrolment fees are transferred from the liability 'Income received in advance' to income on recognition.

(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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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 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 invoice.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are expensed. 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 expensed as a bad debt receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Costs comprise of direct materials and/or labour only.

(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.

Note 1. Summary of significant accounting policies (continued)

(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 only directly attributable costs including costs of materials, services and direct labour. 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.

Note 1. Summary of significant accounting policies (continued)

(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) 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. The Board believe the going concern basis of accounting is appropriate as the University of New England has undertaken to support the Entity to ensure it can operate as a going concern.

(r) New accounting standards and interpretations not yet adopted.

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017 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 2017.

Note	2017 \$	2016 \$
Note 2. Sales revenue		
Education services - fee paying	1,717,819	1,347,603
Education services - government funded	415,033	207,488
Workshops	405,217	651,157
Consultancy	3,203,104	1,932,757
Product sales	12,558	22,213
Other revenue	125,968	141,533
Profit on sale of assets	30	-
Total sales revenue	5,879,729	4,302,750
Note 3. Investment revenue		
Interest	3,056	3,056
Total investment revenue	3,056	3,056
Note 4. Employee related expenses		
Salaries	2,188,769	2,310,825
Contribution to funded superannuation and pension schemes	236,512	255,920
Payroll tax	125,003	176,157
Worker's compensation	20,801	10,474
Long service leave expense	33,282	10,645
Annual leave	190,126	211,277
Other (allowances, penalties and fringe benefits tax)	(3,182)	2,881
Total employee related expenses	2,791,311	2,978,179
Note 5. Depreciation and amortisation		
Depreciation		
Furniture and Fittings	342	1,373
Computer equipment	13,135	15,516
Total depreciation	13,477	16,889
Amortisation		
Intellectual property and courseware	136,696	49,092
Software developments	2,347	-
Contracts acquired in acquisition	-	28,706
Total amortisation	139,043	77,798
Total depreciation and amortisation	152,520	94,687
Note 6. Impairment of assets		
Bad debts	10,508	71,241
Movement in provision for doubtful debts	8,231	29,913
Impairment of assets	362,197	-
Total impairment of assets	380,936	101,154
Note 7. Other expenses		
Change to policy on income recognition	-	-
Non-capitalised equipment	1,711	61,042
Utilities	15,622	17,681
Consumables and materials	20,605	22,185
Telecommunications	30,546	37,048
Books, serials and other library media	-	45,676
Consultants and authors' fees	2,089,981	684,041
Room hire and catering	73,199	21,915
Interest expense	65,283	30,558
Property and facilities	103,169	125,064
Other expenditure	220,477	4,448
Total other expenses	2,620,593	1,049,658

	Note	2017 \$	2016 \$
Note 8. Cash and cash equivalents	1(g)		
Cash on hand		439	225
Cash at bank		678,378	242,764
At call investments		-	-
Total cash and cash equivalents		<u>678,817</u>	<u>242,989</u>

(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		678,817	242,989
Less: Bank overdrafts		-	-
Balance per cash flow statement		<u>678,817</u>	<u>242,989</u>

(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 1% and 1.50% (2016 - 1.0% and 1.50%).

Note 9. Receivables

Current

Trade and other debtors		323,090	590,498
Less: Provision for impaired receivables	1(h)	<u>(40,271)</u>	<u>(32,040)</u>
Total receivables		<u>282,819</u>	<u>558,458</u>

(a) Impaired receivables

As at 31 December 2017 current receivables of the entity with a nominal value of \$40,271 (2016: \$32,040) were impaired. The amount of the provision was \$40,271 (2016: \$32,040). The individually impaired receivables mainly relate to a number of individual students who are in unexpectedly difficult economic situations.

