University of New England

Financial Report
for the year ended
31 December, 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of New England and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of University of New England (the University), and the University and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the University and the consolidated entity as of 31 December 2008, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- complies with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2008 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

Steven Martin CA
Director, Financial Audit Services

20 April 2009
SYDNEY

University of New England

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of New England and the entities it controlled at the end of, or during, the year ended 31 December 2008.

Members

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

The Hon Richard Torbay MP - Chancellor (appointed 11 December 2008)
Mr Scott Williams - Deputy Chancellor (appointed 6 October 2008)
Professor Alan Pettigrew - Vice-Chancellor
Professor Eilis Magner
Mr James Harris - Deputy Chancellor (term expired 6 October 2008)
Ms Jill Hickson
Ms Jan McClelland
Dr Col Gellatly, AO
Associate Professor Jeannie Madison
Dr Laurie Piper
Ms Kay Hempsall
The Hon William Lloyd Lange

The following persons were appointed members in 2008 and continue in office at the date of this report:
Ms Catherine Millis (appointed 5 October 2008)
Ms Alicia Zikan (appointed 29 September 2008)
Mr Robert Finch (appointed 24 November 2008)

The following person was appointed a member in 2009 and continues in office at the date of this report:
Dr Charles Watson (appointed 1 January 2009)

The following persons were members in 2008:
Mr John Cassidy - Chancellor (term expired 11 December 2008)
Ms Fiona Giuseppi (resigned 30 September 2008)
Rev Judy Redman (resigned 5 October 2008)
Mr Leslie Wells (resigned 29 September 2008)
Ms Ann Maurer (resigned 8 October 2008)
Associate Professor Herman Beyersdorf (resigned 31 December 2008)

Meetings of Members

The number of meetings of the members of the University of New England's Council, the Standing Committee of Council and other relevant Committees reporting to Council held during the year ended 31 December 2008, and the number of meetings attended by each member is attached.

Principal Activities

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

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

Review of Operations

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

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

With an eye on the changing external environment, the University of New England has continued during 2008 to implement the key objectives of its *Strategic Plan 2007-2010.*

During 2008, organisational changes made at UNE in 2007 have been consolidated and the benefits have started to flow to the organisation. The academic reorganisation which saw the consolidation of faculties and schools has started to bear fruit with evidence of greater collaboration across disciplines in the areas of both teaching and research.

Fifty (50) new and amended courses were offered in 2008. Each course was developed in the context of student demand for opportunities in particular areas as well as in areas of research and teaching strength for UNE. More new courses, including a Bachelor of Social Work and a Bachelor of General Audiology, will be offered in 2009 on the same basis.

In 2008, further extensive work has been done at UNE to enhance the experience of students living on campus in the residential college system. Administration of the colleges is being consolidated and a tender has been let for centralised and extended catering services. Thanks to a $2.5 million grant obtained through the Australian Government's Capital Development Pool Program, extensive renovations to Mary White College are commencing. Consideration is also being given to substantial enhancements to the self-catered Wright Village.

In 2008, 3,681 students graduated from UNE and joined the august body of over 75,000 UNE alumni who now live and work across the globe. Not only maintaining but constantly improving the renowned *UNE student experience* is paramount. We were delighted to maintain our unequalled record in the *Good Universities Guide* for 2009 in being once again awarded the *Guide*'s maximum rating – "five stars" – for "overall graduate satisfaction". UNE also received "five-star" ratings for "teaching quality", "access by equity groups", "Indigenous participation", "entry flexibility", and "staff qualifications".

Environmental Regulation

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

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

COMMONWEALTH
National Greenhouse and Energy Reporting Act 2007

STATE – New South Wales
Catchment Management Authorities Act 2003 No 104
Contaminated Land Management Act 1997 No 140
Contaminated Land Management Amendment Act 2008 No 111
Environmental Planning and Assessment Act 1979 No 203
Environmental Planning and Assessment Amendment Act 2008 No 36
Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985 No 82
Heritage Act 1977 No 136
Native Vegetation Act 2003 No 103
Noxious Weeds Act 1993 No11
Pesticides Act 1999 No 80
Protection of the Environment (Operations) Act 1997 No 156
Rural Fires Act 1997 No 65
Soil Conservation Act 1938 No 10
Threatened Species Conservation Act 1995 No 101
Waste Avoidance and Resource Recovery Act 2001 No 58
Water Management Act 2000
Water Management Amendment Act 2008 No 73

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2008

Insurance of Officers

In 2008, the University held comprehensive insurance policies in relation to Directors and Officers, Industrial Special Risk (including machinery breakdown), Professional Indemnity, Motor Vehicle, Personal Accident (including travel), Goods in Transit, Marine and Workers' Compensation.

The annual premium of $51,350 for Directors and Officers Insurance covered the period 1 November 2007 to 31 October 2008. Insurance has been renewed for the period 1 November 2008 to 31 October 2009 at a cost of $40,000.

Proceedings on behalf of the University

There are no material matters resulting in claims against the university that are required to be reported in this Report or in the financial report.

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

The Hon R Torbay MP
Chancellor
Member of Council of the University of New England
Armidale NSW
17 April 2009

Council Meeting Attendance

In 2008, there were ten Council meetings. Attendance was as follows:

Council Member	No of Meetings Attended	
	Possible	Actual
Mr John Cassidy	9	7
The Hon Richard Torbay, MP	10	9
Mr Scott Williams	10	10
Professor Alan Pettigrew	10	9
Professor Eilis Magner	10	10
Associate Professor Herman Beyersdorf	10	10
Mr R Finch	1	1
Dr Col Gellatly	10	9
Ms Fiona Giuseppi	6	6
Mr James Harris	10	10
Ms Kay Hempsall	10	10
Ms Jill Hickson	10	10
The Hon William Lloyd Lange	10	8
Associate Professor Jeanne Madison	10	10
Ms Ann Maurer	6	5
Ms Jan McClelland	10	10
Ms C Millis	4	4
Dr Laurie Piper	10	9
Rev Judy Redman	6	6
Mr Leslie Wells	6	6
Ms A Zikan	4	4

Standing Committee of Council - Attendance Record

Committee Member	No of Meetings Attended (out of 7 unless otherwise indicated) #
Mr John Cassidy	7
Mr James Harris	7
Professor Alan Pettigrew	7
Professor Eilis Magner	6
Mr Scott Williams	7
Dr Laurie Piper	6
Ms Fiona Giuseppi	7

Audit and Compliance Committee - Attendance Record

Committee Member	No of Meetings Attended (out of 7 unless otherwise indicated) #
Mr John Cassidy	3
Mr James Harris	7
Professor Alan Pettigrew	5
Mr Scott Williams	6
Ms Fiona Giuseppi	4/5
Ms Ann Maurer	4/5
The Hon William Lloyd Lange	2

Infrastructure Committee - Attendance Record

Committee Member	No of Meetings Attended (out of 7 unless otherwise indicated) #
Mr John Cassidy	2
Mr James Harris	6
Professor Alan Pettigrew	5
Dr Laurie Piper	7
Professor Eilis Magner	7
Ms Kay Hempsall	6
Ms Jill Hickson	4

Finance Committee - Attendance Record

Committee Member	No of Meetings Attended (out of 10 unless otherwise indicated) #
Mr John Cassidy	5/9
Mr James Harris	10
Professor Alan Pettigrew	8
Mr Scott Williams	10
Professor Eilis Magner	10
Ms Fiona Giuseppi	5/6
Associate Professor Herman Beyersdorf	8
Ms Ann Maurer	5/6
The Hon Richard Torbay, MP	1/1

Data for Council members only

University of New England

FINANCIAL STATEMENT

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

1 The financial report represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2008 and the result of their operations and transactions of the economic entity for the year then ended;

2 The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983 and the Commonwealth's Financial Statement Guidelines for Australian Higher Education Providers for the 2008 Reporting period;

3 The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;

4 We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate;

5 There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;

6 The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and

7 The University has complied in full with the requirements of various programme guidelines that apply to the Commonwealth financial assistance identified in these financial report.

The Hon R Torbay MP
Chancellor

Professor A. Pettigrew
Vice-Chancellor

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

University of New England
Armidale, NSW
17 April 2009

Income statement

For the year ended 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	110,275	105,236	110,275	105,236
HECS-HELP - Australian Government payments	3	33,987	31,930	33,987	31,930
FEE-HELP	3	2,838	2,827	2,838	2,827
State and local Government financial assistance	4	1,877	2,140	1,877	2,140
HECS-HELP - Student Payments		6,765	7,178	6,765	7,178
Fees and charges	5	40,877	41,934	31,764	31,132
Investment revenue	6	4,125	3,413	3,436	2,727
Royalties, trademarks and licences	7	144	693	144	693
Consultancy and contracts	8	832	817	832	817
Other Revenue	9	11,941	9,534	7,600	5,440
Total revenue from continuing operations		213,661	205,702	199,518	190,120
Gains on disposal of assets		36	14	27	-
Investments accounted for using the equity method		(123)	46	-	-
Other Income	9	598	145	-	-
Total income from continuing operations before deferred Government superannuation contributions		214,172	205,907	199,545	190,120
Deferred Government Superannuation Contributions		98,195	(21,700)	98,195	(21,700)
Total revenue and income from continuing operations		312,367	184,207	297,740	168,420
Expenses from continuing operations					
Employee related expenses	10	124,407	115,120	115,430	106,412
Depreciation and amortisation	11	13,141	12,295	12,182	11,453
Repairs and maintenance	12	5,212	8,692	4,993	8,523
Finance costs	13	104	122	67	98
Losses on disposal of assets		343	2,243	320	2,237
Investment losses	6	2,101	-	750	-
Other expenses	14	61,624	63,360	57,912	57,430
Total expenses from continuing operations before deferred employee benefits for superannuation		206,932	201,832	191,654	186,153
Deferred Employee Benefits for Superannuation	10	98,195	(21,700)	98,195	(21,700)
Total expenses from continuing operations		305,127	180,132	289,849	164,453
Operating result before income tax		7,240	4,075	7,891	3,967

Income statement (continued)

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Income tax expense		-	-	-	-
Operating result from continuing operations		7,240	4,075	7,891	3,967
Operating result from discontinued operations		-	-	-	-
Operating result after income tax for the period		7,240	4,075	7,891	3,967
Operating result attributable to minority interest		-	-	-	-
Operating result attributable to members of the University of New England	**28(b)**	7,240	4,075	7,891	3,967

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

Balance sheet
As at 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
ASSETS					
Current assets					
Cash and cash equivalents	**15**	46,400	40,880	39,003	34,295
Receivables	**16**	7,291	8,004	5,518	5,464
Inventories	**17**	565	608	246	317
Other non-financial assets	**19**	7,984	5,729	7,690	5,527
Biological assets	**21**	461	461	461	461
Total current assets		62,701	55,682	52,918	46,064
Non-current assets					
Receivables	**16**	173,325	74,996	173,097	74,902
Other financial assets	**18**	2,542	3,986	1,511	2,385
Investments accounted for using the equity method	**20**	6,923	7,045	-	-
Property, plant and equipment	**22**	219,796	219,371	212,007	212,957
Intangible assets	**23**	7,311	7,641	6,667	6,965
Total non-current assets		409,897	313,039	393,282	297,209
Total assets		472,598	368,721	446,200	343,273
LIABILITIES					
Current liabilities					
Trade and other payables	**24**	2,100	2,353	1,125	1,109
Borrowings	**25**	445	344	391	286
Provisions	**26**	31,927	31,749	30,800	30,642
Other liabilities	**27**	18,962	18,522	17,659	17,359
Total current liabilities		53,434	52,968	49,975	49,396
Non-current liabilities					
Borrowings	**25**	546	703	481	609
Provisions	**26**	184,224	82,208	183,339	81,293
Other liabilities	**27**	231	-	231	-
Total non-current liabilities		185,001	82,911	184,051	81,902
Total liabilities		238,435	135,879	234,026	131,298
Net assets		234,163	232,842	212,174	211,975
EQUITY					
Parent entity interest					
Reserves	**28(a)**	22,293	28,895	20,472	28,865
Retained surplus	**28(b)**	211,870	203,947	191,702	183,110
Total equity		234,163	232,842	212,174	211,975

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the year ended 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Total equity at the beginning of the year		232,842	224,236	211,975	207,656
Gain/(Loss) on revaluation of land and buildings, net of tax		(5,619)	-	(7,410)	-
Change in fair value of available-for-sale financial assets		(300)	352	(282)	352
Equity of newly acquired entity		-	4,179	-	-
Net (loss)/income recognised directly in equity		(5,919)	4,531	(7,692)	352
Operating result for the period		7,240	4,075	7,891	3,967
Total recognised income and expense for the period		1,321	8,606	199	4,319
Total equity at the end of the year		234,163	232,842	212,174	211,975

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

Cash flow statement

For the year ended 31 December 2008

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Cash flows from operating activities					
Australian Government Grants received		148,046	137,936	148,046	137,936
State Government Grants received		1,877	2,140	1,877	2,140
HECS-HELP - Student payments		6,765	7,178	6,765	7,178
Receipts from student fees and other customers		62,510	58,482	47,441	43,506
Dividends received		61	54	61	54
Interest received		3,789	3,107	3,286	2,637
Payments to suppliers and employees (inclusive of goods and services tax)		(193,014)	(180,307)	(177,560)	(165,307)
Interest and other costs of finance paid		(87)	(117)	(67)	(98)
GST paid		(6,167)	(5,990)	(6,312)	(5,864)
Net cash provided by / (used in) operating activities	ii)	23,780	22,483	23,537	22,182
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		252	490	229	431
Payments for property, plant and equipment		(20,425)	(17,723)	(19,035)	(17,311)
Proceeds from sale of financial assets		-	-	-	-
Payments for financial assets		1,985	(1,384)	-	-
Repayment of loans		7	-	-	-
Proceeds from controlled entity		-	436	-	-
Net cash provided by / (used in) investing activities		(18,181)	(18,181)	(18,806)	(16,880)
Cash flows from financing activities					
Repayment of borrowings		(24)	(15)	-	-
Repayment of finance leases		(55)	(1)	(23)	33
Net cash provided by / (used in) financing activities		(79)	(16)	(23)	33
Net increase / (decrease) in cash and cash equivalents		5,520	4,286	4,708	5,335
Cash and cash equivalents at the beginning of the financial year		40,880	36,594	34,295	28,960
Cash and cash equivalents at the end of the financial year	i)	46,400	40,880	39,003	34,295

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

Notes to the Cash Flow Statement

i) Components of cash

For the purposes of the Cash Flow Statement, the University considers cash to include cash on hand and deposits at call. Cash as shown in the Cash Flow Statement is reconciled to the Balance Sheet as follows:

		Consolidated		Parent entity	
		2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Cash		3,655	3,881	2,380	3,034
Deposits at Call		42,745	36,999	36,623	31,261
Cash as at end of reporting period	**15**	46,400	40,880	39,003	34,295

ii) Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Operating result for the period	7,240	4,075	7,891	3,967
Depreciation and amortisation	13,141	12,282	12,181	11,453
Impairment of investment	750	-	750	-
Provision for impaired receivables	(13)	65	(10)	71
Deferred Superannuation Contribution Income	98,195	(21,700)	98,195	(21,700)
Deferred Superannuation Contribution Expense	(98,195)	21,700	(98,195)	21,700
Share in Operating Result of Joint Venture	123	(46)	-	-
Loss on revaluation	22	-	-	-
Net (gain) / loss on sale of non-current assets	317	4,815	302	4,811
Increase/(Decrease) in Payables and Prepaid Income	(2,067)	(222)	(1,550)	196
Increase/(Decrease) in Provision for Employee Entitlements	103,807	(25,004)	103,820	(25,184)
Increase/(Decrease) in Provision for Annual Leave	1,068	1,418	1,053	1,335
Increase/(Decrease) in Other Provisions	(2,669)	3,585	(2,669)	3,585
Increase/(Decrease) in Trust Funds	2,098	291	2,099	291
(Increase)/Decrease in Receivables and Prepaid Expenses	(100,083)	20,803	(100,401)	21,302
(Increase)/Decrease in Inventories	46	421	71	355
Net cash provided by / (used in) operating activities	23,780	22,483	23,537	22,182

Notes to the financial statements

Note 1. Summary of Significant Accounting Policies

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. The financial report includes separate financial information for the University of New England (the "University") as an individual entity (the "parent entity") and the consolidated entity (the "Group") consisting of the University and its control entities.

(a) Basis of preparation

University of New England ("the University") is a "statutory body" in terms of the Public Finance and Audit Act, 1983. The Financial Report of the University is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (AAS), 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 2005.

Pursuant to the Higher Education Funding Act 1988, the University has presented the accounts in the format required by the Financial Statement Guidelines for Australian Higher Education Providers for the 2008 Reporting Period, as issued by the Department of Education, Employment and Workplace Relations (DEEWR). The only exception being that the Human Resources Management Information System utilised by the University, has precluded the Institution from complying with DEEWR requirements for disclosure of, superannuation and pension breakdowns in note 10.

The Consolidated Financial Report of the University of New England has been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2008 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group.

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

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

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

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

Minority interests in the results and equity of subsidiaries, where applicable, are shown separately in the consolidated income statement and balance sheet, respectively.

(ii) Associates

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

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

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

(b) Principles of consolidation (continued)

(ii) Associates (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Joint Ventures

Joint Venture Operation

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

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

Joint Venture Entities

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the entity are set out in note 20.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Group's ownership interest, until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(c) Foreign currency translation

(i) Functional and presentation currency

All of the Group's entities are within Australia. Consolidated financial statements are presented in Australian dollars which is the University's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(d) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Government grants

The University generally treats operating grants received from Australian Government entities as income in the year of receipt.

(ii) Student fees and charges

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

(iii) Investment income

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

(iv) Other revenue

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

(e) **Income tax**

The University is exempt from income tax under Commonwealth income tax legislation. Within the Group, there are entities that are not exempt from income tax. However, these entities either did not trade or did not incurr a taxable income.

(f) **Leases**

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

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

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

(g) **Impairment of assets**

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

(h) ***Cash and cash equivalents***

For 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 balance sheet.

(i) ***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 .

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

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement within 'other expenses'. 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.

(j) **Inventories**

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) **Inventories (continued)**

(ii) Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and costs that are attributable to contract activity in general and can be allocated to the contract.

(k) **Investments and other financial assets**

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

Fair Value

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

Impairment

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

(l) **Fair value estimation**

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

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

(m) **Property, infrastructure, plant and equipment**

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

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

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

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

Buildings 3 - 60 yrs,
Infrastructure 10 - 60 yrs,
Computing Implementation Costs & Software - 10 yrs,
Motor Vehicles - 5 yrs,
Patents, Trademarks and Licences - 10 yrs,
Library Collection - 10 yrs,
Furniture and Fittings - 7-20 yrs,
Other Plant and Equipment - 5 - 15 yrs,
Computing Equipment / Software - 5 - 15 yrs,
Biological Assets (NA)
Water License - Nil

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

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

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

Land controlled by the University was revalued as at 31 December 2008 by Rushton Valuers Pty Ltd.

Buildings controlled by the University were revalued as at 31 December 2008, by Rushton Valuers Pty Ltd.

Infrastructure assets, existing at 31 December 2008, were revalued by L M Knight & Co during 2006. Knight Davidson Property Advisory in their letter of advice dated 30 January 2009 has indicated that the University's book value of Infrastructure at 31 December 2008 is consistent with current market values.

(n) **Intangible assets**

(i) Research and development
Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

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

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

(o) **Unfunded superannuation**

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

The unfunded liabilities recorded in the Balance Sheet under Provisions have been determined by Pillar Administration and relates to the defined benefit superannuation plan's of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund. For details relating to methodology of mearsurement by the actuary and treatment of actuarial gains and losses, refer note 36.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Balance Sheet under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University and its controlled entities.

(p) **Trade and other payables**

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

(q) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(r) **Provisions**

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

(r) Provisions (continued)

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

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

(s) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. 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.

(ii) Long service leave

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

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death, from the superannuation plans contributed to by the Group. The plans have both defined benefit sections and defined contribution sections. The defined benefit sections provide defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the Group and its legal or constructive obligation is limited to these contributions.

A liability or asset in respect of each defined benefit superannuation plan is recognised in the balance sheet, and is measured as the present value of the defined bednefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognisad actuarial losses) less the fair value of the superannuation funds assets at that date and any unrecognised past service cost. The present value of the defined banefit obligation is based on expected future payments which arise from membership of the plan to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to the 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to income.

Past service costs are recognised immediately in the income statement, unless the changes to the superannuation plan are conditional on the employees remaining in service for a specified pedriod of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (for example, taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

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

(t) Government grants

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

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

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

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

(v) Key Management Personnel

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

(w) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar.

(x) 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.

(y) Standards and interpretations applicable to financial reporting periods later than those ending 31 December 2008

***(i)* Compiled Standards**

Standard	Name	Application date
AASB 5	Non current Assets Held for Sale and Discontinued Operation	Annual reporting periods beginning on or after I July 2008
AASB 101	Presentation of Financial Statements	Annual reporting periods beginning on or after 1 January 2009
AASB 116	Property, Plant and Equipment	Annual reporting periods beginning on or after 1 July 2008
AASB 123	Borrowing Costs	Annual reporting periods beginning on or after I January 2009
AASB 127	Consolidated and Separate Financial Statements	Annual reporting periods beginning on or after I July 2008
AASB 137	Provisions, Contingent Liabilities and Contingent Assets	Annual reporting periods beginning on or after 1 July 2008
AASB 1004	Contributions	Annual reporting periods beginning on or after I July 2008

These Compiled Standards include amendments contained in AASB 2007-3 to AASB 2008-13, which apply to annual reporting periods beginning on or after 1 July 2008. All other aspects of each compiled standards apply to the annual financial reporting period ended 31 December 2008.

(ii) **Interpretations**

Interpretation	**Name**	**Application date**
1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Annual reporting periods beginning on or after 1 January 2009
12	Service Concession Arrangements	Annual reporting periods beginning on or after 1 January 2009
16	Hedges of a Net Investment in a Foreign Operation	Annual reporting periods beginning on or after 1 October 2008
17	Distributions of Non-cash assets to Owners	Annual reporting periods beginning on or after 1 July 2009
1038	Contributions by Owners Made to Wholly-Owned Public Sector Entities	Annual reporting periods beginning on or after 1 July 2008

These interpretations include amendments contained in Interpretation 2007-8 to AASB 2008-3, which apply to annual reporting periods beginning on or after I January 2009.

The possible impact of these standards and interpretations is not known and cannot be reliably estimated.

Notes to the financial statements
31 December 2008
(continued)

Note 2. Disaggregated information

Geographical [Consolidated Entity]

	Revenue		Results		Assets	
	2008	2007	**2008**	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	212,562	203,156	6,951	3,541	472,209	368,466
Asia	534	1,258	115	265	173	166
US/Canada	520	754	86	136	131	50
Unallocated	556	739	88	133	85	39
	214,172	205,907	7,240	4,075	472,598	368,721

Note 3. Australian Government financial assistance including HECS-HELP and FEE-HELP

	Notes	Consolidated		Parent entity	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
(a) Commonwealth Grant Scheme and Other Grants	37.1				
Commonwealth Grant Scheme#		60,619	57,092	60,619	57,092
Indigenous Support Program		738	751	738	751
Equity Support Program		608	627	608	627
Workplace Reform Program		867	826	867	826
Workplace Productivity Program		1,699	2,519	1,699	2,519
Learning & Teaching Performance Fund		1,608	1,506	1,608	1,506
Capital Development Pool		600	5,122	600	5,122
Collaboration and Structural Reform Program ##		1,014	71	1,014	71
Improving the Practical Component of Teacher Education Initiative		636	-	636	-
Transitional Cost Program		580	-	580	-
Graduate Skills Assessment		50	150	50	150
Total Commonwealth Grant Scheme and Other Grants		69,019	68,664	69,019	68,664
(b) Higher Education Loan Programs	37.2				
HECS-HELP		33,987	31,930	33,987	31,930
FEE-HELP		2,838	2,827	2,838	2,827
Total Higher Education Loan Programs		36,825	34,757	36,825	34,757
(c) Scholarships	37.3				
Australian Postgraduate Awards		1,305	1,281	1,305	1,281
International Postgraduate Research Scholarship		233	236	233	236
Commonwealth Education Cost Scholarships		949	719	949	719
Commonwealth Accomodation Scholarships		1,211	907	1,211	907
Indigenous Access Scholarships		82	-	82	-
Total Scholarships		3,780	3,143	3,780	3,143
(d) DIISR - Research	37.4				
Institutional Grants Scheme		3,265	3,370	3,265	3,370
Research Training Scheme		7,700	7,946	7,700	7,946
Systemic Infrastructure Initiative		-	-	-	-
Research Infrastructure Block Grants		1,584	1,766	1,584	1,766
Regional Protection Scheme		620	584	620	584
Implementation Assistance Programme		94	46	94	46
Australian Scheme for Higher Education Repositories		192	101	192	101
Commercialisation Training Scheme		71	69	71	69
Total DIISR - Research Grants		13,526	13,882	13,526	13,882
(e) Voluntary Student Unionism	37.5				
VSU Transition Fund		2,100	3,900	2,100	3,900
Support for Small Businesses		110	380	110	380
Total VSU		2,210	4,280	2,210	4,280
(f) Better Universities Renewal Fund	37.5				
Total BURF		7,261	-	7,261	-
(g) Australian Research Council	37.6				
***(i)* Discovery**	37.6(a)				
Project		1,229	1,698	1,229	1,698
Total Discovery		1,229	1,698	1,229	1,698
***(ii)* Linkages**	37.6(b)				
Infrastructure		-	-	-	-
Projects		412	646	412	646
Total linkages		412	646	412	646

Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading and HEFA Transition Fund.
Includes Diversity and Structural Adjustment Fund

Notes to the financial statements
31 December 2008
(continued)

Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (continued)

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
(h) Other Australian Government financial assistance					
Co-operative Research Centres		3,359	2,917	3,359	2,917
Other Research Financial Assistance		7,213	6,324	7,213	6,324
Non-Research Financial Assistance		2,264	3,682	2,264	3,682
Total other Australian Government financial assistance		12,836	12,923	12,836	12,923
Total Australian Government financial assistance		147,098	139,993	147,098	139,993
Reconciliation					
Australian Government grants [a + c + d + e + f +g+h]		110,273	105,236	110,273	105,236
HECS-HELP - Australian Government payments		33,987	31,930	33,987	31,930
Other Australian Government loan programmes [FEE-HELP]		2,838	2,827	2,838	2,827
Total Australian Government financial assistance		147,098	139,993	147,098	139,993
(h) Australian Government Grants received - cash basis					
CGS and Other DEEWR Grants		69,385	68,641	69,385	68,641
Higher Education Loan Programmes		37,429	32,564	37,429	32,564
Scholarships		3,780	3,142	3,780	3,142
DIISR research		13,527	14,032	13,527	14,032
Voluntary Student Unionism		2,210	4,280	2,210	4,280
Better Universities Renewal Funding		7,261	-	7,261	-
ARC grants - Discovery		1,229	1,698	1,229	1,698
ARC grants - Linkages		419	646	419	646
Other Australian Government Grants		12,837	12,923	12,837	12,923
Total Australian Government Grants received - cash basis		148,077	137,926	148,077	137,926
OS-HELP (Net)		(31)	8	(31)	8
Total Australian Government funding received - cash basis		148,046	137,934	148,046	137,934

Note 4. State and Local Government financial assistance

	Consolidated 2008	Consolidated 2007	Parent entity 2008	Parent entity 2007
State Government Financial Assistance for various purposes were received by the University during the reporting period	1,877	2,140	1,877	2,140

Note 5. Fees and charges

	Consolidated 2008	Consolidated 2007	Parent entity 2008	Parent entity 2007
Course fees and charges				
Fee-paying overseas students	9,845	10,408	9,799	10,408
Fee-paying domestic postgraduate students	3,718	3,234	3,718	3,234
Fee-paying domestic undergraduate students	711	944	711	944
Fee-paying domestic non-award students	159	211	159	211
Other domestic course fees and charges	5,032	4,875	86	38
Total course fees and charges	19,465	19,672	14,473	14,835
Other non-course fees and charges				
Amenities and service fees	568	594	568	594
Student service fees	128	47	128	47
Parking fees	206	203	206	203
Conference income	400	831	400	831
College Residential Rental	11,657	11,207	11,657	11,207
Other Fees and Charges	8,453	9,380	4,332	3,415
Total other fees and charges	21,412	22,262	17,291	16,297
Total fees and charges	40,877	41,934	31,764	31,132

Note 6. Investment revenue and investment income

	Consolidated 2008	Consolidated 2007	Parent entity 2008	Parent entity 2007
Interest	534	-	-	-
Investment Income	3,381	3,359	3,375	2,673
Dividend Income	210	54	61	54
Total investment revenue	4,125	3,413	3,436	2,727
Change in fair value of financial assets designated as at fair value through profit & loss	-	-	-	-
Change in fair value of financial assets classified as held for trading	-	-	-	-
Total other investment income	-	-	-	-
Change in fair value of financial assets designated as at fair value through profit & loss	2,099		750	
Change in fair value of financial assets classified as held for trading	-		-	
Total other investment losses	2,099	-	750	-
Net investment income	(2,099)	-	(750)	-

Notes to the financial statements
31 December 2008
(continued)

		Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 7.	**Royalties, trademarks and licences**					
	Royalties		82	116	82	116
	Trademarks		-	-	-	-
	Licences		36	521	36	521
	Commission fees		26	56	26	56
	Total royalties, trademarks and licences		144	693	144	693
Note 8.	**Consultancy and contracts**					
	Consultancy		408	345	408	345
	Contract research		424	472	424	472
	Total consultancy and contracts		832	817	832	817
Note 9.	**Other revenue and income**					
	Other revenue					
	Donations and bequests		1,901	669	1,901	668
	Scholarships and prizes		168	33	147	33
	Non-government grants		2,453	1,884	2,453	1,884
	Sundry trading income		7,419	6,948	3,099	2,855
	Total other revenue		11,941	9,534	7,600	5,440
	Other Income					
	Other income		598	145	-	-
	Total other income		598	145	-	-
Note 10.	**Employee related expenses**					
	Academic					
	Salaries		40,619	40,137	40,619	40,137
	Contribution to superannuation and pension schemes		12,528	5,887	12,528	5,887
	Payroll tax		3,128	3,060	3,128	3,060
	Worker's compensation		204	310	204	310
	Long service leave expense		2,705	1,404	2,705	1,404
	Annual leave		2,954	2,988	2,954	2,988
	Total academic		62,138	53,786	62,138	53,786
	Non-academic					
	Salaries		45,912	45,569	38,133	38,382
	Contribution to superannuation and pension schemes		6,569	6,538	5,942	5,949
	Payroll tax		3,259	3,215	2,926	2,813
	Worker's compensation		219	340	192	285
	Long service leave expense		2,601	1,309	2,532	1,292
	Annual leave		3,544	3,957	3,444	3,693
	Other (Allowances, penalties and fringe benefits tax)		165	406	122	212
	Total non-academic		62,269	61,334	53,291	52,626
	Total employee related expenses		124,407	115,120	115,429	106,412
	Deferred government employee benefits for superannuation		98,195	(21,700)	98,195	(21,700)
	Total employee related expenses, including deferred government employee benefits for superannuation		222,602	93,420	213,624	84,712
Note 11.	**Depreciation and amortisation**					
	Depreciation					
	Buildings		4,817	4,556	4,653	4,535
	Infrastructure		547	544	547	544
	Furnitures and Fittings		212	168	200	157
	Plant and Equipment		1,496	1,242	1,140	842
	Computer Equipment		1,139	783	1,092	735
	Motor Vehicles		134	170	56	66
	Library Collection		2,976	2,758	2,976	2,758
	Total depreciation		11,321	10,221	10,664	9,637
	Amortisation					
	Intangibles		1,424	1,383	1,147	1,141
	Leasehold improvements		25	16	-	-
	Plant & equipment under finance leases		370	675	370	675
	Total amortisation		1,819	2,074	1,517	1,816
	Total depreciation and amortisation		13,140	12,295	12,181	11,453

Notes to the financial statements
31 December 2008
(continued)

		Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 12.	**Repairs and maintenance**					
	Buildings		629	3,703	629	3,703
	Heritage Assets		20	37	20	37
	Infrastructure		701	1,056	701	1,056
	Library Collection		6	1	8	1
	Plant/furniture/equipment		1,424	828	1,227	695
	Contracts		1,751	2,779	1,751	2,779
	Grounds		234	81	234	81
	Computer Service Costs		445	171	426	171
	Other		2	36	-	-
	Total repairs and maintenance		5,212	8,692	4,993	8,523
Note 13.	**Finance costs**		104	122	67	98
	Reconciliation of Finance costs					
	Finance lease interest		67	122	67	98
	Less : amount capitalised		-	-	-	-
	Total finance costs expensed		67	122	67	98
Note 14.	**Other expenses**					
	Scholarships, grants and prizes		6,797	6,613	6,797	6,612
	Non-capitalised equipment		4,394	3,129	4,309	3,043
	Advertising, marketing and promotional expenses		1,881	2,024	1,484	1,681
	Utilities		4,453	3,564	4,089	3,310
	Inventory Used		4,315	5,071	2,777	3,697
	Postal and Telecommunications		2,554	2,595	2,044	2,059
	Travel and Entertainment		5,643	5,792	5,218	5,149
	Books, Serials and Other Library Media		2,698	2,137	2,678	2,117
	Operating Lease Rental Charges		248	562	177	461
	Consultants		2,768	4,512	2,399	4,062
	External Contributions		5,598	3,503	5,598	3,503
	Catering Services		4,498	4,370	4,498	4,370
	Fees for Services		11,784	10,778	11,716	10,399
	Net Losses on derecognition of assets		30	2,574	8	2,574
	Foreign exchange loss		14	41	14	41
	Bad Debts		116	119	57	57
	Doubtful debts		(10)	65	(10)	71
	Other Expenditure		3,843	5,911	4,059	4,224
	Total other expenses		61,624	63,360	57,912	57,430
Note 15.	**Cash and cash equivalents**	1(h)				
	Cash on hand		20	16	3	3
	Cash at bank		3,885	4,280	2,377	3,031
	At call investments	1(k)	42,495	36,584	36,623	31,261
	Total cash and cash equivalents		46,400	40,880	39,003	34,295
Note 16.	**Receivables**					
	Current					
	Trade and Other Debtors		7,881	8,594	6,041	5,998
	Less: Provision for impaired receivables	1(i)	(590)	(590)	(523)	(534)
	Total current receivables		7,291	8,004	5,518	5,464
	Non-current					
	Trade and Other Debtors		228	94	-	-
	Deferred government contribution for superannuation					
	* emerging cost of superannuation		173,097	74,902	173,097	74,902
	Total non-current receivables		173,325	74,996	173,097	74,902
	Total receivables		180,616	83,000	178,615	80,366

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

As at 31 December 2008, trade receivables of the group with a nominal value of $7,285m (2007: $8,004m) were impaired and fully provided for:

Movements in the provision for impaired receivables are as follows:

	Consolidated 2008	Consolidated 2007	Parent entity 2008	Parent entity 2007
As at 1 January	(590)	(523)	(534)	(463)
Provision for impairment recognised during the year	(10)	(881)	-	(881)
Receivables written off during the year as uncollectible	10	814	10	810
	(590)	(590)	(523)	(534)

Notes to the financial statements
31 December 2008
(continued)

		Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 17.	**Inventories**	1(j)				
	Current					
	Printing / binding materials		156	181	101	95
	Petrol and oils		5	9	5	9
	Central stores - Motor Pool		5	3	5	3
	College stores		6	7	6	7
	Fodder and produce		71	144	71	144
	Other stocks		322	264	58	59
	Total current inventories		565	608	246	317
Note 18.	**Other financial assets**	1(k)				
	Non-current					
	Summary of portfolio as at 31 December:					
	Shares in Private Companies *		1,649	2,811	619	1,210
	Available for sale		893	1,175	892	1,175
	Total non-current other financial assets		2,542	3,986	1,511	2,385
	Movement of shares in Private Companies are as follows:					
	Shares as at 1 January		2,811	2,811	1,210	1,210
	Acquired in 2008		187	-	532	-
	Disposed in 2008		-	-	(373)	-
	Impairment expense recognised at 31 December 2008		(1,349)	-	(750)	-
	Fair value of investment at 31 December		1,649	2,811	619	1,210
	* Shares and units not traded in the market place					
Note 19.	**Other non-financial assets**					
	Current					
	Accrued Income		2,310	1,489	2,083	1,447
	Prepaid Expenses		5,674	4,240	5,607	4,080
	Total current other non-financial assets		7,984	5,729	7,690	5,527
Note 20.	**Investments accounted for using the equity method**					
	Investments in jointly controlled entities		6,923	7,045	-	-
	Total investments accounted for using the equity method		6,923	7,045	-	-

Name of Entity	Description	Ownership Interest % 2008	Ownership Interest % 2007
Associates			
Remarkspdf Pty Limited	The company trades in Software Development.	30	100
Jointly controlled entities			
National Marine Science Centre Pty Ltd	The company was incorporated in Australia on 23 June 2000 and the joint venture arrangements were finalised on 6 September 2000. The principal activities, of the joint venture, are to integrate education, environmental research, fisheries research, management, ecotourism and public interpretive facilities.	50	50

Summarised financial information in respect of jointly controlled entities is set out below

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Financial Position				
Current assets	1,647	2,449	-	-
Non-current assets	12,660	12,979	-	-
Total assets	14,307	15,428	-	-
Current liabilities	462	1,337	-	-
Non-current liabilities	-	-	-	-
Total liabilities	462	1,337	-	-
Net Assets	13,845	14,091	-	-
Share of jointly controlled entities' net assets	6,923	7,046		
Financial Performance				
Income	3,017	3,108	-	-
Expenses	3,263	3,016	-	-
Profit/(Loss)	(246)	92	-	-
Share of jointly contolled entitie's profit/(loss)	(123)	46		

Summarised financial information in respect of jointly controlled entities is set out below

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Note 21. Biological assets				
Trees	5	5	5	5
Livestock	456	456	456	456
Total biological assets	461	461	461	461
Reconciliation of changes in the carrying amount of biological assets				
Balance as at 1 January	769	769	769	769
Purchases	41	41	41	41
Sales	(349)	(349)	(349)	(349)
Balance as at 31 December	461	461	461	461

Note 22. Property, plant and equipment

Consolidated	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment $'000	Motor Vehicles $'000	Computer equipments $'000	Furnitures & fittings $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Library Collections $'000	Library rare books $'000	Museums & collections at valuations $'000	Works of Arts $'000	MIS Works in Progress $'000	Total $'000
At 1 January 2007																
- Cost	59	60	1,569	2,984	16,571	1,692	6,085	2,498	382	5,047	26,720	-	98	6	698	64,469
- Valuation	17,434	18,530	377,505	-	-	-	-	-	-	-	-	1,867	3,768	998	-	420,102
Accumulated depreciation	-	-	(246,814)	-	(11,473)	(1,223)	(4,426)	(1,819)	(34)	(2,379)	(2,464)	-	-	-	-	(270,632)
Net book amount	17,493	18,590	132,260	2,984	5,098	469	1,659	679	348	2,668	24,256	1,867	3,866	1,004	698	213,939
Year ended 31 December 2007																
Opening net book amount	17,493	18,590	132,260	2,984	5,098	469	1,659	679	348	2,668	24,256	1,867	3,866	1,004	698	213,939
Accummulated depreciation change on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation written back on disposal	-	-	5,079	-	464	105	425	23	-	172	-	-	-	-	-	6,268
Transfers	125	-	2,379	(2,508)	(62)	(77)	713	4	-	-	-	-	-	-	(681)	(107)
Derecognition	-	-	(2,574)	-	-	-	-	-	-	-	-	-	-	-	-	(2,574)
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	4,931	-	712	7,922	2,213	180	3,271	96	-	68	2,162	-	31	-	182	21,768
Assets included in a disposal group classified as held for sale and other disposals	-	-	(7,420)	-	(473)	(195)	(431)	(23)	-	(419)	-	-	-	-	-	(8,961)
Depreciation charge	(544)	-	(4,556)	-	(1,309)	(127)	(802)	(168)	(23)	(675)	(2,758)	-	-	-	-	(10,962)
Closing net book amount	22,005	18,590	125,880	8,398	5,931	355	4,835	611	325	1,814	23,660	1,867	3,897	1,004	199	219,371
At 31 December 2007																
- Cost	5,114	60	4,660	8,398	18,264	1,625	9,754	2,607	368	4,696	28,882	-	129	6	199	84,762
- Valuation	17,434	18,530	360,775	-	-	-	-	-	-	-	-	1,867	3,768	998	-	403,372
Accumulated depreciation	(543)	-	(239,555)	-	(12,333)	(1,270)	(4,919)	(1,996)	(43)	(2,882)	(5,222)	-	-	-	-	(268,763)
Net book amount	22,005	18,590	125,880	8,398	5,931	355	4,835	611	325	1,814	23,660	1,867	3,897	1,004	199	219,371

Note 22. Property, plant and equipment (continued)

Consolidated	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment $'000	Motor Vehicles $'000	Computer equipments $'000	Furnitures & fittings $'000	Leasehold Improvements $'000	Leased plant & equipment $'000	Library Collections $'000	Library rare books $'000	Museums & collections at valuations $'000	Works of Arts $'000	MIS Works in Progress $'000	Total $'000
Year ended 31 December 2008																
Opening net book amount	22,005	18,590	125,880	8,398	5,931	355	4,835	611	325	1,814	23,660	1,867	3,897	1,004	199	219,371
Accummulated depreciation change on revaluation	143	-	-	-	322	30	124	37	-	-	-	-	-	-	-	656
Depreciation written back on disposal	-	-	232	-	640	35	278	4	-	164	353	-	-	-	-	1,706
Transfers	204	-	7,941	(8,220)	78	4	190	-	7	-	-	-	-	-	(199)	5
Revaluation surplus	671	(1,949)	(4,638)	-	(180)	(10)	(146)	(23)	-	-	-	-	-	-	-	(6,275)
Additions	690	-	4,790	5,654	1,913	449	892	993	19	349	2,230	-	40	-	299	18,318
Assets classified as held for sale and other disposals	-	-	(341)	-	(847)	(71)	(281)	(6)	-	(370)	(353)	-	-	-	-	(2,269)
Depreciation charge	(690)	-	(4,674)	-	(1,469)	(142)	(1,158)	(212)	(25)	(370)	(2,976)	-	-	-	-	(11,716)
Closing net book amount	23,023	16,641	129,190	5,832	6,388	650	4,734	1,404	326	1,587	22,914	1,867	3,937	1,004	299	219,796
At 31 December 2008																
- Cost	1,958	60	488	5,832	17,774	1,622	10,344	3,473	411	4,676	30,759	-	169	6	299	77,871
- Valuation	22,155	16,581	408,470	-	233	37	7	20	-	-	-	1,867	3,768	998	-	454,136
Accumulated depreciation	(1,090)	-	(279,768)	-	(11,619)	(1,009)	(5,617)	(2,089)	(85)	(3,089)	(7,845)	-	-	-	-	(312,211)
Net book amount	23,023	16,641	129,190	5,832	6,388	650	4,734	1,404	326	1,587	22,914	1,867	3,937	1,004	299	219,796

Note 22. Property, plant and equipment (continued)

	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Inftrastructure under construction $'000	Plant and equipment $'000	Motor Vehicles $'000	Computer equipments $'000	Furniture & fittings $'000	Leased plant & equipment $'000	Library collections $'000	Library rare books $'000	Museums & Collections at valuations $'000	Works of Arts $'000	MIS Works in Progress $'000	Total $'000
Parent entity															
At 1 January 2007															
- Cost	59	-	624	2,984	14,151	1,140	5,894	2,350	5,047	26,720	-	98	6	697	59,770
- Valuation	17,434	18,530	377,505	-	-	-	-	-	-	-	1,867	3,768	998	-	420,102
Accumulated depreciation	-	-	(246,686)	-	(10,008)	(910)	(4,268)	(1,705)	(2,379)	(2,464)	-	-	-	-	(268,420)
Net book amount	17,493	18,530	131,443	2,984	4,143	230	1,626	645	2,668	24,256	1,867	3,866	1,004	697	211,462
Year ended 31 December 2007															
Opening net book amount	17,493	18,530	131,443	2,984	4,143	230	1,626	645	2,668	24,256	1,867	3,866	1,004	697	211,452
Accummulated depreciation change on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation written back on disposal	-	-	5,079	-	464	96	424	23	172	-	-	-	-	-	6,258
Transfers	126	-	2,379	(2,508)	-	-	680	4	-	-	-	-	-	(681)	-
Derecognition	-	-	(2,574)	-	-	-	-	-	-	-	-	-	-	-	(2,574)
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	883	-	710	7,923	1,818	36	3,165	81	68	2,162	-	31	-	183	17,060
Assets included in a disposal group classified as held for sale and other disposals	-	-	(7,420)	-	(473)	(161)	(431)	(23)	(420)	-	-	-	-	-	(8,928)
Depreciation charge	(543)	-	(4,535)	-	(842)	(66)	(735)	(157)	(675)	(2,758)	-	-	-	-	(10,311)
Closing net book amount	17,959	18,530	125,082	8,399	5,110	135	4,729	573	1,813	23,660	1,867	3,897	1,004	199	212,957
At 31 December 2007															
- Cost	1,068	-	3,713	8,399	15,496	1,015	9,308	2,412	4,696	28,882	-	129	6	199	75,323
- Valuation	17,434	18,530	360,775	-	-	-	-	-	-	-	1,867	3,768	998	-	403,372
Accumulated depreciation	(543)	-	(239,406)	-	(10,386)	(880)	(4,579)	(1,839)	(2,883)	(5,222)	-	-	-	-	(265,738)
Net book amount	17,959	18,530	125,082	8,399	5,110	135	4,729	573	1,813	23,660	1,867	3,897	1,004	199	212,957

Note 22. Property, plant and equipment (continued)

	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment $'000	Motor Vehicles $'000	Computer equipments $'000	Furniture & fittings $'000	Leased plant & equipment $'000	Library collections $'000	Library rare books $'000	Museums & Collections at valuations $'000	Works of Arts $'000	MIS Works in Progress $'000	Total $'000
Parent entity															
Year ended 31 December 2008															
Opening net book amount	17,959	18,530	125,082	8,399	5,110	135	4,729	573	1,813	23,660	1,867	3,897	1,004	199	212,957
Depreciation written back on disposal	-	-	232	-	667	48	278	4	164	353	-	-	-	-	1,746
Transfers	204	-	7,941	(8,221)	92	-	182	-	-	-	-	-	-	(199)	(1)
Derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	(1,949)	(5,461)	-	-	-	-	-	-	-	-	-	-	-	(7,410)
Additions	686	-	4,782	5,654	1,823	324	845	985	350	2,230	-	40	-	299	18,018
Assets classified as held for sale and other disposals	-	-	(341)	-	(847)	(71)	(281)	(6)	(370)	(353)	-	-	-	-	(2,269)
Depreciation charge	(547)	-	(4,653)	-	(1,140)	(56)	(1,092)	(200)	(370)	(2,976)	-	-	-	-	(11,034)
Closing net book amount	18,302	16,581	127,582	5,832	5,705	380	4,661	1,356	1,587	22,914	1,867	3,937	1,004	299	212,007
At 31 December 2008															
- Cost	1,958	-	-	5,832	16,563	1,268	10,054	3,391	4,676	30,759	-	169	6	299	74,975
- Valuation	17,434	16,581	407,180	-	-	-	-	-	-	-	1,867	3,768	998	-	447,828
Accumulated depreciation	(1,090)	-	(279,598)	-	(10,858)	(888)	(5,393)	(2,035)	(3,089)	(7,845)	-	-	-	-	(310,796)
Net book amount	18,302	16,581	127,582	5,832	5,705	380	4,661	1,356	1,587	22,914	1,867	3,937	1,004	299	212,007

Notes to the financial statements
31 December 2008
(continued)

Note 23. Intangible assets

Notes: 1(n)

Consolidated	Software Development $'000	License $'000	Course Development $'000	Total $'000
At 1 January 2007				
Cost	13,436	25	1,251	14,712
Accumulated amortisation and impairment	(5,505)	-	(1,043)	(6,548)
Net book amount	7,931	25	208	8,164
Year ended 31 December 2007				
Opening net book amount	7,931	25	208	8,164
Additions	275	500	85	860
Amortisation charge	(1,290)	-	(93)	(1,383)
Closing net book amount	6,916	525	200	7,641
At 31 December 2007				
Cost	13,509	525	1,336	15,370
Accumulated amortisation and impairment	(6,593)	-	(1,136)	(7,729)
Closing Net book amount	6,916	525	200	7,641
Year ended 31 December 2008				
Opening net book amount	6,916	525	200	7,641
Additions	998	-	96	1,094
Amortisation charge	(1,314)	-	(110)	(1,424)
Closing net book amount	6,600	525	186	7,311
At 31 December 2008				
Cost	14,505	525	1,432	16,462
Accumulated amortisation and impairment	(7,905)	-	(1,246)	(9,151)
Closing Net book amount	6,600	525	186	7,311