The ageing of these receivables is as follows:

3 to 6 months		9,700	-
Over 6 months		30,571	32,040
		<u>40,271</u>	<u>32,040</u>

As of 31 December 2017, trade receivables of \$127,182 (2016: \$177,154) 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:

0 to 3 months		108,524	137,934
Over 3 months		18,658	39,220
		<u>127,182</u>	<u>177,154</u>

Movements in the provision for impaired receivables are as follows:

As at 1 January		32,040	2,127
Provision for impairment recognised during the year		18,739	101,154
Receivables written off during the year as uncollectible		<u>(10,508)</u>	<u>(71,241)</u>
As at 31 December		<u>40,271</u>	<u>32,040</u>

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.

	Note	2017 \$	2016 \$
Note 10. Other non-financial assets			
Current			
Accrued Income		45,345	-
Prepaid expenses		-	13,159
Security bonds		8,408	8,408
Total current other non-financial assets		<u>53,753</u>	<u>21,567</u>
Note 11. Plant and equipment:			
Plant and equipment:			
At cost		48,045	45,208
Accumulated depreciation		(43,305)	(42,140)
		<u>4,740</u>	<u>3,068</u>
Computer cost:			
At cost		209,830	191,424
Accumulated depreciation		(184,780)	(173,491)
		<u>25,050</u>	<u>17,933</u>
Leasehold improvements:			
At cost		122,701	122,701
Accumulated depreciation		(118,328)	(117,985)
		<u>4,373</u>	<u>4,716</u>
Total Plant and Equipment		<u>34,163</u>	<u>25,717</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant & Equipment	Computer Equipment	Leasehold Improvements	Total
Balance at 1 January 2016	4,099	27,442	5,059	36,600
Additions	-	9,415	-	9,415
Depreciation expense	(1,030)	(15,516)	(343)	(16,889)
Derecognition	-	(50,232)	-	(50,232)
Depreciation written back on disposal	-	46,824	-	46,824
Balance at 31 December 2016	<u>3,069</u>	<u>17,933</u>	<u>4,716</u>	<u>25,718</u>
Balance 1 January 2017	3,069	17,933	4,716	25,718
Additions	2,835	20,830	-	23,665
Depreciation expense	(1,164)	(11,970)	(343)	(13,477)
Derecognition	-	(2,425)	-	(2,425)
Depreciation written back on disposal	-	682	-	682
Carrying amount at 31 December 2017	<u>4,740</u>	<u>25,050</u>	<u>4,373</u>	<u>34,163</u>

Note	2017 \$	2016 \$
Note 12. Intangible assets		
(a) Course Development Expenses		
Cost	859,892	342,258
Accumulated amortisation	(206,708)	(70,012)
Course materials - work in progress	123,845	308,205
Net carrying value	<u>777,029</u>	<u>580,451</u>
Reconciliation of course development expenses		
Balance at the beginning of year	580,451	459,148
Additions	517,634	251,640
Eliminations	-	-
Amortisation charge	(136,696)	(49,092)
Work in progress movement	(184,360)	(81,245)
Closing carrying value at 31 December	<u>777,029</u>	<u>580,451</u>
(b) Acquisition Expenses		
Goodwill at cost (incl contingent portion)	584,504	584,504
Accumulated impairment losses	(584,504)	(222,307)
Value of contracts and client relationships, at cost	684,575	684,575
Accumulated amortisation	(684,575)	(684,575)
Net carrying value	<u>-</u>	<u>362,197</u>
Reconciliation of acquisition outlays		
Balance as at the beginning of year	362,197	390,903
Impairment charge	(362,197)	-
Amortisation charge	-	(28,706)
Closing carrying value at 31 December	<u>-</u>	<u>362,197</u>
(c) Software Expenses		
Cost	46,755	19,205
Accumulated amortisation	(21,552)	(19,205)
Net carrying value	<u>25,203</u>	<u>-</u>
Reconciliation of software expenses		
Balance as at the beginning of year	-	48,959
Additions	27,550	-
Amortisation	(2,347)	-
Write off obsolete software	-	(48,959)
Closing carrying value at 31 December	<u>25,203</u>	<u>-</u>
Total net carrying value	<u>802,232</u>	<u>942,648</u>
Note 13. Trade and other payables		
Current		
Trade payables	422,642	391,569
GST payable	20,280	1,842
Total current trade and other payables	<u>442,922</u>	<u>393,411</u>

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 24.