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 24. Trade and other payables					
Current					
Trade Payables		2,100	2,352	1,125	1,108
Refundable Receipts		-	1	-	1
Total current trade and other payables		2,100	2,353	1,125	1,109
Note 25. Borrowings					
Current					
Commercial Loan					
Other		-	24	-	-
Total commercial loan		-	24	-	-
Finance Lease (i)					
Other		54	34	-	-
National Australia Bank		227	134	227	134
Westpac Banking Corporation (Honeywell)		164	152	164	152
Total finance lease		445	320	391	286
Total current borrowings		445	344	391	286
Non-current					
Commercial Loan					
Other		65	26	-	-
Total commercial loan		65	26	-	-
Finance Lease					
Other		-	68	-	-
Westpac Banking Corporation (Honeywell)		350	514	350	514
National Australia Bank		131	95	131	95
Total finance lease		481	677	481	609
Total non-current borrowings		546	703	481	609
Total borrowings		991	1,047	872	895

(i) Secured by the assets leased (note 22)

Notes to the financial statements
31 December 2008
(continued)

		Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 25.	**Borrowings (continued)**					
	The following facilities are available as at balance date:					
	- Master lease agreements - $2.5million					
	- Credit card facility - $1.5million					
	Defaults or breaches					
	During the current and prior years there were no defaults or breaches on any of the borrowings					
Note 26.	**Provisions**	1(r)				
	Current					
	Annual leave					
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :					
	Balance brought forward from prior year		8,475	7,027	7,571	6,236
	Add : Current Year Provision		6,469	6,820	6,399	6,681
	Less : Payments from Fund		(5,466)	(5,372)	(5,346)	(5,346)
	Balance as at 31 December		9,478	8,475	8,624	7,571
	Long service leave					
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :					
	Balance brought forward from prior year		15,664	16,088	15,461	15,932
	Add : Current Year Provision		5,313	2,726	5,237	2,696
	Less : Payments from Fund		(3,469)	(3,150)	(3,463)	(3,167)
	Balance as at 31 December		17,508	15,664	17,235	15,461
	During 2006 the Vice-Chancellor announced changes to the academic organisation and operation of the University. The implementation of these changes commenced in 2007, continued in 2008 and will continue through 2009.					
	Staffing		2,365	3,115	2,365	3,115
	Other		2,576	4,495	2,576	4,495
	Total Current Provision		31,927	31,749	30,800	30,642
	Current provisions expected to be settled within 12 months					
	Employee benefits					
	Annual Leave		9,478	8,475	8,624	7,571
	Long service leave		3,650	3,339	3,377	3,136
	Staffing		2,365	3,115	2,365	3,115
	Other		2,576	4,495	2,576	4,495
	Subtotal		18,069	19,424	16,942	18,317
	Current provisions expected to be settled after more than 12 months					
	Employee benefits					
	Annual Leave		-	-	-	-
	Long service leave		13,858	12,325	13,858	12,325
	Subtotal		13,858	12,325	13,858	12,325
	Total current provisions		31,927	31,749	30,800	30,642
	Summary movements current provisions					
	Movements in the Provision Account are:					
	Balance brought forward from prior year		31,749	27,270	30,642	26,193
	Current year movement in provision					
	- Annual Leave		1,003	1,442	1,053	1,335
	- Long Service Leave		1,844	(548)	1,774	(471)
	- Staffing		(750)	358	(750)	358
	- Other		(1,919)	3,227	(1,919)	3,227
	Total Current Provisions		31,927	31,749	30,800	30,642

Notes to the financial statements
31 December 2008
(continued)

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Non-current Provisions					
Employee benefits					
Long service leave					
The estimated liability, as at 31 December, is fully provided. Movements in the provision account are:					
Balance brought forward from prior year		3,698	3,294	2,783	2,594
Add : Current Year Provision		(30)	227	-	-
Less : Payments from Fund		427	177	427	189
Balance as at 31 December		4,095	3,698	3,210	2,783
Deferred government benefits for superannuation					
State Superannuation Scheme (SSS)					
Liability		245,328	188,201	245,328	188,201
Less : Equity		(78,507)	(111,532)	(78,507)	(111,532)
		166,821	76,669	166,821	76,669
State Authorities Superannuation Scheme (SASS)					
Liability		25,735	24,699	25,735	24,699
Less : Equity		(22,959)	(28,006)	(22,959)	(28,006)
		2,776	(3,307)	2,776	(3,307)
State Authorities Non-Contributory Scheme (SANCS)					
Liability		6,074	5,690	6,074	5,690
Less : Equity		(2,575)	(4,150)	(2,575)	(4,150)
		3,499	1,540	3,499	1,540
Total deferred government benefits for superannuation		173,096	74,902	173,096	74,902
Accrued Liability Professorial Superannuation		7,032	3,608	7,032	3,608
Total Superannuation Liability		180,128	78,510	180,128	78,510
Total Non-current provisions		184,224	82,208	183,339	81,293
Summary movements employee benefits					
Movements in the Provision Account are:					
Balance brought forward from prior year		82,208	106,705	81,293	106,006
Current year movement in provision					
- Professorial Superannuation		3,424	(3,202)	3,424	(3,202)
- Other Superannuation		98,202	(21,700)	98,195	(21,700)
- Long Service Leave		390	405	427	189
Total Non-current provision for Employee Benefits		184,224	82,208	183,339	81,293

Notes to the financial statements
31 December 2008
(continued)

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 27. Other Liabilities				
Current				
(i) Accrued Liabilities				
Salary Related	487	3,457	487	3,457
Other Accrued Expenditure	5,745	6,970	5,745	6,294
	6,232	10,427	6,232	9,751
(ii) Monies Received in Advance				
Financial Assistance in Advance	4,077	3,338	4,077	3,338
Fees in Advance	5,984	3,954	4,681	3,467
	10,061	7,292	8,758	6,805
(iii) Trust Funds				
Security Deposits	8	6	8	6
Employee Deduction Clearing Accounts	1,804	87	1,804	87
Associated Entities	153	143	153	143
Other	704	567	704	567
	2,669	803	2,669	803
Total current other liabilities	18,962	18,522	17,659	17,359
Non Current				
Fees in Advance	231	-	231	-
Total other liabilities	19,193	18,522	17,890	17,359

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Note 28. Reserves and retained surplus				
(a) Reserves				
Revaluation Reserve - Investments	839	1,121	839	1,121
Revaluation Reserve - Buildings	4,887	9,412	3,250	9,412
Revaluation Reserve - Land	9,051	11,000	9,051	11,000
Revaluation Reserve - Infrastructure	7,320	7,166	7,144	7,144
Revaluation Reserve - Works of Art	188	188	188	188
Soccer scholarship fund reserve	8	8	-	-
Total reserves	22,293	28,895	20,472	28,865

Notes to the financial statements
31 December 2008
(continued)

Reserves Continued

	Consolidated		Parent entity	
Movements	**2008 $'000**	2007 $'000	**2008 $'000**	2007 $'000
Asset revaluation reserve - Investments				
Balance 1 January 2008	1,121	769	1,121	769
Increment/(decrement) on revaluation	(282)	352	(282)	352
Balance 31 December 2008	839	1,121	839	1,121
Asset revaluation reserve - Buildings				
Balance 1 January 2008	9,412	8,643	9,412	8,643
Increment/(decrement) on revaluation	(3,824)	-	(5,461)	-
Transfer to/(from) retained surplus on disposal	(701)	770	(701)	770
Balance 31 December 2008	4,887	9,413	3,250	9,413
Asset revaluation reserve - Land				
Balance 1 January 2008	11,000	11,000	11,000	11,000
Increment/(decrement) on revaluation	(1,949)	-	(1,949)	-
Balance 31 December 2008	9,051	11,000	9,051	11,000
Asset revaluation reserve - Infrastructure				
Balance 1 January 2008	7,166	7,166	7,144	7,144
Increment on revaluation	154	-	-	-
Balance 31 December 2008	7,320	7,166	7,144	7,144
Asset revaluation reserve - Works of art				
Balance 1 January 2008	188	188	188	188
Increment on revaluation	-	-	-	-
Balance 31 December 2008	188	188	188	188

(b) **Retained surplus**

Movements in retained surplus were as follows:				
Retained surplus at 1 January	203,947	196,493	183,110	179,913
Write off Revaluation Reserve for Demolition of Buildings (AASB 116)	701	(770)	701	(770)
Net movement - Investment in subsidiaries	(18)	-	-	-
Retained surplus of newly acquired entity	-	4,149	-	
Net Operating Result for the year	7,240	4,075	7,891	3,967
Retained Surplus at 31 December	211,870	203,947	191,702	183,110

(c) **Nature and purpose of reserves**

Revaluation Reserve
The asset revaluation reserve is used to record increments and decrements, on the revaluation of non-current assets, as described in accounting policy note 1(m).

Note 29. Key management personnel disclosures

(a) The names of each person holding the position of Member of Council during the year were:

The Hon R Torbay MP (appointed Chancellor 11 December 2008)
Mr J M Cassidy (term expired as Chancellor 11 December 2008)
Mr S Williams
Professor A Pettigrew (Vice-Chancellor)
Professor E Magner
Ms F Giuseppi (resigned 30 September 2008)
Mr J Harris
Ms J Hickson
Ms J McClelland
Dr C Gellatly, AO
Associate Professor H Beyersdorf (resigned 31 December 2008)
Associate Professor J Madison
Dr L Piper
Ms K Hempsall
Rev J Redman (resigned 5 October 2008)
Ms C Millis (appointed 5 October 2008)
Mr L Wells (resigned 29 September 2008)
Ms A Zikan (appointed 29 September 2008)
Ms A Maurer (resigned 8 October 2008)
The Hon W L Lange
Mr R Finch (appointed 24 November 2008)
Dr C Watson (appointed 1 January 2009)

(b) Remuneration of Board Members and Executives

	Consolidated		Parent entity	
Remuneration of Board Members	2008	2007	2008	2007
	No.	No.	No.	No.
Nil to $9,999	39	53	22	19
	39	53	22	19
	$'000	$'000	$'000	$'000
Aggregate Remuneration of Board Members				
Total Aggregate Remuneration	15	11	5	5
Remuneration of executive officers	No.	No.	No.	No.
$130,000 to $139,999	-	4	-	1
$140,000 to $149,999	-	1	-	-
$150,000 to $159,999	2	2	1	1
$160,000 to $169,999	2	-	-	-
$190,000 to $199,999	-	-	-	1
$200,000 to $209,999	-	1	-	1
$210,000 to $219,999	-	1	-	1
$220,000 to $229,999	-	1	-	1
$230,000 to $239,999	2	-	2	-
$250,000 to $259,999	1	-	1	-
$260,000 to $269,999	-	1	-	1
$270,000 to $279,999	1	-	1	-
$320,000 to $329,999	-	1	-	1
$350,000 to $359,999	1	-	1	-
$430,000 to $439,999	-	1	-	1
$510,000 to $519,999	1	-	1	-
	10	13	7	9
	$'000	$'000	$'000	$'000
Aggregate Remuneration of executive officers				
Total Aggregate Remuneration	2,709	3,098	2,026	2,395

(c) Related party transactions

The University had no material related party transactions for the year ended 31 December, 2008. The University does act as supply agent for its subsidiaries, however these transactions are accounted for on a non profit basis and balances are eliminated on consolidation.

During the year, ended 31 December 2008, the University paid sitting fees to University Council Members totalling $5,150.

Note 30. Remuneration of auditors

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

	Consolidated		Parent entity	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Assurance services				
1. Audit services				
Fees paid to The Audit Office of NSW:				
Audit and review of financial reports and other audit work under the *Public Finance and Audit Act, 1983* and the *Corporations Act 2001.*	279	257	200	195
Total remuneration for audit services	279	257	200	195
2. Non-audit services				
Audit-related services				
Fees paid to The Audit Office of NSW:				
External Audit Services Providers	5	-	-	-
Quality assurance	-	1	-	-
Total remuneration for audit-related services	5	1	-	-

Note 31. Contingencies

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

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

Note 32. Commitments

(a) Capital Commitments

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

	Consolidated		Parent entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Property, Plant and Equipment Payable:				
Within one year	4,363	10,003	4,363	10,003
Later than one year but not later than five years	-	-	-	-
Later than five years				
Total capital commitments	4,363	10,003	4,363	10,003
(b) Lease Commitments				
(i) Operating Leases				
Within one year	168	147	-	6
Later than one year but not later than five years	62	620	-	6
Later than five years	-	217	-	-
Total operating leases	230	984	-	12
(ii) Finance Leases				
Within one year	473	373	443	339
Later than one year but not later than five years	512	736	512	675
Later than five years	-	-	-	-
Total finance leases	985	1,109	955	1,014
Total lease commitments	1,215	2,093	955	1,026

No lease arrangements, existing as at 31 December 2008, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Other expenditure commitments

Other 2008 Commitments

The value of orders, for goods and services placed, but not filled, as at 31 December 2008, total $6,536,301.

(2007: $3,101,710). Expenditure for these orders is expected to occur in 2009.

In addition, during 2008, the University entered into contracts for the following operating expenditures:

	Consolidated		Parent entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Within one year	9,850	10,203	9,850	10,203
Later than one year but not later than five years	21,530	20,050	21,530	20,050
Later than five years	-	-	-	-
Total other expenditure commitments	31,380	30,253	31,380	30,253

(d) Remuneration commitments

There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under work place agreements.

Note 33. Related parties

(a) Parent entities

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

(b) Subsidiaries

Interest in subsidiaries are set out in note 34.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 29.

(d) Transactions with related parties

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

UNE Foundation Limited's principal activity is to raise funds for scholarship, research and educational purposes of the University of New England. It is not consolidated as the University has no control over the entity. It is considered to be a related party by virtue of having common directors.

During the year, the University transferred $1.1 million to UNE Foundation Limited. UNE Foundation Limited transferred to the University $685,000 to meet the cost of schorlarships and research.

The University provided $67,000 per annum to UNE Foundation Limited for administration support on an in-kind basis.

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

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

Note 34. Subsidiaries

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

The incorporated entities, that meet the "control" test and which have been consolidated, are UNE Partnerships Pty Limited, Agricultural Business Research Institute (company limited by guarantee), International Livestock Research & Information Centre Limited (company limited by guarantee), Services UNE Limited, UNE Sport Association (Sport UNE) and UNE Vision Pty Limited. None of these entities have any subsidiary holdings.

Name of Entity

UNE Partnerships Pty Ltd

UNE Partnerships Pty Ltd is the commercial company of the University of New England (Armidale) and the University owns 100% interest in the entity. The principal activities of the company in 2008, included the commercialisation and delivery of education and training programs.

Agricultural Business Research Institute

The Agricultural Business Research Institute (ABRI) was incorporated in Australia as a public company limited by guarantee, on 11 January 1993. The principal activities of the company are to provide data processing services, computer software products and educational services to improve the productivity and efficiency of Australian and overseas agribusiness and rural based industries.

International Livestock Resources And Information Centre Limited

International Livestock Resources And Information Centre Limited (ILRIC) was incorporated, in Australia as a public company limited by guarantee, on 2 July, 2002. The principal activities of the company for the year was the management of information technology projects in relation to the Australian livestock industry, on behalf of its members. It is also continuing to seek out additional projects to develop and establish its facilities and resources.

During 2008 ILRIC realigned its reporting period to 31 December 2008 to be consistent with the parent entity. ILRIC's reporting period covered 1 July 2007 to 31 December 2008. For consolidation purposes the University used financial information relating to the period 1 January 2008 to 31 December 2008. Information relating to the period 1 July 2007 to 31 December 2007 was included in the consolidated accounts of the University at 31 December 2007.

Notes to the financial statements
31 December 2008
(continued)

Note 34. Subsidiaries (continued)

Services UNE Limited

Services UNE Limited is an Australian Public Company limited by guarantee. The principal activity of the Company is the provision of non-academic student services at the University of New England.

UNE Vision Pty Limited

UNE Vision Pty Limited was incorporated in Australia on 24 May 2007 as a proprietary company limited by shares and the University of New England (UNE) owns 65% interest in the entity. The company has not traded since it incorporated on 24 May 2007. An application was filed with the Australian Securities Investment Commission (ASIC) to deregister the Company in January 2009.

Sport UNE

The objective of Sport UNE is to provide sporting and recreational facilities and activities for students and staff of the university and for the wider community and to facilitate sporting and recreational activities at the regional and national level.

Concurrently the management and staffing model was changed with the Executive Director reporting through the Chief Executive Officer to the University of New England while continuing to receive the support of the Sport UNE Board of Management.

The UNE Sports Association (Sport UNE) is currently an unincorporated entity. The UNE Council has confirmed that Sport UNE became an incorporated entity of the University.

Note 35. 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	16	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	15	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	15	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 3.89% and 8.78%. Average maturity of 71 days.
Listed Shares	18	Listed Shares are carried at bid price	
Unlisted Shares	18	Unlisted Shares are carried at the lower of cost or recoverable amount	
Financial Liabilities			
Borrowings	25	No borrowings were taken up in 2008.	
Finance Leasing	25	The lease liability is accounted for in accordance with AASB 117.	Interest rates per market and schedules. Between 6.85% and 9.24%.
Creditors and Accruals	24 & 27(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

Note 35. Financial Instruments - continued

(ii) Foreign exchange risk

The economic entity undertakes certain transactions denominated in foreign currencies. These transactions expose the economic entity to exchange rate fluctuations.

As the University recognises all transactions, assets and liabilities in Australian dollars only, the University has minimal exposure to foreign exchange risk.

(iii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

Diversification of the portfolio is done in accordance with the limits set by the University Investment Committee.

(iv) Cash flow and fair value interest rate risk

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

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

(v) Summarised sensitivity analysis

The following table summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

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

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

For UNEP, ABRI, ILRIC, Services UNE Limited, Sport UNE and UNE Vision Pty Limited no material exposure exists to any individual creditor or class of financial asset.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the University:
- 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 finance committee monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Notes to the financial statements
31 December 2008
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31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$000	$000	$000	$000	$000	$000
Financial Assets							
Cash & cash equivalents	6.25	3,906					3,906
Investments-Term Deposits	7.22		42,495				42,495
Receivables						15,274	15,274
Receivable - Commonwealth debtor						173,097	173,097
Receivables - Related Entities						229	229
Listed Shares						893	893
National Marine Science Centre						6,923	6,923
Unlisted Shares						1,648	1,648
Total Financial Assets		3,906	42,495			198,064	244,465
Financial Liabilities							
Borrowings			445	547			992
Payables						2,100	2,100
Other Amounts Owing						19,193	19,193
Total Financial Liabilities			445	547		21,293	22,285
Net Financial Assets(Liabilities)		3,906	42,050	(547)		176,771	222,180

Comparative figures for the previous year are as follows:

31 December 2007	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$000	$000	$000	$000	$000	$000
Financial Assets							
Cash and cash equivalents	5.88	4,296					4,296
Investments - Term Deposits	6.55		36,584				36,584
Receivables						13,733	13,733
Receivable - Commonwealth debtor						74,902	74,902
Receivables - Related Entities						94	94
Listed Shares						1,175	1,175
National Marine Science Centre						7,046	7,046
Unlisted Shares						2,810	2,810
Total Financial Assets		4,296	36,584			99,760	140,640
Financial Liabilities							
Borrowings			344	703			1,047
Payables						2,353	2,353
Other Amounts Owing						18,522	18,522
Total Financial Liabilities			344	703		20,875	21,922
Net Financial Assets(Liabilities)		4,296	36,240	(703)		78,885	118,718

(d) **Net Fair Values of Financial Assets and Liabilities**

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

The economic entity has no derivative financial instruments.

The University's financial assets and liabilities included in current and non-current assets, and current and non-current liabilities, in the Balance Sheet, are considered to be carried at amounts that approximate net fair value.

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Note 35. Financial risk management

Summarised sensitivity analysis

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

31 December 2008	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets													
Cash and cash equivalents	3,906	(64)	(64)	64	64	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	42,495	(417)	(417)	417	417	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	15,274					19	14	(16)	(12)				
Receivable - Commonwealth debtor	173,097												
Receivables - Related Entities	229												
Listed Shares	893												
National Marine Science Centre	6,923												
Unlisted Shares	1,648												
Total Financial Assets	244,465												
Financial Liabilities													
Borrowings	991	-	-	-	-								
Payables	2,100												
Other Amounts Owing	18,962												
Total Financial Liabilities	22,053												
Total increase / (decrease)	222,412	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements
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Financial risk management (continued)

Comparative figures for the previous year are as follows:

31 December 2007	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		**+1%**		**-10%**		**+10%**		**-1%**		**+1%**	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets													
Cash and cash equivalents	4,296	(67)	(67)	67	67	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	36,584	(335)	(335)	335	335	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	13,733												
Receivable - Commonwealth debtor	74,902												
Receivables - Related Entities	94												
Listed Shares	1,175												
National Marine Science Centre	7,046												
Unlisted Shares	2,810												
Total Financial Assets	140,640												
Financial Liabilities													
Borrowings	1,048	-	-	(1)	(1)								
Creditors	2,353												
Other Amounts Owing	18,522												
Total Financial Liabilities	21,923												
Total increase / (decrease)	118,717	-	-	-	-	-	-	-	-	-	-	-	-

Note 36 Defined Benefit Plans

a) Fund Specific disclosure

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

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

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

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

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

All the Schemes are closed to new members.

Professorial Superannuation Scheme

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

The "Defined Benefits Section" of the Fund provides members with an optional voluntary "Voluntary Spouse Pension" (VSP) that allows members to provide an income benefit to their spouse in the event of their death - this benefit is funded by the member amd the University; an optional "Additional Contributory Pension" (ACP) payable from age 60 - this benefit is funded by the member and the University; and an unfunded "Non-Contributory Pension" (NCP) payable from age 60.

Previously the benefits provided under the Defined Benefit Section were substantially unfunded with pension payments met by the University on a "Pay-As-You-Go" basis (except as described above). However, in 2006 the University commenced funding the unfunded NCP payable from age 60. This is in addition to previous funding arrangements in relation to the VSP and ACP benefits provided to some members.

Benefits under the "Accumulation Section" of the Fund are provided through endowment assurance policies effected with life assurance companies and manged fund accounts maintaned with investment managers. These benefits are fully funded by contributions from Fund members and the University.

The University expects to make a contribution of $2.9 million (2007: $2.7 million) to the defined benefit plan during the next financial year.

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

State schemes (SASS, SANCS, SSS)	2008 (%)	2007 (%)
Discount rate (s)	4.1	6.4
Expected return on plan assets backing current pension liabilities	8.3	7.6
Expected rate (s) of salary increase	3.5	4.0 to June 2008; 3.5 thereafter
Expected return on plan assets backing other liabilities	7.3	7.6
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate (s) (gross of tax)	4.0	6.3
Discount rate (s) (net of tax)	3.4	5.4
Expected return on fund assets	6.7	8.3
Expected rate (s) of salary increase	4.0	4.0

Defined Benefit Plans (continued)
a) Fund Specific disclosure (continued)

State schemes (SASS, SANCS, SSS)
The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Professorial Superannuation Fund
The expected rate of return is based on the asset allocation provided as at 30 September 2008 and the appropriate risk margin for each class in which the defined benefit monies are invested.

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

State schemes (SASS, SANCS, SSS)	**2008 (%)**	2007 (%)
Australian equities	29	34.1
Overseas equities	26.5	26.2
Australian fixed interest securities	8.3	6.7
Overseas fixed interest securities	6.9	6.6
Property	10.8	10
Cash	4.2	7.1
Other	14.3	9.3
Weighted average expected return	7.7	7.7
Professorial Superannuation Fund		
Australian equities	40.3	40.0
Overseas equities	38.3	37.8
Australian fixed interest securities	10.8	10.2
Overseas fixed interest securities	0.0	2.9
Property	8.8	7.2
Cash	1.8	1.9

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The University's assessment of the expected returns is based on historical return trends and actuarials predictions of the market for the asset in the next twelve months.

The history of experience adjustments is a follows:

	2008	2007	2006	2005	2004
State schemes (SASS, SANCS, SSS)	**$'000**	$'000	$'000	$'000	$'000
Fair value of plan assets	(104,041)	(143,688)	(135,026)	(98,379)	(90,979)
Present value of defined benefit obligation	277,137	218,590	231,627	222,103	215,087
Surplus/(deficit)	173,096	74,902	96,601	123,724	124,108
Experience adjustments on plan liabilities	62,612	(21,285)	(20,764)		
Experience adjustments on plan assets	33,193	(3,614)	(9,396)		
Professorial Superannuation Fund					
Fair value of plan assets	(5,119)	(6,365)	(4,403)	(2,730)	(2,324)
Present value of defined benefit obligation	12,151	9,973	11,213	11,425	11,783
Liability (asset) recognised in balance sheet	7,032	3,608	6,810	8,695	9,459
Actuarial liability (gain) loss due to experience adjustments	920	(220)	437	(245)	0
Actuarial asset (gain) loss due to experience adjustments	3,258	(313)	(125)	(92)	0

b) Financial impact for funds guaranteed by Commonwealth Government

Present value obligations - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening defined benefit obligation	24,699	5,690	188,201	218,590
Current service cost	954	290	451	1,695
Interest cost	1,520	337	11,612	13,469
Contributions from plan participants	491	0	872	1,363
Actuarial losses/(gains)	279	873	61,459	62,611
Benefits paid	(2,208)	(1,116)	(17,267)	(20,591)
Closing defined benefit obligation	**25,735**	**6,074**	**245,328**	**277,137**

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Defined Benefit Plans (continued)

Present value obligations - 2007	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening defined benefit obligation	24,031	6,123	201,473	231,627
Current service cost	998	329	508	1,835
Interest cost	1,394	342	11,676	13,412
Contributions from plan participants	504	0	1,051	1,555
Actuarial losses/(gains)	455	320	(22,060)	(21,285)
Benefits paid	(2,683)	(1,424)	(4,447)	(8,554)
Closing defined benefit obligation	**24,699**	**5,690**	**188,201**	**218,590**

Present value of plan assets - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening fair value of plan assets	28,006	4,150	111,532	143,688
Expected return on plan assets	2,080	385	8,222	10,687
Actuarial gains/(losses)	(6,535)	(1,076)	(25,582)	(33,193)
Contributions from the employer	1,125	232	730	2,087
Contributions from plan participants	491	0	872	1,363
Benefits paid	(2,208)	(1,116)	(17,267)	(20,591)
Closing fair value of plans assets	**22,959**	**2,575**	**78,507**	**104,041**

Present value of plan assets - 2007	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening fair value of plan assets	26,877	4,693	103,448	135,018
Expected return on plan assets	1,980	416	7,336	9,732
Actuarial gains/(losses)	357	(38)	3,295	3,614
Contributions from the employer	971	503	849	2,323
Contributions from plan participants	504	0	1,051	1,555
Benefits paid	(2,683)	(1,424)	(4,447)	(8,554)
Closing fair value of plans assets	**28,006**	**4,150**	**111,532**	**143,688**

Included in Balance Sheet - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Present value of funded obligations	25,735	6,074	245,328	277,137
Fair value of plans	(22,959)	(2,575)	(78,507)	(104,041)
(Surplus)/deficit	2,776	3,499	166,821	173,096
Net liability (asset) arising from defined benefit obligations	**2,776**	**3,499**	**166,821**	**173,096**

Included in Balance Sheet - 2007	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Present value of funded obligations	24,699	5,690	188,201	218,590
Fair value of plans	(28,006)	(4,150)	(111,532)	(143,688)
(Surplus)/deficit	(3,307)	1,540	76,669	74,902
Net liability (asset) arising from defined benefit obligations	**(3,307)**	**1,540**	**76,669**	**74,902**

Expense recognised - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Current service cost	954	290	451	1,695
Interest on obligation	1,520	337	11,612	13,469
Expected return on plan assets	(2,080)	(385)	(8,223)	(10,688)
Actuarial losses/(gains) recognised in the year	6,815	1,949	87,042	95,806
Expense/(income)	7,209	2,191	90,882	100,282

Defined Benefit Plans (continued)
Expense recognised - 2007

	SASS	SANCS	SSS	Total
	$'000	$'000	$'000	$'000
Current service cost	998	329	508	1,835
Interest on obligation	1,393	342	11,676	13,411
Expected return on plan assets	(1,980)	(417)	(7,336)	(9,733)
Actuarial losses/(gains) recognised in the year	98	358	(25,355)	(24,899)
Expense/(income)	509	612	(20,507)	(19,386)
Actual return on plan assets 2008	(4,753)	(691)	(18,073)	(23,517)
Actual return on plan assets 2007	2,056	379	7,898	10,333

c) Financial impact for other funds

UniSuper

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

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

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of UniSuper, a defined contribution plan under Accountng Standard AASB 119.

As at 30 June 2008 the assets of the DBD in aggregate were estimated to be $323 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating insitution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2008 the assets of the DBD in aggregate were estimated to be $1,456 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 13 July 2006 on the actuarial investigation of the DBD as at 31 December 2005. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investestment return	7.25% p.a.	8.5% p.a.
Net of tax investment return	6.75% p.a.	8.0% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long term	3.75 % p.a.	3.75 % p.a.
Inflationary salary increases next one year	5.00% p.a.	5.00% p.a.

(Additional promotional salary increases are assumed to apply based on past experience)

Assets have been included at their net market value, i.e. allowing for realisation costs.

The next formal actuarial review of the DBD is scheduled for 31 December 2008, with the results expected to be reported in May 2009.

Note 37. Acquittal of Australian Government financial assistance

37.1 DEEWR - CGS and Other DEEWR Grants

Parent entity (University) Only

		Commonw'lth Grant Scheme#		Indigeneous Support Program		Equity Support Program		Workplace Reform Program		Workplace Productivity Program		Learning & Teaching Performance Fund	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		60,899	57,219	738	-	608	627	887	826	1,699	2,519	1,608	1,506
Net accrual adjustments		(280)	(127)	-	751	-	-	-	-	-	-	-	-
Revenue for the period	3(a)	60,619	57,092	738	751	608	627	867	826	1,699	2,519	1,608	1,506
Surplus / (deficit) from the previous year		2,126	1,998	138	73	688	279	-	-	1,139	585	1,067	1,549
Total revenue including accrued revenue		62,745	59,090	876	824	1,294	906	887	826	2,838	3,104	2,675	3,055
Less expenses including accrued expenses		60,340	56,964	787	686	485	220	867	826	1,616	1,965	1,534	1,988
Surplus / (deficit) for reporting period		2,405	2,128	89	138	809	686	-	-	1,222	1,139	1,141	1,067

 # Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading and HEFA Transition Fund.

DEEWR - CGS and Other DEEWR Grants (continued)		Capital Development Pool		Collaboration & Structural Reform Program		Transitional Cost Program		Graduate Skills Assessment		Improving Practical Comp of Teach Ed		Total	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		600	5,122	1,014	71	666	-	50	150	636	-	69,385	68,040
Net accrual adjustments		-	-	-	-	(86)	-	-	-	-	-	(366)	824
Revenue for the period	3(a)	600	5,122	1,014	71	580	-	50	150	836	-	69,019	68,664
Surplus / (deficit) from the previous year		1,129	548	305	375	-	-	119	200	-	-	8,709	5,607
Total revenue including accrued revenue		1,729	5,670	1,319	446	580	-	169	350	636	-	75,728	74,271
Less expenses including accrued expenses		874	4,541	234	141	494	-	169	231	638	-	68,036	67,562
Surplus / (deficit) for reporting period		855	1,129	1,085	305	86	-	-	119	-	-	7,692	6,709

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37.2 Higher Education Loan Programmes

Parent entity (University) Only

	Note	HECS-HELP (Australian Government payments only) 2008 $'000	2007 $'000	FEE-HELP 2008 $'000	2007 $'000	Total 2008 $'000	2007 $'000	OS-HELP 2008 $'000	2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		33,966	30,451	3,463	2,112	37,429	32,563	(31)	8
Net accrual adjustments		21	1,479	(625)	715	(604)	2,194	31	(8)
Revenue for the period	3(b)	33,987	31,930	2,838	2,827	36,825	34,757	-	-
Surplus / (deficit) from the previous year		897	2,376	(695)	20	202	2,396	(5)	(14)
Total revenue including accrued revenue		34,884	34,306	2,143	2,847	37,027	37,153	(5)	(14)
Less expenses including accrued expenses		34,008	33,409	2,213	3,542	36,221	36,951	16	(9)
Surplus / (deficit) for reporting period		876	897	(70)	(695)	806	202	(21)	(5)

37.3 Learning Scholarships

Parent entity (University) Only

	Note	Australian Postgraduate Awards 2008 $'000	2007 $'000	International Postgraduate Research Scholarships 2008 $'000	2007 $'000	Commonwealth Education Costs Scholarships 2008 $'000	2007 $'000	Commonwealth Accomodation Scholarships 2008 $'000	2007 $'000	Indigenous Access Scholarships 2008 $'000	2007 $'000	Total 2008 $'000	2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,305	1,281	233	236	949	719	1,211	907	82	-	3,780	3,143
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(c)	1,305	1,281	233	236	949	719	1,211	907	82	-	3,780	3,143
Surplus / (deficit) from the previous year		184	179	-	-	418	134	411	121	-	-	1,013	434
Total revenue including accrued revenue		1,489	1,460	233	236	1,367	853	1,622	1,028	82	-	4,793	3,577
Less expenses including accrued expenses		1,026	1,276	198	236	497	435	768	617	65	-	2,554	2,564
Surplus / (deficit) for reporting period		463	184	35	-	870	418	854	411	17	-	2,239	1,013

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37.4 DIISR Research

Parent entity (University) Only

		Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grants		Regional Protection Scheme		Implementation Assistance Programme	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		3,265	3,370	7,700	7,946	-	-	1,584	1,766	620	584	94	46
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,265	3,370	7,700	7,946	-	-	1,584	1,766	620	584	94	46
Surplus / (deficit) from the previous year		-	-	-	-	-	2,507	-	-	-	-	13	-
Total revenue including accrued revenue		3,265	3,370	7,700	7,946	-	2,507	1,584	1,766	620	584	107	46
Less expenses including accrued expenses		3,265	3,370	7,700	7,946	-	2,507	1,584	1,766	543	584	45	33
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	77	-	62	13

DIISR Research (continued)

		Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Total	
		2008	2007	2008	2007	2008	2007
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		192	101	71	69	13,526	13,882
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	192	101	71	69	13,526	13,882
Surplus / (deficit) from the previous year		91		69	-	173	2,507
Total revenue including accrued revenue		283	101	140	69	13,699	16,389
Less expenses including accrued expenses		280	10	-	-	13,417	16,216
Surplus / (deficit) for reporting period		3	91	140	69	282	173

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37.5 Voluntary Student Unionism and Better Universities Renewal Funding

Parent entity (University) Only

	Note	VSU Transition Fund 2008 $'000	VSU Transition Fund 2007 $'000	Support for Small Businesses 2008 $'000	Support for Small Businesses 2007 $'000	Total 2008 $'000	Total 2007 $'000	Better Universities Renewal Funding 2008 $'000	Better Universities Renewal Funding 2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		2,100	3,900	110	380	2,210	4,280	7,261	-
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(e)	2,100	3,900	110	380	2,210	4,280	7,261	-
Surplus / (deficit) from the previous year		3,740	-	258	-	3,998	-	-	-
Total revenue including accrued revenue		5,840	3,900	368	380	6,208	4,280	7,261	-
Less expenses including accrued expenses		615	160	22	122	637	282	6	-
Surplus / (deficit) for reporting period		5,225	3,740	346	258	5,571	3,998	7,255	-

37.6 Australian Research Council Grants

Parent entity (University) Only

(a) Discovery

	Note	Projects 2008 $'000	Projects 2007 $'000	Indigenous Researchers Development 2008 $'000	Indigenous Researchers Development 2007 $'000	Total 2008 $'000	Total 2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,229	1,700	-	-	1,229	1,700
Net accrual adjustments		-	(2)	-	-	-	(2)
Revenue for the period	3(f)(i)	1,229	1,698	-	-	1,229	1,698
Surplus / (deficit) from the previous year		526	480	-	-	526	480
Total revenue including accrued revenue		1,755	2,178	-	-	1,755	2,178
Less expenses including accrued expenses		1,396	1,652	-	-	1,396	1,652
Surplus / (deficit) for reporting period		359	526	-	-	359	526

Parent entity (University) Only

(b) Linkages

	Note	Infrastructure 2008 $'000	Infrastructure 2007 $'000	Projects 2008 $'000	Projects 2007 $'000	Total 2008 $'000	Total 2007 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	-	419	639	419	639
Net accrual adjustments		-	-	(7)	7	(7)	7
Revenue for the period	3(f)(ii)	-	-	412	646	412	646
Surplus / (deficit) from the previous year		-	-	269	294	269	294
Total revenue including accrued revenue		-	-	681	940	681	940
Less expenses including accrued expenses		-	-	544	671	544	671
Surplus / (deficit) for reporting period		-	-	137	269	137	269

" End of Audited Financial Statements "

Additional Information

Budgetary Income Statement
For the year ended 31 December 2008

	University			
	Actual 2008 $'000	Budget 2008 $'000	Variance 2008 $'000	Budget 2009 $'000
Income from continuing operations				
Australian Government financial assistance	110,275	90,323	19,952	101,793
State and local Government financial assistance	1,877	1,500	377	-
Higher Education Contribution Scheme				
FEE-HELP	2,838	2,203	635	-
Commonwealth Payments	33,987	30,093	3,894	43,511
Superannuation - deferred government contributions	98,195	(600)	98,795	-
HECS-HELP - Student Payments	6,765	2,203	4,562	-
Fees and charges	31,764	35,283	(3,519)	38,935
Investment revenue	3,436	1,563	1,873	2,610
Royalties, trademarks and licences	144	500	(356)	-
Consultancy and contracts	832	700	132	-
Other Revenue	7,600	5,392	2,208	8,442
Gain on disposal of fixed assets	27	-	27	-
Total revenue from continuing operations	297,740	169,160	128,580	195,291
Expenses from continuing operations				
Employee related expenses	115,430	107,553	7,877	115,135
Depreciation and amortisation	12,182	11,700	482	11,925
Finance costs	67	300	(233)	37
Investment losses	750	-	750	-
Losses on disposal of assets	320	-	320	358
Other expenses	62,905	52,193	10,712	66,735
Expenses before deferred items	191,654	171,746	19,908	194,190
Deferred government employee benefits for superannuation	98,195	(2,740)	100,935	-
Total expenses from continuing operations	289,849	169,006	120,843	194,190
Operating result	7,891	154	7,737	1,101
Retained Earnings at beginning of financial year	183,110	177,488	5,622	169,838
Adjustments to Opening Retained Earnings	701		701	(15)
Retained Earnings at End of financial year	191,702	177,642	14,060	170,924

Budgetary Balance Sheet
As at 31 December 2008

	University			
	Actual 2008 $'000	Budget 2008 $'000	Variance 2008 $'000	Budget 2009 $'000
CURRENT ASSETS				
Cash and cash equivalents	39,003	17,946	21,057	33,109
Receivables	5,518	7,806	(2,288)	754
Inventories	246	1,200	(954)	1,200
Financial assets	-	-	-	5,308
Other non-financial assets	7,690	-	7,690	-
Biological assets	461	-	461	-
Total current assets	52,918	26,952	25,966	40,371
Non-current assets				
Receivables	173,097	121,967	51,130	69,734
Other financial assets	1,511	1,828	(317)	2,294
Property, plant and equipment	212,007	213,549	(1,542)	232,516
Intangible assets	6,667	7,893	(1,226)	7,983
Total non-current assets	393,282	345,237	48,045	312,527
Total assets	446,200	372,189	74,011	352,898
Current liabilities				
Trade and other payables	1,125	1,006	119	1,006
Borrowings	391	-	391	-
Provisions	30,800	10,344	20,456	18,918
Other liabilities	17,659	14,092	3,567	24,961
Total current liabilities	49,975	25,442	24,533	44,884
Non-current liabilities				
Borrowings	481	-	481	-
Provisions	183,339	155,949	27,390	108,225
Other liabilities	231	-	231	-
Total non-current liabilities	184,051	155,949	28,102	108,225
Total liabilities	234,026	181,391	52,635	153,109
Net assets	212,174	190,798	21,376	199,789
EQUITY				
Reserves	20,472	13,156	7,316	28,865
Retained surplus	191,702	177,642	14,060	170,924
Total equity	212,174	190,798	21,376	199,789

Budgetary Cash Flow Statement

For the year ended 31 December 2008

	University			
	Actual 2008 $'000	**Budget 2008 $'000**	**Variance 2008 $'000**	**Budget 2009 $'000**
Cash flows from operating activities				
Australian Government Grants received	148,046	103,152	44,894	128,773
State Government Grants received	1,877	-	1,877	-
HECS-HELP - Student payments	6,765	-	6,765	-
Receipts from student fees and other customers	47,441	69,184	(21,743)	63,907
Dividends received	61	-	61	-
Interest received	3,286	1,563	1,723	2,610
Payments to suppliers and employees (inclusive of GST)	(177,560)	(161,135)	(16,425)	(178,664)
Interest and other costs of finance paid	(67)	-	(67)	-
GST paid	(6,312)	(300)	(6,012)	-
Net cash inflow (outflow) from operating activities	23,537	12,464	11,073	16,626
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	229	-	229	-
Payments for property, plant and equipment	(19,035)	(20,925)	1,890	(27,500)
Net cash inflow (outflow) from investing activities	(18,806)	(20,925)	2,119	(27,500)
Cash flows from financing activities				
Repayment of borrowings	-	-	-	-
Repayment of finance leases	(23)	-	(23)	(100)
Net cash inflow (outflow) from financing activities	(23)	-	(23)	(100)
Net increase (decrease) in cash and cash equivalents	4,708	(8,461)	13,169	(10,974)
Cash and cash equivalents at the beginning of the financial year	34,295	26,407	7,888	44,083
Cash and cash equivalents at the end of the financial year	39,003	17,946	21,057	33,109

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

AUDITOR-GENERAL NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

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

I have audited the accompanying financial report of Agricultural Business Research Institute (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the year ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Agricultural Business Research Institute on 10 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

16 April 2009
SYDNEY

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

DIRECTORS' REPORT

Your directors submit their report, together with the financial report of the company for the year ended 31 December, 2008.

REGISTERED OFFICE
c/ University of New England
Armidale, NSW 2351

DIRECTORS
The names of the directors at any time during, or since the end of the financial year:

Philip Arthur RICKARDS (OAM)
Anthony John Traherne COATES (AM)
Laurie Robert PIPER
Robert Anthony BARWELL
Daniel Howard HOLMES
Ian Michael LOCKE
Keith William ENTWISTLE (AM)
Barry John PAFF
Charles Alexander MCDONALD

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

ENVIRONMENTAL REGULATION
The operations of the company are not regulated by any significant environmental regulation under the law of the Commonwealth or of a State or Territory.

SIGNIFICANT CHANGES IN ACTIVITIES
There have been no significant changes in the principal activities of the company in 2008.

OPTIONS
No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

PROCEEDINGS
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any of those proceedings. The company was not a party to any such proceedings during the year.

DIVIDENDS
No dividends were paid or declared during the year and the directors do not recommend payment of a dividend in respect of the year ended 31 December, 2008.

REVIEW OF OPERATIONS
The operating profit of the company was $447,577: (2007 = $533,673) and the net loss after fair value adjustments on the financial assets was $900,930.

The operating profit is deemed by the directors to be a satisfactory result in the sixteenth year of trading as a distinct company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS
During 2008 the value of ABRI's share investments declined by $1,348,507, this being in line with falls in the all ordinaries index during 2008

AFTER BALANCE DATE EVENTS
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years. ABRI completed documents to purchase .67 ha of land from UNE for $20,000.

LIKELY DEVELOPMENTS
The company will continue to pursue its principal activities during the year 2009.

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

DIRECTORS' REPORT (Continued)

DIRECTORS' PARTICULARS

a) Qualifications and Experience

Name and Occupation:	**Philip Arthur RICKARDS (OAM)**
Qualifications:	Honours degree in Agricultural Science and post graduate qualifications in Agricultural Economics and Honorary Doctorate of the University of New England
Experience:	Foundation director of the Agricultural Business Research Institute with over 35 years of experience in managing agribusiness information projects. Board member since 11th January, 1993.
Name and Occupation:	**Anthony John Traherne COATES (AM) (Grazier)**
Qualifications:	Bachelor of Rural Science
Experience:	Involvement in the beef cattle industry since 1962 as owner/manager of a cattle station. Councillor and Treasurer of Santa Gertrudis Breeders (Australia) Association and Chairman of Beef Genetics and Improvement Steering Committee of the Queensland Department of Primary Industries. Previously Deputy Chairman of South Burnett Meatworks Co-op Association. Board member since 11th January, 1993.
Name and Occupation:	Laurie Robert PIPER
Qualifications:	BRurSc PhD FTSE FAICD
Experience:	Laurie Piper is an animal breeding consultant, Honorary Research Fellow at CSIRO Livestock Industries and Adjunct Professor of Animal Science at the University of New England. He is a Fellow of the Australian Institute of Company Directors and of the Australian Academy of Technological Sciences and Engineering. His training and expertise is in genetics and animal breeding. He has worked as a research scientist/research manager in the wool and beef industries for 45 years and in more recent times has become involved in aquaculture genetics. Board Member since November 2007
Name and Occupation:	**Charles Alexander McDonald**
Qualifications:	Bachelor of Agricultural Science
Experience:	Mr McDonald worked in research and extension with the Victorian Department of Agriculture for 12 years. He then took up the role of National Coordinator of field services for the National Beef Recording Scheme for three years before coordinating the National Carcase Evaluation Project for three years. Since 1992, Mr McDonald has been General Manager of the Australian Limousin Breeders' Society Ltd. He is a director of the Performance Beef Breeders Association and Chairman of the PBBA's Technical Committee. Board member since April 15, 2008.
Name and Occupation:	**Robert Anthony Barwell (Grazier)**
Experience:	Mr Barwell is a sheep and cattle producer who is a part-time consultant and is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Previously he was the National Co-ordinator of CATTLECARE and Flock care. He has also been the General Manager of a diverse agricultural company with properties throughout rural New South Wales. Board member since 28th May 2004

DIRECTORS' REPORT (Continued)

a) Qualifications and Experience Continued.

Name and Occupation: **Ian Michael LOCKE (Grazier)**
Qualifications: Bachelor of Agricultural Economics
Experience: Worked as a agricultural business consultant in Poolmans Pty Ltd and in the Centre for Agricultural Risk Management Pty Ltd before returning to the family property in Holbrook in 1994. Is responsible for the Wirruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards. Actively involved in the Beef Improvement Association of Australia. Board member since 3rd June, 2002.

Name and Occupation: **Keith William Entwistle (AM) (Consultant)**
Qualifications: Diploma of Animal Husbandry, Honours degree in Veterinary Science, PhD (University of Sydney).
Experience: Research into nutrition of sheep and cattle in tropics, cattle fertility research, previously Dean of Faculty of Sciences UNE, Consultant in various fields of animal science, previous owner/manager of cattle property of New England. Board member since 23/08/2005

Name and Occupation: **Barry John Paff (Dairy Farmer)**
Experience: Dairy Farmer at Raleigh, milking 300 cows, on Board of Norco Co-operative and Norco Pauls JV Board, actively involved in NSW Dairy Farmer's Association Dairy Committee. Board member since 5th October 2005.

Name and Occupation: **Daniel Howard Holmes (Dairy Farmer)**
Qualifications: Bachelor of Business (Accounting), University of Southern Queensland
Experience: Part owner and manager of mixed dairy and grain farming operation at Brookstead on the Darling Downs. State President of Holstein-Friesian Association of Australia, active in breeding and showing of stud cattle, previously had seven years of experience in National Australia Bank. Board member since 28/05/06.

b) Directors' Meetings

During the financial year ended 31 December, 2008 three directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Number Attended
Philip Arthur RICKARDS (OAM)	3	3
Anthony John Traherne COATES (AM)	3	3
Laurie Robert PIPER	3	3
Charles Alexander MCDONALD	3	2
Robert Anthony BARWELL	3	3
Ian Michael LOCKE	3	3
Keith William ENTWISTLE (AM)	3	3
Barry John PAFF	3	3
Daniel Howard HOLMES	3	1

COMPANY SECRETARY

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

DIRECTORS' REPORT (Continued)

INDEMNIFYING OFFICER OR AUDITOR

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, or auditor including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer, or auditor for the costs of expenses to defend legal proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307c of the Corporations Act 2001 follows.