	Note	2017	2016
		\$	\$
Note 14. Provisions	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		105,054	103,416
Long service leave		-	37,218
Subtotal		105,054	140,634
 Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		35,983	55,555
Long service leave		129,007	58,213
Subtotal		164,990	113,768
Total Current Provision		270,044	254,402
 Non-current provisions			
Employee benefits			
Long service leave		25,164	25,457
Total non-current provision		25,164	25,457
 Total provisions		295,208	279,859
 Note 15. Other Liabilities			
(a) Current			
Accrued Liabilities			
Salary Related		39,575	128,567
Other Accrued Expenditure		-	-
Income received in advance		996,598	995,714
Total current other liabilities		1,036,173	1,124,281
 Note 16. 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		(2,233,364)	(1,094,764)
Net Operating Result for the year		(890,256)	(1,138,600)
Retained earnings at 31 December		(3,123,620)	(2,233,364)

Note 17. Key management personnel disclosures
(a) 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

Mr James R. HARRIS - Chairman (resigned 21 December 2017)
 Philip M. ATTARD (resigned 23 November 2017)
 Suzanne A. JONES (resigned 20 September 2017)
 Janette McCLELLAND (resigned 21 December 2017)
 Kris KAUFFMANN (resigned 24 October 2017)

Professor Annabelle DUNCAN - Chairman (appointed 8 December 2017)
 Dr Exmond DECRUZ (appointed 19 December 2017)
 Professor Aron MURPHY (appointed 20 December 2017)

Executive Officer

Timothy J. Catterall

(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 2017 payments to non-executive directors have been included as paid/accrued.

	2017	2016
	No.	No.
Nil to \$9,999	3	3
	3	3
	\$	\$
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	19,500	21,000
	No.	No.
Nil to \$150,000	-	1
\$175,001 to \$200,000	-	1
\$200,001 to \$224,999	1	-
	1	2
	\$	\$
Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	200,505	253,087

Note 18. 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:

	2017	2016
	\$	\$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	37,000	36,000
Total remuneration for audit services	37,000	36,000

Note 19. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of UNE Partnerships Pty Limited.

At balance date contingent assets and liabilities relating to funded		
Contingent debtor - funded enrolment - contingent stage payments	923,364	629,065
Contingent liability - funded enrolment - delivery costs not yet incurred	-	-
Net contingent balance	923,364	629,065

Note 20. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2017 (2016: Nil).

(b) Lease Commitments

Operating Leases

Within one year	-	53,325
Between one and five years	-	-
Later than five years	-	-
Total operating leases	-	53,325
Total lease commitments	-	53,325

No lease arrangements, existing as at 31 December 2017, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 21. 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 17.

(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:

	2017	2016
	\$	\$
<i>Transactions during the period</i>		
University of New England		
Sales to University of New England	-	8,104
Purchases from the University of New England	184,288	96,181
Net	(184,288)	(88,077)
Loans from University of New England		
Beginning of the year	1,028,255	-
Loans advanced	900,000	1,000,000
Interest charged	66,955	28,255
Interest received	-	-
End of year	1,995,210	1,028,255

Outstanding balances

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

Receivables	-	-
Current receivables (sale of goods and services)		
University of New England	-	-
Other related entities	-	-
Total current receivables	-	-

Note 21. Related parties (continued)

(d) Transactions with related parties (continued)

Current payables (purchases of goods and services)

University of New England	65,227	7,078
Other related entities	-	-
Total current payables	65,227	7,078

Current payables (loans)

University of New England	700,000	1,028,255
Total non-current payables	700,000	1,028,255

Non-current payables (loans)

University of New England	1,295,210	1,028,255
Total non-current payables	1,295,210	1,028,255

With other related parties

Receivables	-	-
Payables	-	-

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured. Sales and purchases of goods and services are provided on interest-free terms.

(g) loan facilities

A loan agreement between UNE Partnerships and the University of New England was signed on 12th December 2016, providing an unsecured loan facility of up to \$1,900,000 until 31 March 2020. Interest is currently charged at 4.5% per annum and capitalised.

Note 22. Reconciliation of net result after income tax to net cash flows from operating activities

	2017	2016
	\$	\$
Net result for the period	(890,256)	(1,138,600)
Depreciation and amortisation	152,520	94,687
Write-off of assets	362,197	48,959
Provision for impaired receivables	8,231	29,913
Net (gain) / loss on sale of non-current assets	(30)	2,761
Increase/(Decrease) in payables and prepaid income	49,991	(56,434)
Increase/(Decrease) in provision for employee entitlements	(73,643)	(15,978)
Increase/(Decrease) in interest payable	66,955	28,255
(Increase)/Decrease in receivables and prepaid expenses	235,222	234,127
(Increase)/Decrease in inventories	-	3,355
Net cash provided by / (used in) operating activities	(88,813)	(768,955)

Note 23. Events occurring after the end of the reporting period

There are no reportable events occurring after the end of the reporting period.

Note 24. 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	
Financial Liabilities			
Borrowings		Borrowings are stated at the amount drawn down plus capitalised interest.	
Creditors and Accruals	13 & 15	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.

Note 24. Financial risk management (continued)

(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 2017	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	1.00	678,817	-	-	-	-	678,817
Investments - term deposits	0.00	-	-	-	-	-	-
Receivables	-	-	-	-	-	282,819	282,819
Total Financial Assets		678,817	-	-	-	282,819	961,636
Financial Liabilities							
Borrowings	4.50	2,002,164	-	-	-	-	2,002,164
Payables	-	-	-	-	-	442,922	442,922
Other amounts owing	-	-	-	-	-	39,575	39,575
Total Financial Liabilities		2,002,164	-	-	-	482,497	2,484,661
Net Financial Assets(Liabilities)		(1,323,347)	-	-	-	(199,678)	(1,523,025)

Comparative figures for the previous year are as follows:

31 December 2016	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	1.00	242,989	-	-	-	-	242,989
Investments - Term Deposits	0.00	-	-	-	-	-	-
Receivables	-	-	-	-	-	558,458	558,458
Total Financial Assets		242,989	-	-	-	558,458	801,447
Financial Liabilities							
Borrowings	4.50	1,028,255	-	-	-	-	1,028,255
Payables	-	-	-	-	-	391,569	391,569
Other Amounts Owing	-	-	-	-	-	128,567	128,567
Total Financial Liabilities		1,028,255	-	-	-	520,136	1,548,391
Net Financial Assets(Liabilities)		(785,266)	0	0	0	38,322	(746,944)

Note 24. 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 2017	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	678,817	(6,788)	(6,788)	6,788	6,788	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	282,819	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	961,636	(6,788)	(6,788)	6,788	6,788	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	2,002,164	20,022	20,022	20,022	20,022	-	-	-	-	-	-	-	-
Payables	442,922	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	39,575	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2,484,661	20,022	20,022	(20,022)	(20,022)	-	-	-	-	-	-	-	-
Total increase/(decrease)	(1,523,025)	(26,810)	(26,810)	26,810	26,810	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2016	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	242,989	(2,430)	(2,430)	2,430	2,430	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	558,458	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	801,447	(2,430)	(2,430)	2,430	2,430	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	1,028,255	10,283	10,283	10,283	10,283	-	-	-	-	-	-	-	-
Payables	391,569	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	128,567	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	1,548,391	10,283	10,283	(10,283)	(10,283)	-	-	-	-	-	-	-	-
Total increase / (decrease)	(746,944)	(12,713)	(12,713)	12,713	12,713	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

Purpose

To provide the Council with a recommendation from the Governance Working Party, which met on 22 February 2018 to discuss proposed changes to the Academic Board and Academic Board Committee Terms of Reference.

Origin of report: Scheduled item from the work plan.

Related to terms of reference: Establish policies and procedural principles for the University consistent with legal requirements and community expectations.