Signed in accordance with a resolution of the board of directors:

R A Barwell, Director	15/04/09 Dated
Dr A., Rickards, Director	15/04/09 Dated

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial report of Agricultural Business Research Institute for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

10 April 2009
SYDNEY

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

DIRECTORS' STATEMENT

STATEMENT MADE IN ACCORDANCE WITH SECTION 41C (1B) AND (1C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

In accordance with a resolution of the Board of Directors of the Agricultural Business Research Institute we state that:

(a) the financial statements and notes thereon exhibit a true and fair view of the financial position and transactions for the year ended 31 December 2008;

(b) financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, Public Finance and Audit Regulation 2005; and

(c) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

R A Barwell, Director

Dr A Rickards, Director

Date 15/04/09

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

DIRECTORS' DECLARATION

In the opinion of the directors, the financial report set out in the Balance Sheet, Income Statement and Cash Flow Statement, Statement of Changes in Equity and notes to the financial statements:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the financial position as at 31 December, 2008 and the performance, for the year ended on that date of the company; and

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

R A Barwell, Director — Dated 15/04/09

Dr A Rickards, Director — Dated 15/04/09

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

INCOME STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2008

Continuing operations	NOTE	31-Dec-08 ($)	31-Dec-07 ($)
Revenue from ordinary activities	2	6,907,170	6,765,841
Employee expenses		(4,379,032)	(4,252,439)
Depreciation and amortization expenses	3	(334,075)	(336,262)
Postage and freight expenses		(331,815)	(332,949)
Consultancy and contractor costs		(219,337)	(213,554)
Computer costs		(68,211)	(70,329)
Royalties		(100,864)	(102,977)
Travel and accommodation		(152,003)	(190,338)
Telecommunication		(99,926)	(110,086)
Other expenses		(774,330)	(748,141)
Total expenses		(6,459,593)	(6,357,075)
Operating Profit/(Loss) before fair value movement in financial assets		447,577	408,766
Fair value profit/(loss) on financial assets	5	(1,348,507)	124,907
Net Profit/(Loss)	3,10	(900,930)	533,673

The accompanying notes form part of these financial statements.

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

BALANCE SHEET
AS AT DECEMBER 31, 2008

	NOTE	31-Dec-08 ($)	31-Dec-07 ($)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	15	3,694,188	3,781,216
Trade and other receivables	4	1,305,842	1,183,157
Total Current Assets		**5,000,030**	**4,964,373**
NON-CURRENT ASSETS			
Other financial assets	5	1,637,526	2,799,579
Property, plant and equipment	6	2,193,371	1,414,325
Intangible assets	7	433,486	450,972
Total Non-current Assets		**4,264,383**	**4,664,876**
TOTAL ASSETS		**9,264,413**	**9,629,249**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	681,086	957,364
Provisions	9	703,122	741,461
Total Current Liabilities		**1,384,208**	**1,698,825**
NON-CURRENT LIABILITIES			
Provisions	9	744,464	716,898
Total Non-current Liabilities		**744,464**	**716,898**
TOTAL LIABILITIES		**2,128,672**	**2,415,723**
NET ASSETS		**7,135,741**	**7,213,526**
EQUITY			
Retained Profits	10	6,312,596	7,213,526
Asset revaluation Reserve	10	823,145	
TOTAL EQUITY		**7,135,741**	**7,213,526**

The accompanying notes form part of these financial statements.

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08 ($)	31-Dec-07 ($)
Retained profits at the beginning of the year	7,213,526	6,679,853
Net profit attributed to members	(900,930)	533,673
Fair value revaluation of land and buildings	823,145	-
Total Equity	**7,135,741**	**7,213,526**

The accompanying notes form part of these financial statements.

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
A.C.N. 058 555 632

CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2008

	NOTE	31-Dec-08 ($)	31-Dec-07 ($)
Cash Flows from Operating Activities			
Cash receipts from customers		6,637,041	6,647,544
Cash payments to suppliers and employees		(6,519,796)	(6,113,033)
		117,245	**534,512**
Interest received		254,669	257,699
Net cash provided by operating activities		**371,914**	**792,210**
Cash Flows from Investing Activities			
Movement in Investments		(186,455)	(1,383,961)
Payments for property, plant and equipment		(122,487)	(91,836)
Payments for intangibles		(150,000)	(150,000)
Net cash used in investing activities		**(458,942)**	**(1,625,797)**
Net increase in cash held		**(87,028)**	**(833,586)**
Cash at the beginning of the financial year	15	**3,781,216**	**4,614,803**
Cash at the end of the financial period	15	**3,694,188**	**3,781,216**

The accompanying notes form part of these financial statements.

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
_A.C.N. 058 555 632_

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 1. Summary of significant accounting policies

The following summary explains the significant accounting policies that have been adopted in the preparation of this financial report. Unless otherwise stated, such accounting policies are consistent with those used in the previous year.

a) Reporting Entity

The company, Agricultural Business Research Institute, was incorporated on 11/01/1993 and operates in the State of New South Wales.

The company is a public company incorporated under the Corporations Act as a company limited by guarantee. The amount of guarantee is limited to $100 per member, which can be called upon in the event of winding up. As at 31 December 2008, membership of the company stood at seven.

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

b) Basis of Preparation

This report is a general purpose financial report and has been prepared on accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, other mandatory financial reporting requirements, the Corporations Act 2001, the requirements of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005. It is prepared on a going concern basis under the historical cost convention and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Board on 14 April 2009.

c) New Australian accounting standards issued but not yet effective
The company did not early adopt any new accounting standards that are not yet effective. The company has assessed that the impact of these new standards would not be significant.

d) Employee entitlements
The company has adopted the following policies in order to comply with the requirements of Accounting Standard AASB 119 "Accounting for Employee Entitlements".

Current employee entitlements
The amounts expected to be paid to employees for their entitlement to annual leave and long service leave expected to be paid within the next twelve months, are provided at current pay rates (including on costs) in accordance with statutory requirements and award conditions and disclosed as current liabilities.

Non-current employee entitlements
Long service leave not expected to be paid within the next twelve months is disclosed as a non-current liability and is provided at current pay rates (including on costs) in accordance with statutory requirements and award conditions.

Sick leave
The economic entity has not made provision for non-vesting sick leave as the directors believe it is not probable that payment will be required.

Superannuation
The Agricultural Business Research Institute contributes to eleven(11) employee superannuation funds. Contributions to these funds are charged against income.

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
_A.C.N. 058 555 632_

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 1. Summary of significant accounting policies (continued)

e) Property, plant and equipment
Property
ABRI entered a lease agreement with UNE from 1 January, 1997 whereby it leases the 0.67 hectares of land on which its headquarters are located for a period of 50 years. By agreement with UNE the written down value of the buildings ($247,742) was transferred from the UNE Balance Sheet to ABRI in the 1997 accounts. The land and buildings are disclosed as Capitalised Lease Asset - Land and Buildings in note 6 to the accounts. Improvements to the buildings are capitalised as disclosed in note 6. ABRI completed a purchase contract for this land in February of 2008.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is credited in equity to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in the profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation
Depreciation and amortisation are calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to the economic entity. Assets are depreciated from the date of acquisition.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2%
Furniture and Fittings	15%
Motor Vehicles	20%
Herd Recording Equipment	20% - 25%
Plant and Equipment	20% - 25%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 1. Summary of significant accounting policies (continued)

f) Income Tax
The Australian Taxation Office has advised that the company is exempt from income tax in accordance with Section 50-40 of the Income Tax Assessment Act, 1997.

g) Cash
For the purposes of the cash flow statement, cash includes cash at bank, a cash management account and other investments which are used in the cash management function on a day-to-day basis, net of bank overdrafts.

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

i) Intangible assets
Intangible assets have been amortised on a prime cost basis where there is estimated to be a useful life. The amortisation rates used for intangible assets ranged between 20% to 35%.

The company reviews the carrying values of its intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

j) Revenue recognition
Revenue is measured at fair value of the consideration received or receivable.

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

Interest income
Interest Revenue is recognised as it accrues.

k) Trade and other receivables
The terms of trade are 30 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists and debts which are known to be uncollectible are written off.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1. Summary of significant accounting policies (continued)

l) Trade and other payables
Trade payables represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are normally paid within 30 days of recognition.

m) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exists. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss (FVTPL)
A financial asset is classified in this category where the financial asset is either held for trading or it is designated a FVTPL within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Income Statement in the period in which they arise.

Receivables
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method except for short term receivables where the recognition of interest would be immaterial.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

n) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax(GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office(ATO). In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amout of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 2. Revenue from ordinary activities

	31-Dec-08 ($)	31-Dec-07 ($)
Description		
Fees and Charges	6,461,993	6,413,291
Interest Earned	295,375	236,241
Dividends Received	149,802	116,309
Profit on sale/revaluation of assets	-	124,907
Total Revenues	**6,907,170**	**6,890,748**

Note 3. Profit from ordinary activities

Operating profit is determined after charging as expenses;

	31-Dec-08 ($)	31-Dec-07 ($)
Audit Fee	19,550	18,100
Bad & Doubtful Debts	35,975	52,212
Depreciation and Amortisation:-		
Motor Vehicles	52,193	54,588
Herd Recording Equipment	-	10,858
Plant, Furniture and Equipment	87,559	95,338
Buildings	26,972	26,585
Intangibles	167,349	148,893
	334,073	**336,262**
Amounts set aside to Provisions:-		
Annual Leave	(41,258)	91,777
Long Service Leave	30,485	60,181
Doubtful Debt	77	(1,208)
Net Foreign exchange loss	11,619	24,162

Note 4. Trade and other receivables

	31-Dec-08 ($)	31-Dec-07 ($)
Current		
Trade Debtors - General	1,000,906	1,020,027
Trade Debtors - Dairy Express (NSW)	134,369	125,248
Trade Debtors - Dairy Express (QLD)	54,074	47,061
Contractor Advances - NSW	5,240	5,600
Contractor Advances - QLD	400	300
Less: Provision for Impairment of Receivables	(47,703)	(47,626)
	1,147,286	**1,150,610**

(i) The average credit period on sales of goods is 30 days. The company has provided 4% of all receivables determined by reference to past default experience.

	31-Dec-08 ($)	31-Dec-07 ($)
Accrued Income	119,169	16,836
Prepaid expenses	39,388	15,711
Total Current Receivables	**1,305,842**	**1,183,157**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08 ($)	31-Dec-07 ($)
Note 5. Other financial assets		
Investments (Market Value 31/12/08)	1,524,976	2,632,719
Commercial Stock Portfolio (Market Value 31/12/08)	112,550	166,860
Total other financial assets	**1,637,526**	**2,799,579**

The company does not intend to realise these investments within 12 months of the date of the financial statements and therefore considers them to be non-current assets.

	31-Dec-08 ($)	31-Dec-07 ($)
Note 6. Property, plant and equipment		
Land - at fair value	60,000	60,000
Total	**60,000**	**60,000**
Buildings - fair value	1,289,854	466,710
Less: Accumulated Depreciation	102,247	92,913
Total	**1,187,607**	**373,796**
Capitalised Lease Asset - Land and Buildings	289,789	289,789
Less: Accumulated Depreciation	65,230	59,435
Total	**224,559**	**230,355**
Building Improvements	488,422	479,837
Less: Accumulated Depreciation	67,384	55,542
Total	**421,038**	**424,295**
Plant and Equipment - at cost	1,108,645	1,079,330
Less: Accumulated Depreciation	1,005,025	924,901
Total	**103,620**	**154,929**
Herd Recording Equipment - at cost	319,246	319,246
Less: Accumulated Depreciation	319,246	319,246
Total	-	-
Furniture & Fittings	123,122	114,791
Less: Accumulated Depreciation	100,428	92,993
Total	**22,694**	**21,799**
Motor Vehicles - at cost	546,183	469,789
Less: Accumulated Depreciation	372,330	320,137
Total	**173,853**	**149,652**
Total Property, plant and equipment	**2,193,371**	**1,414,326**

Reconciliations

Reconciliation of the carrying amounts for each class of property, plant and equipment are set below;

	31-Dec-08 ($)	31-Dec-07 ($)
Land		
Carrying amount at beginning and end of year	**60,000**	**60,000**
Buildings		
Carrying amount at beginning of year	373,796	383,131
Revaluation Increment	823,145	-
Depreciation	9,334	9,334
Carrying amount at end of year	**1,187,607**	**373,796**
Leased Asset - Land & Buildings		
Carrying amount at beginning of year	230,354	236,149
Amortisation	5,796	5,796
Carrying amount at end of year	**224,558**	**230,354**
Building Improvements		
Carrying amount at beginning of year	424,294	432,294
Additions	8,585	3,455
Amortisation	11,842	11,455
Carrying amount at end of year	**421,036**	**424,294**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 6. Property, Plant and Equipment (Continued)	**31-Dec-08 ($)**	**31-Dec-07 ($)**
Plant and Equipment		
Carrying amount at beginning of year	154,429	183,837
Additions	29,315	58,994
Depreciation	80,124	88,402
Carrying amount at end of year	**103,620**	**154,429**
Herd recording Equipment		
Carrying amount at beginning of year	-	10,859
Depreciation	-	10,858
Carrying amount at end of year	-	-
Furniture and fittings		
Carrying amount at beginning of year	21,799	27,048
Additions	8,331	1,685
Depreciation	7,435	6,934
Carrying amount at end of year	**22,694**	**21,799**
Motor vehicles		
Carrying amount at beginning of year	149,652	163,574
Additions	76,394	61,518
Disposals	-	33,815
Depreciation	52,193	41,625
Carrying amount at end of year	**173,853**	**149,652**

Note 7. Intangible assets

a) Saltbush Windows Software Development		
Development of Windows Products - at cost	458,796	408,796
Less: Accumulated Amortisation	328,171	278,171
Total Windows Software Development	**130,625**	**130,625**
b) ABRI Platform Development (ILR2)		
Development of new ABRI platform - at cost	709,227	609,227
Less: Accumulated Amortisation	444,227	343,095
Total ABRI Platform Development	**265,000**	**266,132**
c) Dairy Express NSW & QLD		
At Cost	186,200	186,200
Less: Accumulated Amortisation	186,200	186,200
Total Dairy Express	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08 ($)	31-Dec-07 ($)
Note 7. Intangible assets Continued)		
d) MISDI Development		
At Cost	83,524	83,524
Less: Accumulated Amortisation	45,663	29,446
Total MISDI Development	**37,861**	**54,078**
Total Intangible assets	433,486	450,835
Reconciliations		
Reconciliation of the carrying amounts for each intangible with a book value		
Saltbush Windows Software Development		
Carrying amount at beginning of year	130,625	127,772
Additions	50,000	50,000
Amortisation	50,000	47,147
Carrying amount at end of year	**130,625**	**130,625**
ABRI Platform Development (ILR2)		
Carrying amount at beginning of year	266,132	251,146
Additions	100,000	100,000
Amortisation	101,132	85,014
Carrying amount at end of year	**265,000**	**266,132**
MISDI Development		
Carrying amount at beginning of year	54,216	70,948
Write back	(138)	-
Amortisation	16,217	16,732
Carrying amount at end of year	**37,861**	**54,216**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 8. Trade and other payables

	31-Dec-08 ($)	31-Dec-07 ($)
Current		
Creditors and Accruals	303,916	503,781
Debtors with credit balances	4,970	-
GST Payable(Net)	75,856	80,869
Pre-payments - Dairy Express (NSW)	166,108	177,341
Pre-payments - Dairy Express (QLD)	50,236	51,073
Pre-payments - Membership fees and software development	80,000	144,300
Total Payables	**681,086**	**957,364**

Note 9. Provisions

	31-Dec-08 ($)	31-Dec-07 ($)
Current		
Annual Leave	624,105	665,363
Long Service Leave	79,018	76,098
Total Current Provisions	**703,122**	**741,461**
Non-current		
Long Service Leave	**744,464**	**716,898**

Leave provisions	**Annual leave**	**Long service leave**	**Total**
Opening balance at 1 January 2008	665,363	792,996	1,458,359
Additional provisions raised during the year	(41,258)	30,485	(10,773)
Ending Balance at December 31, 2008	624,105	823,481	1,447,586

Note 10. Retained profits

	31-Dec-08 ($)	31-Dec-07 ($)
Retained profits at the beginning of the year	7,213,526	6,679,853
Net profit attributed to members	(900,930)	533,673
Retained profits at the end of the year	**6,312,596**	**7,213,526**
Reserves		
Asset revaluation Reserve	823,145	-

Note 11. Auditor's remuneration

	31-Dec-08 ($)	31-Dec-07 ($)
Amount due and paid to the auditor of the company for Audit of the accounts	19,500	18,800

Note 12. Remuneration of directors

a) In respect of the year ending December 31, 2008, less than $10,000 was paid to directors to meet the cost of attending board meetings. Total income received or receivable, during the year by all directors of the company, from the company, or any related bodies corporate was $169,321, (2007=$161,719)

b) The number of Directors whose income was received from the company or any related bodies corporate was within the following bands:

Band: $140,000 - $160,000 **Number of Directors:** One

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08 ($)	31-Dec-07 ($)

Note 13. Related party transactions

The following information is provided in relation to transactions that occurred with related parties in accordance with AASB 124: "Related Party Disclosures."

University of New England, Armidale

The company deals with the University of New England, Armidale, the controlling entity, on a regular basis for the purpose of purchasing goods and services under normal commercial terms and conditions.

	31-Dec-08 ($)	31-Dec-07 ($)
Revenues and Expenses		
Payments - General Purchases	454,082	448,043
Balance Sheet Items;		
Trade Creditor (Parent Entity)	36,223	52,613

Note 14. Segment Reporting

The company comprises the following main business segments, based on the company's management reporting system:

National beef recording scheme
Dairy herd recording and testing
Saltbush software and services

The company operates mainly in Australia.

Note 15. Notes to the cash flow statement

(i) Reconciliation of cash

Cash as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	31-Dec-08 ($)	31-Dec-07 ($)
Cash at Bank and Cash Management Account	263,237	314,591
Term Deposits and Bank Bills	3,430,951	3,466,626
Total	**3,694,188**	**3,781,216**

(ii) Reconciliation of net cash flow provided by operating activities to profit from ordinary activities.

	31-Dec-08 ($)	31-Dec-07 ($)
Net Profit	**(900,930)**	**533,673**
Add / (less) non-cash items:		
Depreciation and Amortisation	334,073	323,298
Movement in Employee Provisions	(10,773)	151,957
Increase / (Decrease) in Provision for Doubtful Debts	77	(1,208)
Fair value movement in financial assets	1,348,507	-
Net cash provided by operating activities before changes in assets and liabilities	**770,954**	**1,007,720**
Change in assets and liabilities during the financial year		
(Increase) / Decrease in Receivables	(117,792)	45,110
Increase / (Decrease) in Payables	(281,248)	(260,620)
Net cash provided by operating activities	**371,914**	**792,210**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2008

Note 16. Financial instruments

Financial assets
The company classifies its financial assets in the following categories at fair value through profit or loss and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets at initial recognition and re-evaluates this designation at every reporting date.
(a) Financial assets at fair value through profit or loss
Financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.
(b) Receivables
Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets.
(c) Recognition
Regular purchases and sales of investments are recognised on trade-date the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction cost are expensed in the income statement. Financial assets at fair value through profit or loss are subsequently carried at fair value. Receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within increase/ (decrease) in fair value of financial instruments in the period in which they arise. The fair values of quoted investments are based on current bid prices.

Financial risk management
Financial risk factors
The company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. Risk management is carried out by Management for interest rate and foreign exchange exposures.

(a) Market risk
(i) Foreign exchange risk
The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from the sale of services to foreign customers. The risk is being minimised by recording the sales at the exchange rate at the time of invoicing.
(ii) Price Risk
The company is exposed to equity securities price risk because of investments held by the company and classified on the balance sheet as available-for-sale and fair value through profit or loss. The company's equity investments subject to price risk are all publicly traded.

(b) Credit risk
The consolidated entity manages its exposure to credit risk via credit risk management policies which allocate credit limits based on the overall financial and competitive strength of the counterparty. Publicly available credit information from recognised providers is utilized for this purpose where available.

(c) Interest rate risk
Interest rate risk exposures
Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates.

Note 16. Financial instruments (Continued)

The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

Financial Assets	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in: 1 Year or Less	Over 1 to 5 Years	More than 5 Years	Non-Interest Bearing	Total
2008							
Cash	6.29%	293,323	3,400,865				3,694,188
Receivables						1,305,842	1,305,842
Other financial assets						1,637,526	1,637,526
Financial Liabilities							
Payables						681,086	681,086
2007							
Cash	7.22%	569,294	3,211,922				3,781,216
Receivables						1,183,157	1,183,157
Other financial assets						2,799,579	2,799,579
Financial Liabilities							
Payables						957,364	957,364

On-balance sheet financial instruments

The credit risk on financial assets, excluding investments, of the company which have been recognised on the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

(d) Fair value estimation

The fair values of financial instruments traded in active markets (such as available-for-sale securities) are based on quoted market prices at the balance sheet date. The net fair value of listed investments have been valued at the quoted market bid price. For other assets and liabilities the fair value approximates their carrying value.

The nominal value of trade receivables (less impairment allowance) and payables approximate their fair values.

The aggregate fair value and carrying amounts of financial assets and liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

(e) Liquidity risk
The company did not have any significant liquidity risk during the financial year.

Note 17. Commitments

The company did not have any commitments during 2008 (nil 2007).

Note 18. Subsequent events

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

End of audited financial report

AGRICULTURAL BUSINESS RESEARCH INSTITUTE
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ADDITIONAL INFORMATION
FOR THE PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08	31-Dec-07
Income		
Fees and Charges	6,461,993	6,413,291
Interest Earned	295,375	236,241
Profit on sale/revaluation of assets	0	124,907
Dividends Received	149,802	116,309
Total Income	**6,907,170**	**6,890,748**
Expenditure		
Assets <$750	2,656	16,339
Analysis Machine	2,400	30,900
Audit Charges	19,550	18,100
Bad Debts and Provisions for Bad Debts	35,975	52,212
Bank Charges	8,467	9,771
Bottles, Caps etc.	14,858	20,507
Computer Costs	68,211	70,329
Consultant Costs	188,026	182,919
Contractors	31,311	30,635
Course Fees	233	0
EID Costs	7,900	7,678
Data Purchases	0	390
Depreciation and Amortisation	334,075	336,262
Directors Fees	5,400	6,000
Foreign Ex. - Losses / (Gains)	11,619	24,162
Functions and Seminars	18,512	29,461
Gas and Electricity	30,408	27,121
General Expenses	65,243	36,770
Insurance	10,641	13,538
Lab Expenses	61,643	24,458
Legal Costs (incl. provision)	7,409	13,033
Motor Vehicle Expenses	140,547	65,469
Office and Lab Rental	54,495	54,352
Office Supplies	65,443	68,131
Office & Lab Cleaning	16,820	13,811
Photocopying	19,261	30,169
Postage and Freight	331,815	332,949
Printing - Forms	59,121	50,253
Printing - Promotional Items	275	2,873
Promotion and Advertising	33,773	52,646
Provisions - Leave Entitlements	(10,774)	151,956
Rebate - Dairy Express	13,185	23,829
Repairs and Maintenance	22,545	23,641
Repairs HR Equipment	23,547	15,783
Royalties	100,864	102,977
Superannuation (incl. provision)	332,655	316,619
Telecommunications	99,926	110,086
Travel and Accommodation	152,003	190,338
Wages - Payroll Tax	218,015	207,247
Wages - Workers Compensation	21,311	37,491
Wages and Salaries	3,805,381	3,530,796
Wages Fringe Benefits Tax	12,444	8,330
Water / Waste Rates	22,404	16,744
	6,459,593	**6,357,075**
Operating Profit	**447,577**	**533,673**
Loss on sale/revaluation of assets	1,348,507	0
Net Operating Profit Transferred	(900,930)	533,673

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.

ABN: 62 101 200 515

FINANCIAL REPORT

FOR THE PERIOD JULY 1, 2007 TO DECEMBER 31, 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

International Livestock Resources and Information Centre Ltd

To Members of the New South Wales Parliament and Members of International Livestock Resources and Information Centre Ltd

I have audited the accompanying financial report of International Livestock Resources and Information Centre Ltd (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the 18 month period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the 18 month period ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Agricultural Business Research Institute on 9 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

16 April 2009
SYDNEY

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

DIRECTORS' REPORT

Your directors submit their report, together with the financial report of the company for the 18 month period ended 31, December 2008

DIRECTORS

The names of the directors at any time during, or since the end of the financial period:

Peter Flood
Lancelot Peter LLOYD
Phillip Arthur RICKARDS (OAM)
Bruce James STANDEN
John THOMPSON
Scott MalcolmWILLIAMS
Hans Ulrich GRASER
Charles Alexander McDonald
Guillaume John STASSEN
Bruce Francis CHICK
Robert Anthony BARWELL
Ian Kemball MCIVOR

PRINCIPAL ACTIVITIES

There were no other significant changes to the nature of the activities of the company during the financial period.

DIVIDENDS

No dividends were paid or declared during the financial period and the directors do not recommend payment of a dividend in respect of the period ended 31 December, 2008.