Recommendation**Ms Jan McClelland, Deputy Chancellor**

Council is asked to NOTE the Chair report from the Governance Working Party, report #18135.

The Governance Working Party met on the 22 February 2018 for an initial discussion of proposed new Academic Board terms of reference, as well as revisions to the terms of reference for a number of the Academic Board Committees.

A copy of the draft minutes of the Governance Working Party meeting are attached. The revised terms of reference, in consideration of the discussion at the Governance Working Party meeting and at Academic Board are provided to the Council today as part of the Chair of Academic Board report.

Attachments

Attachment 1 – Draft Governance Working Party Minutes – 22 February 2018 meeting

Governance Working Party Minutes 22 February 2018 (1:2018)



Minutes of the Governance Working Party meeting held on Thursday, 22 February 2018, at 1:30 pm in the Council Room, Booloominbah and via teleconference.

PRESENT

Ms J McClelland (*Deputy Chancellor - and Chair*)
Mr J Harris (*Chancellor*)
Prof A Duncan (*Vice-Chancellor*)
Prof N Reid (*Chair of Academic Board*)
Dr J Hobbs
Dr R Muldoon
Mr D van Aanholt
Mr R Finch
Mr C Hebblewhite
Ms R Leamon
Ms C Millis
Ms A Myers – *via skype*

IN ATTENDANCE

Prof M Choct (Pro Vice-Chancellor External Relations) – from 1.50pm
Prof P Creamer (Chief Operating Officer)
Prof H Daniel (Deputy Vice-Chancellor Research)
Prof J Powles (Pro Vice-Chancellor Academic Innovation)
Prof T Walker (Provost and Deputy Vice-Chancellor)
Mr B Peet (*Chief Legal and Governance Officer*)
Mrs G Price (*Deputy University Secretary – minute recorder*)

1. OPENING COMMENTS

The Chair and Deputy Chancellor, Ms Jan McClelland welcomed Council member attendees and senior executive. Particular welcome was made to Professor Todd Walker who was attending his first meeting of the Governance Working Party.

1.1 * Acknowledgement of Country

The meeting attendees acknowledged the traditional custodians of the land called New England and showed respect to their Elders past and present.

1.2 * Apologies

As attendance by Council members at a Governance Working Party meeting is optional no apologies were recorded.

1.3 * Conflict of Interest Disclosures

There were no conflicts of interest noted.

1.4 Register of Interests

There were no declaration of interests.

1.5 * Order of Business

The attendees of the Governance Working Party attendees **ACCEPTED** the Order of Business.

2. MINUTES OF PREVIOUS MEETING

There were no minutes from the previous meeting, as the last Governance Working Party had met in 2016.

3. MATTERS FOR DISCUSSION

3.1 * Academic Board and Committee Terms of Reference, #18103

The Chair requested that Mr Brendan Peet, Chief Legal and Governance Officer introduce the report.

Mr Peet explained that, following the changes to the Academic structure and in consideration of recommendations from the Winchester review of Academic Governance at UNE, revised terms of reference for Academic Board and a number of its committees had been prepared. The changes included to the terms of Reference for:

- Academic Board
- Teaching and Learning Committee
- Research Committee
- Curriculum Committee (was University Academic Programs Committee)

Mr Peet explained that changes had been made to membership and functions, and suggested that Professor Todd Walker, Provost and Deputy Vice-Chancellor talk to the key principles underpinning the new terms of reference, as these had recently been discussed at a meeting of the Academic Board Standing Committee.

Professor Walker explained that the principles for change were:

- Subsidiary (having the decision making at the right level);
- Expertise (skills based representation for a capable and effective membership); and
- Succession Planning (with opportunities for academic leadership in Chairing and participation).

Importantly, the new terms of reference were framed on the TEQSA standards with functions closely aligned to key TEQSA guidelines. Professor Walker also noted that there was a related activity underway, being a review of academic delegations. A first mapping exercise had been conducted by the Chief Legal and Governance Officer's Policy team, and further work was underway to consolidate this into a delegations register, which would include Committee delegations.

Key changes to the current terms of reference, include:

- Composition of the Board and Committee now reflects the new Faculty structure.
- Academic Board size is reduced slightly (from 38 to 29 members – or 31 members taking into account the option to co-opt 2 members for diversity). While this is a relatively small academic board by sector standards, its size relative to the size of UNE is appropriate.
- The balance of ex-officio and elected members is effectively retained.
- The committees of Academic Board are to be chaired by one of the academy, that is, one of the Associate Deans of Teaching (for Teaching and Learning and Curriculum Committee) or Research (for Research Committee), instead of a member of the Senior Executive (who currently chair these Academic Board subcommittees). This will create succession planning opportunities within the academy.

The Chair of Academic Board, Professor Nick Reid, noted that, at the subsequent Academic Board meeting on the 19 February 2018, the draft terms of reference had been endorsed, with one query regarding the definition of ‘major course changes’ for the Curriculum Committee. Professor Reid explained that there had been discussion around:

- concern by some members about level of School and discipline representation on the board;
- some members wanting to be able to appoint a ‘nominee’;
- the preference that should an elected member of the Board, during their term of appointment, be appointed to a senior executive role, they would need to resign their elected membership;
- whether Chairs and Deputy Chairs of Academic needed to be from different Faculties/Schools
- the need for further clarification of the definition of what constitutes a ‘major course’ in relation to the Curriculum Committee terms of reference.

The Pro Vice-Chancellor Academic Innovation, Professor Jonathan Powles, noted that the changes to the functions of the committee were needed so that the key governance work, for example course reviews, oversight of new courses and disestablishment of courses, was the focus of the committee’s activities rather than units which would be managed within the Faculty structure working directly with the Student Services Directorate’s Information Management Team.

With meeting attendees having no further questions, the Chair explained that the next steps were that this feedback would be provided to the Chair of Academic Board and the revised terms of reference would be brought to the 16 March 2018 Council meeting for Council’s approval.

The Governance Working Party attendees NOTED the discussion regarding Academic Board and Committee Terms of Reference, and agreed to refer the group’s feedback to the next Council meeting, report #18103.

4. GENERAL BUSINESS

There were no matters of general business.

5. MEETING FINALISATION

5.1 * Next Meeting

There is currently no scheduled future meeting. A further meeting of the Governance Working Party will be called if required.

5.2 * Meeting Close

The Chair thanked all attendees and declared the meeting closed at 2.15 pm.

Signed:

Chair

____/____/____
Date

DRAFT

2018 Council OPEN Work Plan

Report Name	Owner	Status/ Comment
Meeting 1: Friday, 16 March 2018		
#18191 University Activities in Focus	VC	
#18164 Chancellor's Report to Council	Chancellor	
#18208 Vice-Chancellor's Report to Council	VC	
#18122 Chair Academic Board Report	Chair AB	
#18116 Approval of Annual Report (Year Ended 31 December 2017)	VC	
#18115 Approval of Annual UNE Group Financial Statements (Year Ended 31 December 2017)	CFO	
#18135 Chair of Governance Working Party Report	Chair	
#18113 2018 Open Council Work plan	CLGO	
Meeting 2: Friday 25 May 2018		
#18190 University Activities in Focus	VC	
#18163 Chancellor's Report to Council	Chancellor	
#18207 Vice-Chancellor's Report to Council	VC	
#18121 Chair Academic Board Report	Chair AB	
#18129 Chair Report - Convocation	VC	
#18112 2018 Open Council Work plan	CLGO	
Meeting 3: Friday 27 July 2018		
#18189 University Activities in Focus	VC	
#18162 Chancellor's Report to Council	Chancellor	
#18206 Vice-Chancellor's Report to Council	VC	
#18120 Chair Academic Board Report	Chair AB	
#18117 Bi-Annual UNESA Report to Council	UNESA	
#18111 2018 Open Council Work plan	CLGO	