REVIEW OF OPERATIONS

The operating profit/(loss) of the company was $132,830: (2007=($720,001)).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company in the current financial period.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

LIKELY DEVELOPMENTS

The company will continue to pursue its principal activities during the year 2009

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

DIRECTORS' REPORT (Continued)

DIRECTORS' PARTICULARS

a) Qualifications and Experience

Name: **Phillip Arthur RICKARDS (OAM)**
Qualifications: Honours degree in Agricultural Science, postgraduate qualifications in Agricultural Economics and Honorary Doctorate, UNE.
Experience: Foundation director of the Agricultural Business Research Institute with over 30 years of experience in managing agribusiness information projects.

Board member appointed 2/07/2002

Name: **Lancelot Peter LLOYD**
Qualifications: BA (UNE) AAILE (Associate of Australian Institute of Land Economists) AREI (Associate of the Real Estate Institute) Licensed valuer, Licensed Stock and Station Agent and Auctioneer, Graduate Officer Training Unit (CaptainRAE)

Experience: Over 30 years experience in travel and tourism management, agribusiness and strategic planning. Executive Director Australian New Frontiers/Agritours Australia, Director of Armidale Diocesan Investment Group, Director Australian Travel Agents Co-operative, Advisory Group member NSW Convention Bureau, Board member New England North West Regional Tourism Organisation.

Board member appointed 2/07/2002 Resigned 30/11/2007

Name: **Charles Alexander MCDONALD**

Experience: Alex McDonald is the industry representative on the ILRIC Board for the Australian Registered Cattle Breeders Association. He is currently the General Manager of the Australian Limousin Breeders' Society and has previously worked for the Victorian Department of Agriculture, the Animal Breeding and Genetics Unit and the Agricultural Business Research Institute.

Board member appointed 14/06/2007

Name: **Bruce James STANDEN**
Qualifications: MAgEc (NE), PhD (Lond)
Experience: Academic training in economics and sub-discipline, agricultural economics. Currently director on Boards of six Companies and Foundations. Also consultant to numerous companies and agencies. Previously Managing Director for 10 years of Australian Meat and Livestock Corporation, a Commonwealth statutory corporation. Earlier positions included Principal Economist with NSW Department of Agriculture.

Board member appointed 2/07/2002

Name: **Bruce Francis CHICK**
Experience: Since graduation in Veterinary Science from the University of Sydney in December 1971 Bruce has been continuously involved in various aspects of the extensive grazing industries. Completion of post-graduate qualifications in Agricultural Economics (University of New England) and Diagnostic Pathology (Ontario Veterinary College) was been complimented by experience with NSW Agriculture as a Senior Research Pathologist, three years as Research Director with a multi-national pharmaceutical group and twelve years as principal of a private consultancy group, Veterinary Health Research Pty Ltd which currently employs 28 professional and support staff in Armidale, NSW.

Board member appointed 2/07/2002- Resigned 30/11/2007

Name: **Ian Kemball MCIVOR (AM)**
Experience: A trade consultant and primary producer Ian is Chairman of the Australian Livestock Export Council. Ian is a former Director of the Australian Wool Exchange. also previously he was a Director of the Australian Wheat Board, Dalgety Futures Ltd, Port Phillip Wool Processing Ltd and Dalgety Germany G.mbH. He retired as General Manager (International) of the Dalgety Group in 1994. Ian resides in Orange, NSW and is a member of the Finance and Audit Committee.

Board member appointed 04/04/2008

a) Qualifications and Experience Continued.

Name: **Scott MalcolmWILLIAMS**

Experience: Scott Williams is a member of the UNE Council; the governing body of the University of New England and is Chair of the Finance Committee and a Member of the Audit and the Remuneration Committees. He owns and operates Petals Network which is a floral order clearing house with its own operations in Australia, New Zealand and Britain and which trades in 70 other countries. Previously he has been a consultant with the FAO of the United Nations, AusAid and with the International Board for Plant Genetic Resources. He also worked for several years with The Rural Development Centre at UNE in the areas of rural adjustment and declining country towns. He has academic qualifications in agriculture, accounting and computing science.

Board member appointed 30/11/2007

Name: **Robert Anthony BARWELL**

Experience: Mr Barwell is a sheep and cattle producer who is a part-time consultant and is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Previously he was the National Co-ordinator of CATTLECARE and Flockcare. He has also been the General Manager of a diverse agricultural company with properties throughout rural New South Wales.

Board member appointed 22/04/2008

Name: **Hans Ulrich GRASER**

Qualifications: Graduate degree in Agricultural Science (German) and postgraduate Training to the level of PhD (German, DrSciAg, Hohenheim)

Experience:

Director, Animal Genetics and Breeding Unit (AGBU), University of New England. AGBU is a joint Unit of NSW Agriculture and the University of New England. More than 25 years work as a researcher in the Animal Breeding field with extended working periods in Germany and Australia. Technical Director of AGBU from 1992 to 1998, Director AGBU since July 1998. Research interests in the genetic evaluation of livestock, variance component estimation and the design of livestock breeding programs. Co-responsible for a number of successfully commercialised genetic prediction software in Germany and Australia.

Board member appointed 2/07/2002- Resigned 14/09/2007

Name: **John THOMPSON**

Experience: Dr John Thompson is a Professor in UNE's Division of Animal Science. He has been instrumental in developing the Meat Science program of the Meat Quality CRC at Armidale and also the teaching program in Meat Science. More recently Professor Thompson has had a large input into the Meat Standards Australia meat-grading scheme being developed by Meat and Livestock Australia. As part of the latter program Professor Thompson undertakes the meat science training of graders as part of the MSA scheme. Professor Thompson has close links with industry with several large co-operative research programs with commercial partners (eg ACC/Coles, CMG, VIASCAN).

Board member appointed 14/02/2003 - Resigned 30/11/2007

Name: **Prof Peter FLOOD**

Experience: Professor Flood is a UNE alumnus (Wright College 1964-1967), graduating with First Class Honours in Geology. Subsequently he worked for the Commonwealth Bureau of Mineral Resources (1967-1970), including a secondment to the Papuan Department of Lands Survey and Mines (1968), and later as a mineral exploration consultant 1970-1972, during which time he completed an external Master of Science degree through UNE. He then accepted a lecturing position at the University of Queensland (1972-1980) where he completed a PhD part-time. He returned to UNE in 1980 and almost immediately took leave to accept a Fulbright Scholarship at the University of Miami, Florida.

Board member appointed 30/11/2007 - Resigned 24/12/2008

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

Name: **Guillaume John STASSEN**

Experience: Over 25 years experience as a senior executive in local and International Investment Banking, Telecommunication, Mining and Manufacturing industries and in the past 17 years holding the position of Chief Executive Officer. He has worked extensively overseas including the USA, Bermuda, Europe, Hong Kong and most parts of Asia.

Board member appointed 10/06/2003

b) Directors' Meetings

During the period ended 31 December, 2008 seven directors' meetings were held. Attendance at the meetings was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Attended
Bruce Francis CHICK	3	1
Bruce James STANDEN	7	7
Charles Alexander McDONALD	7	7
Guillaume John STASSEN	7	7
Hans Ulrich GRASER	2	2
Ian Kemball MCIVOR	3	2
John THOMPSON	3	3
Lancelot Peter LLOYD	3	2
Phillip Arthur RICKARDS (OAM)	7	7
Prof Peter FLOOD	4	3
Robert Anthony BARWELL	3	2
Scott MalcolmWILLIAMS	4	3

DIRECTORS' BENEFITS

No director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the company, or a related body corporate with the director, a firm in which the director is a member, or an entity in which the director has a substantial interest. This statement excludes a benefit included in the aggregate amount of emoluments received, or due and receivable, by directors and shown in the company's accounts, or the fixed salary of a full-time employee of the company, or a related body corporate.

INDEMNIFYING OFFICER OR AUDITOR

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, or auditor including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer, or auditor for the costs of expenses to defend legal proceedings.

AUDITOR INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached.

Signed in accordance with a resolution of the board of directors:

Phillip Arthur RICKARDS (OAM)

Dated 15/4/09

Charles Alexander MCDONALD

Dated 15/4/09

GPO BOX 12
Sydney NSW 2001

To the Directors
International Livestock Resources and Information Centre Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial report of International Livestock Resources and Information Centre Ltd for the 18 month period ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Service

9 April 2009
SYDNEY

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

Directors' Statement

STATEMENT MADE IN ACCORDANCE WITH SECTION 41C (1B) AND (1C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

In accordance with a resolution of the Board of Directors of the International Livestock Resource and Information Centre Ltd we state that:

(a) the financial statements and notes thereon exhibit a true and fair view of the financial position and transactions of the company for the 18 month period ended 31 December 2008;

(b) financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulations 2005; and

(c) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Phillip Arthur RICKARDS (OAM)

Charles Alexander MCDONALD

15/04/09
Date

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

DIRECTORS' DECLARATION

In the opinion of the directors, the financial statements set out in the Balance Sheet, Income Statement, Statement of Change in Equity, and Cash Flow Statement and notes to the financial statements:

(a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) give a true and fair view of the company's financial position as at 31 December 2008 and its performance, as represented by the results of its operations and cash flows for the 18 month period ended on that date; and

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Phillip Arthur RICKARDS (OAM) 15/04/09 Dated

Charles Alexander MCDONALD 15/04/09 Dated

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

INCOME STATEMENT
FOR THE PERIOD JULY 1, 2007 TO DECEMBER 31, 2008

	NOTE	31-Dec-08 ($)	12 Months to 30-Jun-07 ($)
Revenue from ordinary activities	2	786,933	273,382
Employee expenses		325,662	289,920
Consultancy and contrsctor costs		64,852	82,862
Computer costs		17,677	11,746
Project Claims		15,383	330,344
Travel and accommodation		27,997	157,436
Other expenses from ordinary activities		202,532	121,074
Total expenses		**654,103**	**993,382**
Net Profit (Loss) attributable to members	8	**132,830**	**(720,000)**

The Income Statement is to be read in conjunction with the Notes to the Financial Statements.

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

BALANCE SHEET
AS AT DECEMBER 31, 2008

	NOTE	31-Dec-08 ($)	30-Jun-07 ($)
CURRENT ASSETS			
Cash assets	11	105,142	281,307
Receivables	4	226,088	153,558
Total Current Assets		**331,230**	**434,865**
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	65,198	34,016
Total Non-current Assets		**65,198**	**34,016**
TOTAL ASSETS		**396,428**	**468,881**
CURRENT LIABILITIES			
Payables	6	36,174	293,552
Provisions	7	15,117	25,828
Total Current Liabilities		**51,291**	**319,380**
NON-CURRENT LIABILITIES			
Borrowings	6	62,805	-
Total Non-current Liabilities		**62,805**	**-**
TOTAL LIABILITIES		**114,096**	**319,380**
NET ASSETS		**282,332**	**149,502**
EQUITY			
Retained Profits	8	282,332	149,502
TOTAL EQUITY		**282,332**	**149,502**

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

CASH FLOW STATEMENT
FOR THE PERIOD JULY 1, 2007 TO DECEMBER 31, 2008

	NOTE	31-Dec-08 ($)	12 Months to 30-Jun-07 ($)
Cash Flows from Operating Activities			
Cash receipts from customers		634,031	98,685
Cash payments to suppliers and employees		(821,321)	(769,608)
		(187,290)	**(670,923)**
Interest received		17,628	33,009
Net cash provided by operating activities	11	**(169,662)**	**(637,914)**
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(69,307)	(3,908)
Receipts from bank loans		62,804	-
Net cash used in investing activities		**(6,503)**	**(3,908)**
Net decrease in cash held		**(176,165)**	**(641,822)**
Cash at the beginning of the financial period	11	**281,307**	**923,129**
Cash at the end of the financial period	11	**105,142**	**281,307**

The Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

	Retained Earnings
	$
Balance at 30 June 2006	869,502
Profit(loss) attributable to members of entity	(720,000)
Balance at 30 June 2007	149,502
Profit(loss) attributable to members of entity	132,830
Balance at 31 December 2008	**282,332**

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation
The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian accounting interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, the requirements of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2005.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in it's entirety.

This financial report has been authorised for issue by the Board on April 15, 2009.

b) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The company has presently not made any provision for long service leave as the directors believe it is not probable that payment will be required at balance date due to current length of service of employees.

Sick Leave
The company has not made provision for non-vesting sick leave as the directors believe it is not probable that payment will be required.

Superannuation
ILRIC Ltd contributes to two employee superannuation funds. Contributions to these funds are charged against income.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount for non-for-profit entities is assessed on the basis of the current replacement cost discounted to current asset condition.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20% - 25%
Furniture and Fixtures	20% - 25%

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

Note 1. Summary of Significant Accounting Policies (continued)

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of plant and equipment for non-for-profit-entities is the current replacement cost discounted to current asset condition.

d) Income Tax
The Australian Taxation Office has advised that the company is exempt from income tax in accordance with Section 50-B of the Income Tax Assessment Act, 1997.

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

f) Revenue Recognition
In general, revenue is recognised, where it can be reliably measured, in the period to which it relates.
However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

Grant and partner contribution income
Grant and partner contribution income is recognised when it is received.

Interest Income
Interest Income is recognised as it accrues.

g) Receivables
The terms of trade are 30 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists and debts which are known to be uncollectible are written off.

h) Trade Creditors
Trade creditors represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are normally paid within 30 days of recognition.

i) Gooda and Services Tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

j) Company details
The company is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to $2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At December 31, 2008 there were eleven members.

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

Note 2. Revenue from ordinary activities	**31-Dec-08 ($)**	**30-Jun-07 ($)**
Description		
Grant Income	440,910	-
Royalties	5,900	11,853
Partners Contributions		170,045
Misc. Income	162,026	32,070
Certification Fees	165,225	28,530
Interest Income	12,872	30,884
Total Revenues	**786,933**	**273,382**

Note 3. Profit from ordinary activities

Operating profit is determined after charging as expenses;

Depreciation property plant and equipment	38,126	11,376
Amounts set aside to Provisions:-		
Annual Leave	(10,711)	1,227

Note 4. Receivables

Current

Trade Debtors - General	125,593	128,100
Less: Provision for Doubtful Debts	-	-
	125,593	**128,100**
Accrued Income (Interest)	100,495	4,756
GST Receivable	-	20,702
Total Current Receivables	**226,088**	**153,558**

Note 5. Property, Plant and Equipment

Plant and Equipment - at cost	161,585	92,277
Less: Accumulated Depreciation	96,387	58,261
Total Property, Plant and Equipment	**65,198**	**34,016**

Reconciliations
Reconciliation of the carrying amounts for each class of property, plant and equipment are set below;

Plant and Equipment		
Carrying amount at beginning of period	34,016	53,178
Additions	69,308	3,907
Disposals	-	-
Depreciation	38,126	23,069
Carrying amount at end of period	**65,198**	**34,016**

Note 6. Liabilities

Current		
Creditors and Accruals	36,114	293,552
GST Payable	60	-
Total Payables	**36,174**	**293,552**
Non-current		
NAB - Car Loan	62,804	-
Total Non-current	**62,804**	**-**

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08 ($)	30-Jun-07 ($)
Note 7. Provisions		
Current		
Employee benefits	15,117	25,828
Total Current Provisions	**15,117**	**25,828**
Movements in Provisions		
Employee benefits - opening balance at 1 July	25,828	24,601
Additional provisions raised during the year	-	3,335
Amounts used	(10,710)	(2,108)
Employee benefits - balance at 31 December	**15,118**	**25,828**
Note 8. Retained Profits		
Retained profits at the beginning of the period	149,502	869,502
Net profit attributed to members	132,830	(720,000)
Retained profits at the end of the period	**282,332**	**149,502**
Note 9. Auditor's Remuneration		
Amount due and paid to the auditor of the company for audit of the accounts	7,600	12,675

Note 10. Remuneration of Directors

a) In respect of the period ending 31 December, 2008, less than $5,000 was paid to Directors to meet the cost of attending board meetings.

b) Key Management Personnel Compensation

	Short-term Benefits Salary & Fees	Post Employment Superannuation Contribution	Total
	$	$	**$**
2008			
Total compensation	174,529	15,708	190,237
2007			
Total compensation	162,896	14,661	177,557

Note 11. Reconciliation of Cash

(i) Reconciliation of Cash
Cash as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	31-Dec-08 ($)	30-Jun-07 ($)
Cash at Bank and Cash Management Account	105,142	281,307
Total	**105,142**	**281,307**
(ii) Reconciliation of net cash provided by operating activities to profit from ordinary activities		
Profit from ordinary activities	**132,830**	**(720,001)**
Add / (less) non-cash Items:		
Movement in Employee Provisions	(10,711)	1,227
Depreciation	38,126	23,069
Net cash provided by (or used in) operating activities before changes in assets and liabilities	**160,245**	**(695,705)**
Change in assets and liabilities during the financial year		
(Increase) / Decrease in receivables	(72,470)	(140,004)
Increase / (Decrease) in payables	(257,437)	197,795
Net cash provided by operating activities	**(169,662)**	**(637,914)**

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 52 101 200 515

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

Note 12. Financial Instruments

(a) Interest Rate Risk
The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the company's operations.

The company does not have any derivative instruments at 30 June 2008.

(i) Treasury Risk Management
The Board and Executive of the company do not believe they have any significant treasury risk. Cash is held in bank accounts and not diversified.

(ii) Financial Risks
The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk
The company loans are at fixed interest rates for the duration of the loans. Cash is held in bank accounts, which the Company believes has an acceptable interest rate.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity risk
The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash balances are maintained.

Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company has credit risk exposure with regard to trade debtors owed by related parties of the company. The company believes these debtors are collectable and the related parties have sufficient funds to meet debt obligations.

Price risk
The company is not exposed to any material commodity price risk.

(b) Interest Rate Risk
Interest Rate Risk Exposures

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates.
The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

2008			**Fixed Interest Maturing In:**				
Financial Assets	**Weighted Average Interest Rate**	**Floating Interest Rate**	**1 Year or Less**	**Over 1 to 5 Years**	**More than 5 Years**	**Non-Interest Bearing**	**Total**
Cash and cash equivalents	4.80%	105,142	0	0	0	0	105,142
Trade and other receivables		0	0	0	0	226,088	226,088
Financial Liabilities							
Trade and other payables		0	0	0	0	36,174	36,174
Bank Debt	9.5	0	0	62,805	0	0	62,805
2007							
Cash and cash equivalents	6.10%	281,307	0	0	0	0	281,307
Trade and other receivables		0	0	0	0	153,558	153,558
Financial Liabilities							
Trade and other payables		0	0	0	0	293,552	293,552

(c) Net Fair Values
For assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Note 13. Related Party Transactions

Agricultural Business Research Institute Ltd ("ABRI")
Payments for Secretarial and Consultancy services $32,687 (2007:28,457)and Project Claims $10,000 (2007: $199,954).
Total Payable to related party as at 31 December, 2008 $15,125 (2007:$206,397).
Total receivable from related party as at 31 December, 2008 $3,243 (2007: $0).

University of New England
Payments for Secretarial, Consultancy and other services $13,577 (2007: $17,945).
Total Payable to related party as at 31 December 2008 $232 (2007: $918).
Cash contributions to the Company 31 December, 2008 $86,693 (2007: $0).
Total receivable from related party as at 31 December, 2008 $0 (2007: $88,253).

Ultimate Parent Entity
The ultimate parent entity of the Company is the University of New England.

Note 14. Change In Accounting Policy

The company has not early adopted any new Australian Accounting Standards issued but not yet effective, and does not consider that the impact of new accounting standards will be significant to the company.

Note 15. Contingent Liabilities
There are no known contingent liabilities that would impact on the state of affairs of the Company or have a material impact on the financial report.

Note 16. Comparative Amounts
Comparative amounts are for the twelve month period ended 30 June 2007.

END OF AUDITED FINANCIAL STATEMENTS

INTERNATIONAL LIVESTOCK RESOURCES AND INFORMATION CENTRE LTD.
ABN: 62 101 200 515

ADDITIONAL INFORMATION
FOR THE 18 MONTH PERIOD ENDED DECEMBER 31, 2008

	31-Dec-08 ($)	30-Jun-07 ($)
Income		
Grant Income	440,910	-
Royalties	5,900	11,852
Certification Fees	165,225	28,530
Miscellaneous Income	162,026	202,116
Interest Income	12,871	30,884
Total Income	**786,933**	**273,382**
Expenditure		
Accounting	14,338	11,903
Audit Fees	900	12,675
Administration Charges	-	637
Bad Debts	3,199	-
Bank Fees & Interest	474	-
Cleaning Service	2,747	1,204
Computer Costs - Maint. & Cons	4,575	2,179
Consultant Fees	41,821	52,408
Depreciation	38,126	23,069
Functions & Seminars	2,212	39,693
Export Standards	85,874	445
General Expense	5,861	4,557
Graphic Design	3,217	3,060
Legal Expenses	3,044	3,615
Licenses & Fees & Rates	3,115	420
Motor Vehicle Expense	17,678	11,746
Office Supplies	2,250	5,619
Partners Project Claims	15,383	330,344
Photocopying	17,254	14,371
Postage & Freight	1,979	1,301
Printing & Advertising	4,155	2,817
Rent	13,422	5,649
Gas & Electric	1,267	291
Superannuation	27,575	23,592
Telecommunication	15,131	12,686
Travel - Air	12,828	107,107
Accommodation & Meals	12,817	45,109
Travel Other	2,352	5,220
Wages & Salaries	298,087	265,102
Wages Oncosts	2,423	3,335
Provision For Rec. Leave	-	1,227
	654,103	**993,382**
Net Operating Profit Transferred	**132,830**	**(720,000)**

The additional information does not form part of the audited Financial Statements

ABN: 29 065 648 479

FINANCIAL REPORT

FOR THE YEAR ENDED

31ST DECEMBER 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Services UNE Ltd

To Members of the New South Wales Parliament and Members of Services UNE Ltd

I have audited the accompanying financial report of Services UNE Ltd (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the year ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Services UNE Ltd on 9 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

16 April 2009
SYDNEY

SERVICES UNE LTD
ABN 29 065 648 479
DIRECTORS' REPORT

The directors have pleasure in presenting their report, together with the financial report of Services UNE Limited for the year ended 31 December 2008 and the Auditors' Report thereon.

In order to comply with the provisions of the Corporations Act 2001, the directors report the following:

Directors

The names of the Directors in office at the date of this report are:

Director	Position	Occupation	Commenced	Meetings attended
Ann Maurer	Chair	Retired Accountant	9 September 2005	2/2
Roderick Watt	Director	Solicitor	9 September 2005	2/2
Brett Purkiss	Director	Retailer	10 October 2008	2/2

The following Directors ceased office during the period and up to the date of this report:

Director	Position	Occupation	Cessation	Meetings attended
Catherine Millis	Director	Student	10 October 2008	0/0
Christopher Cull	Director	Consultant	13 October 2008	0/0
Adrian Robinson	Director	CFO	21 November 2008	1/2

Principle Activities

The principal activity of the Company is the provision of non-academic student services at the University of New England.

Results Of Operations

The Company recorded an operating deficit of $(34,735) for the year ended 31 December 2008 (2007 deficit of $(320,006)).

Events Subsequent to the End of the Reporting Period

No events affecting the operations of the company have occurred subsequent to the end of the reporting period.

Likely Developments

The company will continue to pursue its principal activities in 2009.

Dividends

The company cannot pay dividends due to its status as a not-for-profit entity under its constitution.

SERVICES UNE LTD
ABN 29 065 648 479

Directors' Benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit by reason of a contract made by the Company, controlled entity or a related body corporate with the Director, a firm of which the Director is a member, or an entity in which the Director has a substantial financial interest, except as disclosed at note 17.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the Company's accounts or the fixed salary of a full-time employee of the parent entity, controlled entity or related body corporate.

Directors' Meetings

During the financial year, two meetings of Directors were held. The number of meetings attended by each Director is stated in this report.

Directors and Auditors Indemnification

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following matters.

During or since the financial year the University of New England has paid premiums on behalf of the Company to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was included in a bulk insurance charge by the University.

Share Options

The company is limited by Guarantee and has no share capital. Accordingly there are no issued share options.

Auditors Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows.

Signed in accordance with a resolution of directors made pursuant to Section 298(2) of the Corporations Act 2001.

....

Director **Director**

Dated at Armidale NSW this 9th Day of april 2009.

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
Services UNE Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial report of Services UNE Ltd for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

9 April 2009
SYDNEY

SERVICES UNE LTD
ABN 29 065 648 479

DIRECTORS' STATEMENT

STATEMENT MADE IN ACCORDANCE WITH SECTION 41C (1B) AND (1C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983.

In accordance with a resolution of the Board of Directors of Services UNE Ltd we state that:

a) the financial statements and notes thereon exhibit a true and fair view of the financial position and transactions for the year ended 31 December 2008;

b) financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, Public Finance and Audit Regulation 2005; and

c) we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

....

Director

....

Director

Dated at Armidale NSW this ...9th..... Day of ...april...... 2009.

SERVICES UNE LTD
ABN 29 065 648 479

DIRECTORS' DECLARATION

In the opinion of the directors of Services UNE Ltd:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, and:

  (i) comply with Accounting Standards and other mandatory professional reporting requirements; and

  (ii) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the Company; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

In arriving at their opinion in paragraph b) the directors have taken into account the matters outlined in Note 18 - Economic Dependancy.

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

....	....
Director	**Director**

Dated at Armidale NSW this ....9th.... Day of ....April.... 2009.

SERVICES UNE LTD
ABN 29 065 648 479

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	2008 ($)	2007 ($)
Continuing Operations			
Sale of Goods		3,226,342	3,009,602
Rendering of Services		225,010	245,680
Interest Received		130,722	125,922
Other revenue		513,270	349,293
Total revenue		4,095,344	3,730,497
Gain on sale of property plant & equipment		-	20,484
Cost of goods sold		(1,492,414)	(1,416,229)
Employee expenses		(1,652,591)	(1,653,233)
Depreciation expense		(238,403)	(267,578)
Lease expense		(6,724)	(8,203)
Other expenses		(739,947)	(725,744)
Profit/(Loss) from continuing operations before Income Tax Expense		(34,735)	(320,006)
Income Tax Expense relating to continuing operations	1(c)	-	-
Net Profit/(Loss) from continuing operations After Income Tax Expense		**(34,735)**	**(320,006)**

The Income Statement is to be read in conjunction with the notes to the financial statements

SERVICES UNE LTD
ABN 29 065 648 479

BALANCE SHEET
AS AT 31 DECEMBER 2008

	NOTE	2008 ($)	2007 ($)
CURRENT ASSETS			
Cash and cash equivalents	3	1,882,181	1,780,095
Trade and other receivables	4	320,841	248,280
Inventory	5	248,398	187,509
TOTAL CURRENT ASSETS		**2,451,420**	**2,215,884**
NON-CURRENT ASSETS			
Available-for-sale financial assets	6	500	500
Leasehold improvements	7	247,467	241,235
Motor vehicles	7	17,307	36,312
Plant and equipment	7	345,897	520,365
Intangible assets	8	25,000	25,000
TOTAL NON-CURRENT ASSETS		**636,171**	**823,412**
TOTAL ASSETS		**3,087,591**	**3,039,296**
CURRENT LIABILITIES			
Trade and other payables	9	382,631	272,894
Lease Liabilities	10	29,898	32,411
Provisions	11	150,291	139,285
TOTAL CURRENT LIABILITIES		**562,820**	**444,590**
NON-CURRENT LIABILITIES			
Lease Liabilities	12	-	29,901
Provisions	13	5,215	10,514
TOTAL NON-CURRENT LIABILITIES		**5,215**	**40,415**
TOTAL LIABILITIES		**568,035**	**485,005**
NET ASSETS		**2,519,556**	**2,554,291**
EQUITY			
Retained earnings		2,519,556	2,554,291
TOTAL EQUITY		**2,519,556**	**2,554,291**

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

SERVICES UNE LTD
ABN 29 065 648 479

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

Retained Earnings	NOTE	2008 ($)	2007 ($)
Balance at Beginning of Year		2,554,291	2,874,297
Profit/(Loss) attributable to members		(34,735)	(320,006)
Balance at 31 December		**2,519,556**	**2,554,291**

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

SERVICES UNE LTD
ABN 29 065 648 479

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	2008 ($)	2007 ($)
Cash Flows from Operating Activities			
Receipts from customers		4,211,086	3,662,971
Payments to suppliers and employees		(4,133,305)	(3,944,228)
Bank charges and interest expense		(20,230)	(19,291)
Interest received		130,722	125,922
Net Cash provided by Operating Activities	20	**188,273**	**(174,626)**
Cash Flows from Investing Activities			
Proceeds from sale of property plant and equipment		-	43,120
Payments for property plant and equipment		(53,772)	(70,440)
Net Cash used in Investing Activities		**(53,772)**	**(27,320)**
Cash Flows from Financing Activities			
Proceeds/(repayments) of borrowings		-	-
Finance lease payments		(32,415)	(33,076)
Net Cash by Finance Activities		**(32,415)**	**(33,076)**
Net Increase/(Decrease) in Cash Held		**102,086**	**(235,022)**
Cash at Beginning of the Reporting Period	3	1,780,095	2,015,117
Cash at End of the Reporting Period	3	**1,882,181**	**1,780,095**

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

SERVICES UNE LTD
ABN 29 065 648 479

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company, Services UNE Limited, was incorporated on 14 July 1994 and operates in the State of New South Wales.

The company is a controlled entity of the University of New England, Armidale and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 124

The Company is limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $1 each toward meeting any outstanding obligations of the Company. At 31 December 2008 the number of members was 1 (one).

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report for the year ended 31 December 2008 has been authorised for issue by the Board on 9 April 2009.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and other State/Australian Government legislative requirements and the Public Finance and Audit Act 1983.

Compliance with IFRSs

This financial report has been prepared in accordance with Australian Accounting Standards. Australian Accounting Standards contain requirements specific to not-for-profit entities.

Historical cost convention

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

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

(c) Income tax

Services UNE Limited has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997.

(d) Leases
Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases (note 19). Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 19). 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.

(e) Acquisitions of assets
The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(f) Impairment of assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 (cash generating units).

The recoverable amount of property, plant and equipment for not-for-profit entities is the current replacement cost discounted to current asset condition.

(g) Cash and cash equivalents
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 balance sheet.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company 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. The amount of the provision is recognised in the income statement.

(i) Inventories

Stocks on hand are valued at the lower of cost and net realisable value. Cost is assigned to stock using the First in First Out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A Provision for stock write down has been created to cover possible non-realisation of cost price for some stock. The amount of the provision is recognised in the income statement.

(j) Non-current assets (or disposal groups) held for sale

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

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

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

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

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(k) Property, plant and equipment

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 Company 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 of property, plant and equipment is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Leasehold improvements	2.00 – 20.00%
- Vehicles	15.00 – 27.00%
- Plant and equipment	10.00 – 33.33%

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(l) Intangible assets

Australia Post Licence

The value of the Australia Post license is valued in the accounts at cost of acquisition. The balance is reviewed annually and any balance representing future benefits for which realisation is considered to be no longer probable, is written off. The licence has not been amortised because of its indefinite life.

(m) Trade and other payables

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

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(o) Borrowing costs

Borrowing costs are expensed as incurred.

(p) Provisions

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

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

(q) Employee benefits
Wages, salaries, annual leave and long service leave

Provision is made for the company's liability for employee benefits arising from services rendered by the employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount including related on-costs. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements including related on-costs.

Contributions are made by the Company to employee super funds and are charged as expenses when incurred.

(r) Comparative Figures
Where necessary certain comparatives have been adjusted in order to comply with the current year's presentation.

(s) Other Taxes
Revenues, expenses and assets are recognised net of the amount of GST except:
(i) When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
(ii) Receivables and payables, which are stated with the amount of GST included.
The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 2. PROFIT/(LOSS) FOR THE YEAR

(Loss)/Profit from continuing operations has been arrived at after charging/(crediting) the following items:

	2008 ($)	2007 ($)
Depreciation expense	238,403	267,578
Provision for employee entitlements		
Provision for Annual Leave	7,517	(17,821)
Provision for Long Service Leave	(1,810)	(66,150)
Loss on sale of property plant & equipment	2,611	24,730
	246,721	**208,337**

SERVICES UNE LTD
ABN 29 065 648 479
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 ($)	2007 ($)

NOTE 3. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2008 ($)	2007 ($)
Cash on Hand	15,110	10,150
Cash at Bank	213,411	135,420
Short Term Deposits	1,653,660	1,634,525
	1,882,181	**1,780,095**

NOTE 4. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2008 ($)	2007 ($)
Trade Receivables	264,309	153,169
Less: Provision for Impairment of Receivables	(1,961)	(4,614)
	262,348	148,555
Other Receivables	34,024	78,323
Receivables from Related Parties	24,469	18,325
Prepayments	-	3,077
	320,841	**248,280**

NOTE 5. CURRENT ASSETS - INVENTORIES

	2008 ($)	2007 ($)
Stock on hand – At cost	254,025	193,136
Less: Provision for stock write-down	(5,627)	(5,627)
	248,398	**187,509**

NOTE 6. NON-CURRENT ASSETS - AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2008 ($)	2007 ($)
Unlisted Securities		
Equity Securities	500	500
	500	**500**

NOTE 7. NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

	2008 ($)	2007 ($)
Plant and equipment - At cost	1,026,073	1,004,198
Less: Accumulated depreciation	(680,176)	(483,833)
	345,897	**520,365**
Leasehold improvements - At cost	288,486	269,090
Less: Accumulated depreciation	(41,019)	(27,855)
	247,467	**241,235**

SERVICES UNE LTD
ABN 29 065 648 479
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 ($)	2007 ($)
Motor Vehicles – At cost	79,225	79,225
Less: Accumulated depreciation	(61,918)	(42,913)
	17,307	**36,312**

RECONCILIATIONS

Reconciliations of the carrying amounts for each class of property, Plant and equipment are set out below:

	2008 ($)	2007 ($)
Plant and Equipment		
Carrying amount at beginning of year	520,365	713,028
Additions	34,377	70,440
Disposals	(2,611)	(30,912)
Depreciation	(206,234)	(232,191)
Carrying amount at end of year	**345,897**	**520,365**
Leasehold improvements		
Carrying amount at beginning of year	241,236	254,328
Additions	19,395	-
Disposals	-	-
Depreciation	(13,164)	(13,092)
Carrying amount at end of year	**247,467**	**241,236**
Motor vehicles		
Carrying amount at beginning of year	36,312	75,060
Additions	-	-
Disposals	-	(16,453)
Depreciation	(19,005)	(22,295)
Carrying amount at end of year	**17,307**	**36,312**

NOTE 8. NON-CURRENT ASSETS - INTANGIBLES

	2008 ($)	2007 ($)
Australia Post Licence – At cost	**25,000**	**25,000**

SERVICES UNE LTD
ABN 29 065 648 479
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 ($)	2007 ($)
NOTE 9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade Payables	382,631	272,894
Other Payables	-	-
	382,631	**272,894**
NOTE 10. CURRENT LIABILITIES - LEASE LIABILITIES		
Lease Liabilities (note 19)	**29,898**	**32,411**
NOTE 11. CURRENT LIABILITIES - PROVISIONS		
Provision for Employee Entitlements		-
Provision for Annual Leave	84,397	76,880
Provision for Long Service Leave	65,894	62,405
	150,291	**139,285**
NOTE 12. NON-CURRENT LIABILITIES - LEASE LIABILITIES		
Lease Liabilities (note 19)	**-**	**29,901**
NOTE 13. NON-CURRENT LIABILITIES - PROVISIONS		
Provision for Long Service Leave	**5,215**	**10,514**
Number of Employees		
Number of employees at year-end	**56**	**56**
NOTE 14. AUDITOR'S REMUNERATION		
Amount received or due and receivable by the auditor of the Company for:		
Audit of the Accounts	35,700	19,900
Other Services	-	-
	35,700	**19,900**
NOTE 15. REMUNERATION OF DIRECTORS		
Income paid or payable to all directors of the entity by the entity and any related parties	-	-
Number of directors whose income was within the following bands:		
$0 - $9,999	3	6

SERVICES UNE LTD
ABN 29 065 648 479
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 16. KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation paid to key management personnel:		Salary	Super-annuation	Total
2008	Total Compensation	103,818	9,344	113,162
2007	Total Compensation	116,099	14,664	130,763

NOTE 17. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

i) Controlling Entities

University of New England (excluding General Service Fees)		
Income Received	591,408	475,698
Payments Made	(355,153)	(194,976)
Net	236,255	280,722
Statement of Financial Position		
Receivables	199,552	118,744
Payables	11,305	-

ii) Other Related Parties

Agricultural Business Research Institute		
Income Received	5,248	5,192
Payments Made	-	-
Net	5,248	5,192
Statement of Financial Position		
Receivables	4,048	4,041
UNE Partnerships Pty Ltd		
Income Received	62	3,638
Payments Made	-	-
Net	62	3,638
Statement of Financial Position		
Receivables	-	3,233

Watson McNamara and Watt

Watson McNamara and Watt have undertaken work for the Company as the continuing appointed solicitor. Mr R. J. Watt, a Director of Services UNE Ltd is a partner with that firm.

Ultimate Controlling Entity

The Company is ultimately controlled by the University of New England.

SERVICES UNE LTD
ABN 29 065 648 479
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 18. ECONOMIC DEPENDENCY

Under the present structure, the company is dependent upon the continued support of the University of New England.

NOTE 19. CAPITAL AND LEASING COMMITMENTS

	2008 ($)	2007 ($)
(i) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable		
- not later than one year	100,079	97,213
- later than one year but not later than two years	8,360	99,186
- later than two years, but not later than five years	-	8,279
	108,439	**204,678**
(ii) Finance Lease Commitments		
Non-cancellable Finance leases contracted for plant and equipment and capitalised in the financial statements		
Payable		
- not later than one year	29,898	32,411
- later than one year but not later than two years	-	29,901
	29,898	**62,312**

The above finance lease is included in Note 10 and Note 12.

NOTE 20. NOTES TO THE STATEMENT OF CASH FLOWS

i) Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2008 ($)	2007 ($)
Cash on Hand	15,110	10,150
Cash at Bank	213,411	135,420
Short Term Deposits	1,653,660	1,634,525
	1,882,181	**1,780,095**

ii) Reconciliation of profit after income tax to net cash provided by operating activities.

	2008 ($)	2007 ($)
Profit (Loss) after tax	(34,735)	(320,006)
Add/(less) non-cash items:		
Depreciation	238,403	267,578
Provision for Doubtful Debts	(2,653)	2,712
Provision for stock write down	-	1,202
Loss/(Gain) on disposal of Plant & Equipment	2,611	4,246
Provision for Employee Entitlements	5,707	(83,971)
Net cash provided by operating activities before changes in assets and liabilities	**209,333**	**(128,239)**
Change in assets and liabilities during the financial year.		
(Increase)/Decrease in other assets	41,232	(4,550)
(Increase)/Decrease in debtors	(111,140)	(104,032)
Increase/(Decrease) in payables	109,737	13,747
Decrease/(Increase) in inventories	(60,889)	48,448
Net Cash Used in Operating Activities	**188,273**	**(174,626)**

NOTE 21. FINANCIAL INSTRUMENTS

a(i) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 31 December 2008.

(i) *Treasury Risk Management*

The Company's Board does not believe they have any significant treasury risks.

(ii) *Financial Risks*

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Company's interest rate risk is limited to movements in interest rates on its cash and fixed term investments. The Company does not have any interest risk policies.

Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Price risk

The Company is not exposed to any material commodity price risk.

(ii) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities is set out below:

2008			**Fixed interest maturing in:**				
	Weighted Average Interest Rate	**Floating interest rate**	**1 year or less**	**over 1 to 5 years**	**More than 5 years**	**Non-interest bearing**	
Financial Assets							**Total**
Cash	6.49%	213,411	-	-	-	15,110	228,521
Term Deposits	7.06%	-	1,653,660	-	-	-	1,653,660
Receivables	0%	-	-	-	-	264,309	264,309
Financial Liabilities							
Payables	0%	-	-	-	-	382,631	382,631

2007			**Fixed interest maturing in:**				
	Weighted Average Interest Rate	**Floating interest rate**	**1 year or less**	**over 1 to 5 years**	**More than 5 years**	**Non-interest bearing**	
Financial Assets							**Total**
Cash	6.05%	135,420	-	-	-	10,150	145,570
Term Deposits	6.20%	-	1,634,525	-	-		1,634,525
Receivables	0%	-	-	-	-	153,169	153,169
Financial Liabilities							
Payables	0%	-	-	-	-	272,894	272,894

(b) Net fair values of financial assets and liabilities

On-balance sheet financial instruments

The Company's financial assets and liabilities included in current and non-current assets and liabilities in the balance sheet are considered to be carried at amounts that approximate net fair value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

NOTE 22. CONTINGENT LIABILITIES

Services UNE Limited have a Bank Guarantee from the National Australia Bank for $20,000 in favour of Roadshow Film Distributors for deposit for supply of films. There are no other known contingent liabilities that would impact on the state of affairs of the company or have a material impact on these financial statements.

NOTE 23. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to balance date that would materially effect the operations or have an impact on these financial statements.

NOTE 24. COMPANY DETAILS

The registered office of the Company is:

Services UNE Ltd
University of New England
Armidale NSW 2351

The principal place of business is:

University of New England
Armidale NSW 2351

END OF AUDITED FINANCIAL STATEMENTS

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION

ABN: 85 129 428 454

Annual Financial Report For The Year Ended 31 December 2008

ROBERTS & MORROW
CHARTERED ACCOUNTANTS

AUDITOR-GENERAL NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of New England Sports Association

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the University of New England Sports Association (the Association), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Qualified Auditor's Opinion

In my opinion, except for the non compliance with AASB 116 'Property, Plant and Equipment' during the year ended 31 December 2007 and the effects of such adjustments, if any, as might have been determined to be necessary had the limitations on the scope of my work as described in the Basis of Qualified Auditor's Opinion below not existed, the financial report:

- presents fairly, in all material respects, the financial position of the Association as at 31 December 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Basis for Qualified Auditor's Opinion

Prior Period Operations

Last year was the first time that the Association prepared a financial report under the PF&A Act and consequently I have not audited operations prior to last year. I was unable to obtain sufficient appropriate audit evidence to form an opinion on the balances as at 31 December 2006. As these balances affect the determination of the results of operations and cash flows for the year ended 31 December 2007, I was unable to form an opinion on these results and cash flows.

Depreciation of Buildings and Infrastructure

As disclosed in note 1(b) to the financial report, the Association had not depreciated building and infrastructure assets prior to 1 January 2008. This is a departure from the requirements of *AASB 116 'Property, Plant and Equipment'*. Because of the uncertainty of the value of these assets at 31 December 2006, I could not carry out audit procedures to determine the actual effect of this departure for the year ended 31 December 2007, however I believe that application of the requirement would have increased the depreciation expense by a material amount and decreased the operating result and net assets by the same amount.

The Members' Responsibility for the Financial Report

The members of the Management Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. Except as discussed in the qualification paragraph, I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

My opinion does *not* provide assurance:

- about the future viability of the Association,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

Greg Gibson
Assistant Auditor General

14 April 2009
SYDNEY

University of New England Sports Association

31 December 2008

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UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
MANAGEMENT COMMITTEES' REPORT

The Management Committee have pleasure in presenting their report, together with the accounts of the University of New England Sports Association for the year ended 31 December 2008 and the Auditors' Report thereon. The Management Committee report the following:

Management Committee

The Management Committee in office during or since the end of the financial year are:

Mr Gerard Stephen	President
Mr Martin Collins	Vice-President
Mr John Goggins	Treasurer
The Hon Richard Torbay MP	UNE representative (resigned 11 December 2008)
Mr Mike Quinlan	Vice-Chancellor Appointee
Mr David Schmude	Acting Executive Director
Luke Polson	Student Representative (resigned 15 October 2008)
Jack Hobbs	

Principal Activities

Provide sport and fitness activities by encouraging regular participation in sport and physical recreation through the diverse range of high quality sporting, fitness and recreation facilities to the University and the regional Armidale community.

Result of operations

The University of New England Sports Association had an operating deficit of ($176,297) for the year ended 31 December 2008, (2007 Surplus of $230,569).

Significant Changes in State of Affairs

There have been no significant changes in the principal activities in 2008.

Future Developments

The University of New England Sports Association will continue to pursue its principal activities during the year 2009.

Directors and Auditors Indemnification

The University of New England Sports Association has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Association or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

Signed in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:

Gerard Stephen
President

David Schmude
~~Acting~~ Executive Director

Dated at Armidale this 7th day of April 2009

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
MANAGEMENT COMMITTEE'S DECLARATION

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

1. The financial report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and exhibits a true and fair view of the financial position of the Association as at 31 December 2008 and the financial performance for the year then ended.

2. At the date of this statement, there are reasonable grounds to believe that the University of New England Sports Association will be able to pay its debts as and whey they fall due noting the factors outlined in Note 1(j) to the financial statements.

3. The financial report has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, except for the depreciation of buildings and infrastructure assets in 2007 as discussed in Note 1(b).

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:

Gerard Stephen
President

David Schmude
~~Acting~~ Executive Director

Dated at Armidale this 7th day of April 2009

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Revenue from Continuing Operations	**2**	**1,804,222**	**1,637,910**
Less Expenses			
Employee benefits expense		863,382	751,604
Depreciation and amortisation expenses	**2**	217,046	88,740
Utilities and maintenance expenses		266,492	261,287
Purchases of goods for resale		56,817	79,733
Club Expenses		6,443	501
Intervarsity Fees		78,608	14,432
Sports camp expenditure		111,934	33,587
Insurance		25,140	1,675
Loss on Revaluation		22,331	-
Other expenses from continuing operations		332,326	175,782
Total expenses from continuing operations		**1,980,519**	**1,407,341**
Net Profit / (Loss) before income tax		(176,297)	230,569
Income tax expense		-	-
Net Profit / (Loss) for the year		**(176,297)**	**230,569**

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

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 $	2007 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	642,508	415,540
Trade and other receivables	4	76,430	169,535
Inventories	5	15,123	20,778
TOTAL CURRENT ASSETS		734,061	605,853
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,024,023	4,839,889
TOTAL NON-CURRENT ASSETS		5,024,023	4,839,889
TOTAL ASSETS		**5,758,084**	**5,445,742**
CURRENT LIABILITIES			
Trade and other payables	7	401,399	324,805
Provisions	8	38,523	32,430
TOTAL CURRENT LIABILITIES		439,922	357,235
NON-CURRENT LIABILITIES			
Provisions	8	16,738	20,413
TOTAL NON-CURRENT LIABILITIES		16,738	20,413
TOTAL LIABILITIES		456,660	377,648
NET ASSETS		**5,301,424**	**5,068,094**
EQUITY			
Reserves	9	1,095,877	686,250
Retained earnings	10	4,205,547	4,381,844
TOTAL EQUITY		**5,301,424**	**5,068,094**

The above balance sheet should be read in conjunction with the accompanying notes.

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Reserves	Retained earnings	Total
Balance at 1 January 2007	128,000	4,151,275	4,279,275
Transfer to (from reserves)	558,250	-	558,250
Profit /(Loss) attributed to equity holders	-	230,569	230,569
Balance at 31 December 2007	686,250	4,381,844	5,068,094
Transfer to (from reserves)	409,627	-	409,627
Profit /(Loss) attributed to equity holders	-	(176,297)	(176,297)
Balance at 31 December 2008	1,095,877	4,205,547	5,301,424

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

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,967,375	1,725,319
Payments to suppliers and employees		(1,757,930)	(1,794,220)
Dividends received		-	-
Interest received		37,091	20,294
Net cash provided by (used in) operating activities	11	246,536	(48,607)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		22,427	48,258
Purchase of property, plant and equipment		(49,415)	(29,296)
Interest bearing receivable repaid		7,420	8,888
Net cash provided by (used in) investing activities		(19,568)	27,850
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends paid		-	-
Net cash provided by (used in) financing activities		-	-
Net (decrease) increase in cash held		226,968	(20,757)
Cash at beginning of financial year		415,540	436,297
Cash at end of financial year	3	**642,508**	**415,540**

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

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1. Statement Of Significant Accounting Policies

The University of New England Sports Association is a controlled entity of the University of New England, and is a statutory body under the Public Finance and Audit Act 1983 (the Act).

The Association is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

This financial report is a general purpose financial report and it was authorised for issue by the Members of the Association.

The financial report is prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The financial report is prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the Act. The accounting policies adopted are consistent with those of the previous year except where stated.

The following is a summary of the significant accounting policies adopted in the preparation of the financial report.

a) Statement of Compliance

The financial report complies with Australian accounting standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS") with regard to measurement of financial information and non-disclosure requirements. Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with international Financial Reporting Standard requirements.

b) Fixed assets

b)-(a) Buildings and Improvements
Buildings and Improvements are carried at valuation.

b)-(b) Plant and Equipment
Plant and Equipment is carried at valuation less accumulated depreciation.

b)-(c) Leasehold Improvements
Leasehold Improvements are carried at cost of acquisition less accumlated depreciation

Buildings and infrastructure worth $4 million were brought to account as at 31 December 2007 at their revalued amounts based on the valuation conducted by Knight Davidson Property Advisory as at 1 January 2008. The values determined are considered to represent the Fair Value of the Building and Infrastructure Assets identified herein owned by the University of New England Sports Association as at the date of the valuation for Financial Reporting purposes. These assets were not depreciated in 2007. Depreciation charges were first applied from 1 January 2008.