2018 Council OPEN Work Plan

Report Name	Owner	Status/ Comment
Meeting 4: Friday 21 September 2018		
#18188 University Activities in Focus	VC	
#18161 Chancellor's Report to Council	Chancellor	
#18205 Vice-Chancellor's Report to Council	VC	
#18119 Chair Academic Board Report	Chair AB	
#18165 Council and Committee meeting dates 2019	CLGO	
#18110 2018 Open Council Work plan	CLGO	

Meeting 5: Friday 23 November 2018		
#18187 University Activities in Focus	VC	
#18160 Chancellor's Report to Council	Chancellor	
#18204 Vice-Chancellor's Report to Council	VC	
#18118 Chair Academic Board Report	Chair AB	
#18186 Bi-Annual UNESA Student Report	UNESA	
#18128 Chair Report – Convocation	Convocation	
#18192 Update on Academic Matters	PDVC / DVCR / PVCAI	
#18175 Program of Induction for Council Members	CLGO	
#18109 2018 & DRAFT 2019 Open Council Work plan	CLGO	

Report Details:

- i. **2018 Work Plan & Draft 2019 Work Plan:** To provide the Council with an updated work plan for the open session of Council at each meeting to track progress against Council objectives during the year, as well as a draft work plan for endorsement for the coming year (in November).
- ii. **Approval of Annual Report / Financial Statements (Year Ended 31 December 2017):** To provide the Council with a draft copy of the annual report and financial statements for the year ending 31 December 2017. As well as a key statutory requirement these documents are a record of the performance of the University and University Group for the previous year. The report relates to the role and function of Council to (12) d. Approve the University's mission, strategic direction, annual budget and business plan.

2018 Council OPEN Work Plan

- iii. **Bi-Annual UNESA Report to Council:** To provide the Council with a report (twice annually) from the University's Student Association regarding student engagement and feedback the association's perspective. It relates to the role and functions of Council to (12) b. Oversee and monitor the University's performance.
- iv. **Chair Academic Board Report:** The Chair of Academic Board report provides an overview of the work of the Academic Board committees, including an outline of the progress of the University towards meeting its strategic academic and student related priorities as well as key compliance requirements under HESA and ESOC Acts. This report relates to the role and functions of Council to (12) c. Oversee and monitor the academic activities of the University and (12) i. Ensure that the University's grievance procedures, and information concerning any rights of appeal or review conferred by or under any Act are published in a form that is readily accessible to the public.
- v. **Chair Report – Convocation:** The University may have a committee of Convocation and receive a report on convocation matters. The report relates to the role and functions of Council to (12) h. Establish policies and procedural principles for the University consistent with legal requirements and community expectations.
- vi. **Chancellor's Report to Council:** To provide the Council with the Chancellor's report on activities undertaken on behalf of the Council since the previous meeting. It relates to the role and functions of Council to (3) provide strategic leadership to the University.
- vii. **Council and Committee meeting dates 2019:** To provide Council with proposed meeting dates for the coming year. The report relates to planning of Council business and the role and functions of Council to (12) j. Regularly review its own performance.
- viii. **Program of Induction for Council Members:** To provide Council members with a program of induction to support their understanding of the institution and its operational model. It relates to the role and functions of Council to (12) l. Make available for members of the Council a program of induction and of development relevant to their role as such a Member.
- ix. **University Activities in Focus:** The item is an optional item on the agenda, and may not be provided to every meeting. The report is an opportunity to showcase innovative and progressive University activities which are helping to delivery on the University's strategic priorities. It relates to the role and functions of Council to (12) b. Oversee and monitor the University's performance.
- x. **Update on Academic Matters:** The report provides Council with an update on academic innovation at the University. It relates to the role and functions of Council to (12) c. Oversee and monitor the academic activities of the University.
- xi. **Vice-Chancellor's Report to Council:** To provide the Vice-Chancellor's update to the Council on the activities of the University. It relates to the role and functions of Council to (12) a. Monitor the performance of the Vice-Chancellor and Chief Executive Officer.