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	***Depreciation rate***
Buildings & Improvements	2.5 -10%
Plant, equipment & fittings	10%
Motor Vehicles	15%
Office furniture and equipment	10%
Grounds equipment	10%
Computer equipment	20%
Leasehold Improvements	10%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

At each reporting date, the Association assessed whether there is any indication that the asset may be impaired. Where an indicator or impairment exists, the Association makes a formal estimate of recoverable amount.

The recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment losses are recognised in the income statement in the cost of sales line item.

c) Inventories

Inventories are measured at the lower of cost or net realisable value. Costs are assigned on a first-in-first-out basis.

d) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by the employees to balance date. Employee benefits expected to be settled within one year together with entitlement arising from wages and salaries and annual leave, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long service leave, which will be settled within one year, has been measured at nominal amounts, which is based on wages and salary rates for the coming year plus related on-cost. The recognition of the company's non-current long service leave liability is based on remuneration rates for the coming year for all employees. Long service leave provision is calculated from the date of initial employment in accordance with UNE policy. The estimate of long service leave does not differ materially from the estimate determined by using the present value basis of measurement.

Contributions are made by the Association to employee's superannuation fund accounts and these contributions are charged as an expense when incurred.

e) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand, at banks and on deposit. Cash assets also include highly liquid investments with short terms to maturity, generally less than 3 months.

f) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

g) Taxation

The Association is exempt from paying income tax under section 50-40 of the Income Tax Assessment Act, 1997.

h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from the ATO is included as a current asset in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

i) Borrowing costs

Borrowing costs includes interest on loans.

j) Going concern

The financial statements have been prepared on a going concern basis. On this basis, the Association 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 Management Committee believe the going concern basis of accounting is appropriate as:

- The Association was successful in obtaining $5 million funding from the Government's VSU transition fund created under the VSU legislation. This will be used over the next two years (2009 to 2010) for facility upgrades to increase the potential to attract student membership income in future years and reduce the Associations recurrent maintenance costs;

- The Association presently has no external borrowings;

- University of New England has undertaken to support the Association to ensure it can operate as a "going concern".

k) Comparative Figures

Where necessary certain comparative figures have been adjusted to comply with the current year's presentation

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

Note 2: Operating Profit / (Loss)	2008 $	2007 $
Operating profit was determined after:		
Revenue from continuing operations		
Membership fees	402,599	449,704
Facility fees and equipment hire	240,988	265,387
Specialist health and fitness programs	130,217	218,176
Shop sales	82,170	91,184
Sports camps	137,687	86,521
Rental income	-	-
Vacation Care	77,971	8,894
AUS programmes	141,262	9,515
Twilight Sports	39,307	21,752
MBPT Income	18,586	15,052
	1,270,787	**1,166,184**
Other income		
Indoor Functions	17,595	-
Sponsorship and donations	1,320	878
UNE Contribution (VSU Support)	421,650	400,000
Scholarship income	20,264	16,146
Net profit on sale of property, plant and equipment	(13,104)	13,750
Interest received	37,091	20,293
UNE Asset Contribution Grant	33,725	-
Other	14,894	20,659
	533,435	**471,726**
Revenue from continuing operations	**1,804,222**	**1,637,910**
Net profit/(loss) on disposal of property, plant and equipment	(13,104)	13,750
Net expense/(benefit) from movements in provisions for:		
Doubtful debts	3,606	(1,797)
Employee benefits	(1,189)	(64,996)

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008 (continued)

	2008	2007
	$	$
Depreciation of:		
Buildings & Improvements	142,978	-
Security system	8,235	9,639
Office furniture	2,186	2,486
Grounds equipment	5,637	8,885
Computer equipment	21,332	24,455
Gym and pool equipment	28,853	31,588
Motor vehicles	7,001	10,863
Synthetic hockey field	824	824
	217,046	**88,740**

Auditors ' Remuneration		
Audit services	28,000	26,500
Other services	-	200
	28,000	**26,700**

Note 3: Cash and Cash Equivalents

Westpac cheque account	101,792	214,162
Westpac savings account	-	61,229
Cash on hand	1,550	195
Cash at ADIG	-	6,685
New England Credit Union Savings account	330,908	-
New England Credit Union Term Deposit	65,530	-
UNE Long Service Leave Account	142,728	133,269
	642,508	**415,540**

	2008	2007
	$	$

Note 4: Trade and Other Receivables

	2008 $	2007 $
Current		
Sundry debtors & Accruals	61,687	145,329
Less: Provision for Doubtful Debts	(3,606)	
Loan to UNE - Campbell Hall Storeroom	-	7,420
GST receivable	18,229	16,666
Tax File Number withheld	120	120
	76,430	**169,535**

Note 5: Inventories

	2008 $	2007 $
Current		
Stock on hand - Shop	**15,123**	**20,778**

Note 6: Property, Plant and Equipment

	2008 $	2007 $
Buildings and improvements		
Site Improvements - at valuation	1,087,000	1,023,000
Canoe and other sheds - at valuation	34,000	32,001
Buildings - at valuation	3,600,000	3,550,000
	4,721,000	4,605,001
Plant & equipment		
Security system - at cost	-	80,242
Accumulated depreciation	-	(49,592)
	-	30,650

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

Note 6: Property, Plant and Equipment (Continued)	2008 $	2007 $
Motor vehicle - at valuation	37,268	89,119
Less Disposal	-	(42,816)
Additions	-	18,620
Accumulated depreciation	(168)	(27,353)
	37,100	37,570
Office furniture equipment - at valuation	20,420	43,742
Accumulated depreciation	(62)	(34,854)
	20,358	8,888
Grounds equipment - at valuation	59,700	126,400
Accumulated depreciation	(180)	(114,669)
	59,520	11,731
Computer equipment - at valuation	7,400	153,564
Accumulated depreciation	(45)	(102,899)
	7,355	50,665
Gym & pool equipment - at valuation	172,980	250,935
Additions	-	10,676
Accumulated depreciation	(474)	(173,235)
	172,506	88,376
Leasehold Improvement		
Synthetic Hockey Field Transformer	8,246	8,246
Accumulated Depreciation	(2,062)	(1,238)
	6,184	7,008
	5,024,023	**4,839,889**

A valuation of Buildings & Improvements was conducted by L M Knight AAPI, DURP registered valuer 1366 from Knight Davidson Property Advisory on 31 December 2008 for $4,721,000

A valuation of Plant & Equipment was conducted by N Shah, from Rushton Valuers and is dated 20 December 2008 for $333,800.

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

	2008	2007
Note 7: Trade and Other Payables	**$**	**$**
Creditors and accruals	340,204	250,847
Prepaid membership income	61,195	73,958
	401,399	**324,805**

Note 8: Provisions

	2008	2007
Current		
Provision for Employee Entitlements	**38,523**	**32,430**
Non Current		
Provision for Employee Entitlements	**16,738**	**20,413**

Note 9: Reserves

	2008	2007
Specific reserves	**1,095,877**	**686,250**
Which is made up of:		
Employee leave entitlements reserve		
Opening balance	98,000	98,000
Funds transferred	-	-
Closing balance	98,000	98,000
Synthetic surface replacement reserve		
Opening balance	22,000	22,000
Funds transferred	-	-
Closing balance	22,000	22,000
Soccer scholarship fund reserves		
Opening balance	8,000	8,000
Funds transferred	-	-
Closing balance	8,000	8,000
Asset Revalution Reserve		
Opening balance	558,250	-
Valuation Increase	409,627	558,250
Closing balance	967,877	558,250

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

	2008	2007
	$	$

Note 10: Retained Earnings

	2008 $	2007 $
Retained profits at beginning of year	4,381,844	4,151,275
Net profit / (loss)	(176,297)	230,569
Retained profits at end of year	**4,205,547**	**4,381,844**

Note 11: Notes to the Cash Flow Statement

Reconciliation of profit from ordinary activities to net cash provided by operating activities

	2008 $	2007 $
Net profit / (loss)	(176,297)	230,569
Add non-cash items:		
Depreciation	217,046	88,740
Loss on Revaluation	22,331	-
Provision for Doubtful Debts	3,606	-
(Profit) / Loss on disposal of non-current assets	13,104	(13,750)
Net cash provided by operating activities before changes in assets and liabilities	79,790	305,559
Changes in assets and liabilities		
(Increase) / decrease in receivables	82,079	(128,783)
(Increase) / decrease in inventories	5,655	15,380
(Decrease) / increase in payables	76,595	(175,767)
(Decrease) / increase in provisions	2,417	(64,996)
Net cash provided by (used in) operating activities	**246,536**	**(48,607)**

Note 12: Financial Instruments

The company's accounting policies, including the terms and conditions of each class of financial asset and financial liability are as follows:

(i) Market Risk

Terms and conditions

Recognised financial instruments	Balance Sheet Note	Accounting policies	Terms and conditions
Financial assets			
Receivables	4	Receivable are carried at nominal amounts due less any provision for impairment.	Accounts receivable credit terms are 30 days.
Cash & Cash Equivalents	3	Cash on hand & Cash at Bank are stated at cost.	Bank call deposit interest rate is determined by the Official Money Market.
		Term Deposits are stated at cost.	Term Deposits are invested for an average 90 day term. Interest rates are determined by the Official Money Market.
Financial liabilities			
Creditors and accruals	7	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Creditors are normally settled on 30 day terms.

(ii) Foreign exchange risk - (AASB7 (33) (a), (b), (c))
The association has no exposure to foreign exchange risk.

(iii) Price risk - (AASB7 (33) (a), (b), (c))
The association has no exposure to commodity price risk.

(iv) Cash flow and fair value interest rate risk - (AASB7 (33) (a), (b), (c))
The association has no interest bearing debt and has no exposure to interest rate risk on debt.
Interest rate risk applies to funds invested at Bank and this is managed by monitoring cash flow to budget on a regular basis. Management ensures that surplus funds are invested at appropriate rates and to ensure continuing liquid reserves.

Note 12: Financial Instruments (Continued)

(v) Summarised sensitivity analysis - (AASB7 (33) (a), (b), (c))
The table summarising the sensitivity of the association's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk is located at the bottom of this note.

(b) Credit Risk - (AASB7 (33) (a), (b), (c))
The maximum exposure to credit risk is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.
The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

(c) Liquidity Risk - (AASB7 (33) (a), (b), (c))
Management closely monitors cash flow on a regular basis to ensure the association retains at all times sufficient cash reserves to fund the continuing operations of the business and meet all obligations as they fall due.

Funds held in short-term investments are utilised to meet any short-term fluctuations in liquidity.

(d) Net Fair Values of Financial Assets and Liabilities - (AASB7 (29)(a), (27)(a))
The association has no derivative financial instruments.

The association's financial assets and liabilities included in current assets and current liabilities in the Balance Sheet are considered to be carried at amounts that approximate net fair value.

The carrying value less impairment provisions of trade receivables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. All other items are stated at cost that being the fair value.

The carrying value of trade payables is a reasonable approximation of their fair values due to the short-term nature of trade payables.

Summarised sensitivity analysis

The following table summarises the sensitivity of the Association's financial assets and financial liabilities to interest rate risk.

31 December 2008	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash & Cash Equivalents	642,508	(6,425)	(6,425)	6,425	6,425
Investments-Term Deposits	-	-	-	-	-
Trade and Other Receivables	76,430	-	-	-	-
		(6,425)	(6,425)	6,425	6,425
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade and Other Payables	340,204	-	-	-	-
Other Amounts Owing	61,195	-	-	-	-
		-	-	-	-
Total increase / (decrease)		(6,425)	(6,425)	6,425	6,425

31 December 2007	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash & Cash Equivalents	415,540	(4,155)	(4,155)	4,155	4,155
Investments-Term Deposits	-	-	-	-	-
Trade and Other Receivables	169,535	-	-	-	-
		(4,155)	(4,155)	4,155	4,155
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade and Other Payables	250,847	-	-	-	-
Other Amounts Owing	73,958	-	-	-	-
		-	-	-	-
Total increase / (decrease)		(4,155)	(4,155)	4,155	4,155

Note 13: Related Party Transactions

University of New England Sports Association became a controlled entity of the University on 1 January 2007.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

University of New England

	2008	2007
Income statement disclosure	$	$
Income received	502,046	678,816
Payments made	1,317,895	1,073,591
Net	(815,849)	(394,775)
Balance sheet disclosure		
Receivables	-	109,035
Payables	200,811	169,486
Share capital	-	-

Note 14: Leasing Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable – minimum lease payments	2008	2007
	$	$
- not later than 12 months	3,786	9,087
- later than 12 months but not later than 5 years	-	3,786
	3,786	12,873

Note 15: New Australian Accounting Standards Issued but Not Yet Effective

University of New England Sports Association did not early adopt new accounting standards that are not yet effective.

The following new accounting standards have not been adopted and are not yet effective.

Title	Standard affected	Application Date	Nature and impact of impending change
AASB 8, 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	1-Jan-09	Revised segment reporting requirements. These amendments have no impact.
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123, [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations I & 12]	1-Jan-09	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset are capitalised. The impact of this change has still yet to be determined.
AASB 2007-8	Amendments to Australian Accounting Standards arising from AASB 101	1-Jan-09	The amendments arise from the issuance in September 2007 of a revised AASB 101 Presentation of Financial Statements, as a result of the issuance by the IASB of a revised IAS 1 Presentation of Financial Statements.
AASB 101	Amendment associated with AASB 7	1-Jan-09	Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements.
AASB Interpretation 12	Service Concession Arrangements	1-Jan-09	This Interpretation gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the counting by grantors (usually a public sector entity). At balance the Centre has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied.
AASB 123	Borrowing costs	1-Jan-09	This standard requires capitalisation of certain borrowing costs. No impact upon these financial statements is expected.

End of Audited Financial Statements

ROBERTS & MORROW
CHARTERED ACCOUNTANTS

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION

ABN : 85 129 428 454

COMPILATION REPORT TO THE UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION

Scope

On the basis of information provided by the Committee, we have compiled in accordance with APS 9 "Statement on Compilation of Financial Reports" the special purpose financial report of the University of New England Sports Association, comprising the Detailed Income Statement.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the committee and members. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the following special purpose financial report is set out in Note 1.

The Committee are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the reporting requirements of the Committee and members.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the association, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted

The special purpose financial report was prepared for the benefit of the association and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

ROBERTS & MORROW
Chartered Accountants
137 Beardy Street
Armidale NSW

Sam Notley
Partner
Dated at Armidale 7th day of April 2009

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 $	2007 $
INCOME		
Membership Fees		
Membership - Community Associate	211,418	249,703
TOTAL MEMBERSHIP FEES	**211,418**	**249,703**
Other Income		
Donations	520	-
Sponsorship	800	878
UNE Contribution (VSU Support)	421,650	400,000
UNE Asset grant contribution	33,725	-
Sundry income	14,894	20,659
Interest received	37,091	20,293
Profit on disposal of fixed assets	(13,104)	13,750
Pool	110,544	104,247
Squash	15,951	14,399
Tennis	19,384	29,475
Gym	197,184	169,607
Miscellaneous facilities	59,805	121,223
Hockey field	2,680	(1,476)
Playing fields	26,619	27,912
Gross profit on shop trading	25,353	11,451
Net sports camp revenue	25,753	52,934
Health and fitness programs	117,088	72,793
Commercial programs	13,129	145,383
Vacation Care	77,971	8,894
AUS programmes	141,262	9,515
Twilight Sports	39,307	21,752
MBPT Income	18,586	15,052
Indoor Functions	17,595	-
Scholarship income	20,264	16,146
TOTAL OTHER INCOME	**1,424,051**	**1,274,887**
TOTAL INCOME	**1,635,469**	**1,524,590**

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 $	2007 $
EXPENSES		
Administration Expenses		
Advertising	16,734	9,908
Bank charges	4,812	4,047
Cash handling charges	3,072	2,940
Commercial service	1,197	32,370
Donations and sponsorship	4,160	455
General expenses	13,466	31,624
Fitness service	9,307	5,285
Legal costs	2,168	35
Office expenses	245	8,879
Payroll Tax	19,006	-
Photocopying	12,375	13,229
Postage	1,267	832
Printing	1,536	1,833
Publicity	7,629	2,465
Refund membership	2,422	1,174
Refund retail	781	68
Staff training	9,399	8,574
Staff recruitment	9	-
Staff general	895	2,316
Staff uniforms	2,096	5,688
Stationery	4,668	658
Telephone	10,223	8,655
Travelling expenses	2,083	1,134
TOTAL ADMINISTRATION EXPENSES	**129,550**	**142,167**
Utilities and Maintenance Expenses		
Cleaning	36,694	59,565
Gas	33,604	15,762
Heating (pool)	81,787	41,199
Light and power	27,142	66,870
Maintenance and equipment	71,148	55,542
Motor vehicle expenses	22,843	16,744
Security	-	-
Sewerage, garbage and water	20,492	6,139
TOTAL MAINTENANCE EXPENSES	**293,710**	**261,820**

UNIVERSITY OF NEW ENGLAND SPORTS ASSOCIATION
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 $	2007 $
Other Expenses		
Accountancy and audit fees	36,215	32,450
Compliance Fees	12,362	-
Club expenses	6,443	501
Collection fees	298	-
Depreciation	217,046	88,740
Insurance	25,140	1,675
Accident assistance funds	-	(2,423)
Interest paid	150	-
Provision for annual leave	(6,030)	(12,232)
Provision for long service leave	8,447	(52,764)
Provision for doubtful debts	252	(1,797)
Salaries, wages and superannuation	860,965	751,604
PT Contractor Fees	23,605	18,189
Software acquisition and maintenance	10,554	5,990
Fitness equipment rental	8,260	9,541
Sports scholarships	7,595	9,733
Sports fund assistance	-	(200)
Subscriptions and associations	4,446	17,506
MBPT	1,469	138
I.V. Fees	78,608	14,432
Net Blues dinner expenses	1,596	1,123
Twilight Sport Expenses	11,148	6,632
Vacation Care Expenses	13,255	1,071
Indoor Functions	7,292	-
Master Planning	-	125
VSU Building	33,453	-
Provision for doubtful debts	3,606	
Loss on Revaluation	22,331	-
TOTAL OTHER EXPENSES	1,388,505	890,033
TOTAL ORDINARY EXPENSES	1,811,766	1,294,021
Operating profit / (loss) from continuing operations	(176,297)	230,569

The detailed Income and Expenditure Statement does not form part of the audited financial statements

UNE PARTNERSHIPS PTY LIMITED

ABN: 74 003 099 125

Annual Financial Report For The Year Ended 31 December 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Limited

To Members of the New South Wales Parliament and Members of UNE Partnerships Pty Limited

I have audited the accompanying financial report of UNE Partnerships Pty Limited (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the year ended on that date; and
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of UNE Partnerships Pty Limited on 10 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

17 April 2009
SYDNEY

UNE Partnerships Pty Limited

31 December 2008

ABN: 74 003 099 125

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UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2008.

The names of the directors in office at any time during, or since the end of, the year are:

Dr P W Bennett
J Harris
R J Doyle
G P Smith
Prof I D H Macdonald (retired 24/12/08)
Prof A J Nethery
C Patton (appointed 30/01/09)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Results of Operations

The profit of the company for the financial year amounted to $240,890 [2007 $50,751 loss].

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were the commercialisation and delivery of education and training programs.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to Balance Date

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

Likely Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulations

The operations of the company are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The company cannot pay dividends due to its status as a not-for-profit entity under its constitution.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors and Auditor's Indemnification

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following matters.

During or since the financial year the University of New England has paid premiums on behalf of the company to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was included in a bulk insurance charge by the University.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

Signed in accordance with a resolution of the Board of Directors:

Director ______________________
Dr P W Bennett

Director ______________________
R J Doyle

Dated this 14th day of April 2009

UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
DIRECTORS' STATEMENT

STATEMENT MADE IN ACCORDANCE WITH SECTION 41C (1B) AND 1(C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983.

In accordance with a resolution of the Board of Directors of UNE Partnerships Pty Limited we state that:

(a) the financial statements and notes thereon exhibit a true and fair view of the financial position and transactions for the year ended 31 December 2008;

(b) financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005; and

(c) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Board of Directors:

Director ______________________
Dr P W Bennett

Director ______________________
R J Doyle

Dated this 14th day of April 2009

GPO BOX 12
Sydney NSW 2001

To the Directors
UNE Partnerships Pty Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNE Partnerships Pty Limited for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

10 April 2009
SYDNEY

UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ______________________
Dr P W Bennett

Director ______________________
R J Doyle

Dated this 14th day of April 2009

UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
Revenue	2	5,268,269	5,130,422
Other income	2	4,654	-
Total Revenue		**5,272,923**	**5,130,422**
Less Expenses			
Employee benefits expense		(2,001,887)	(1,837,194)
Freight and cartage		-	-
Student Services - Marking etc		(1,503,461)	(1,553,105)
Education Course Expenditure		(198,784)	(120,429)
Consultancy Services		(149,819)	(239,018)
Travel and Hospitality		(257,033)	(234,292)
Office Expenses		(115,500)	(172,964)
Marketing		(320,824)	(351,642)
Other Expenses from Ordinary Activities		(336,447)	(543,364)
Depreciation and amortisation expenses		(148,279)	(129,166)
Total Expenses		**(5,032,033)**	**(5,181,173)**
Profit attributable to members of the entity	3	240,890	(50,751)

The accompanying notes form part of these financial statements.

UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 $	2007 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,072,769	539,996
Trade and other receivables	7	455,373	1,136,618
Inventories	8	56,112	86,103
Other current assets	9	27,788	97,554
TOTAL CURRENT ASSETS		1,612,042	1,860,271
NON-CURRENT ASSETS			
Trade and other receivables	7	170,144	94,358
Property, plant and equipment	10	119,716	131,842
Intangible assets	11	186,235	199,509
TOTAL NON-CURRENT ASSETS		476,095	425,709
TOTAL ASSETS		2,088,137	2,285,980
CURRENT LIABILITIES			
Trade and other payables	12	1,236,566	1,667,171
Short-term provisions	13	219,442	204,983
TOTAL CURRENT LIABILITIES		1,456,008	1,872,154
NON-CURRENT LIABILITIES			
Trade and other payables	12	2,560	26,440
Long-term provisions	13	21,044	19,751
TOTAL NON-CURRENT LIABILITIES		23,604	46,191
TOTAL LIABILITIES		1,479,612	1,918,345
NET ASSETS	15	608,525	367,635
EQUITY			
Issued capital	14	1,198,937	1,198,937
Retained earnings		(590,412)	(831,302)
TOTAL EQUITY	15	608,525	367,635

The accompanying notes form part of these financial statements.

UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Ordinary Share Capital	Retained Earnings (Accumulated Losses)	Total
		$	$	$
Balance at 1 January 2007	15	1,198,937	(222,728)	976,209
Adjustment arising from Prior Period Error	15	-	(557,823)	(557,823)
Profit/(loss) attributable to equity shareholders		-	(50,751)	(50,751)
Sub-total		1,198,937	(831,302)	367,635
Dividends paid or provided for		-	-	-
Balance at 31 December 2007	15	1,198,937	(831,302)	367,635
Profit/(loss) attributable to equity shareholders		-	240,890	240,890
Balance at 31 December 2008	15	1,198,937	(590,412)	608,525

The accompanying notes form part of these financial statements.

UNE PARTNERSHIPS PTY LIMITED ABN: 74 003 099 125
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,946,467	5,018,896
Payments to suppliers and employees		(5,501,092)	(5,106,303)
Interest received		70,732	42,627
GST Net Refunds		163,417	185,906
Net cash provided by operating activities	19	679,524	141,126
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(26,637)	(32,709)
Payments for establishment of courses		(96,235)	(84,351)
Net cash used in investing activities		(122,872)	(117,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(23,880)	(23,880)
Net cash provided by (used in) financing activities		(23,880)	(23,880)
Net (decrease) increase in cash held		532,772	186
Cash at beginning of financial year		539,997	539,810
Cash at end of financial year	6	1,072,769	539,996

The accompanying notes form part of these financial statements.

Note 1 Statement of Significant Accounting Policies

The financial report covers UNE Partnerships Pty Limited as an individual company. UNE Partnerships Pty Limited is a Not for Profit company limited by shares, incorporated on May 15th, 1986 and domiciled in Australia.

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

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The accounting policies have been consistently applied, unless otherwise stated.

The financial report for the year ended 31st December 2008 was authorised for issue in accordance with a resolution of the Board on 14 April 2009.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

(a) Income Tax

UNE Partnerships Pty Limited has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997.

(b) Inventories

Textbooks and related course materials on hand at year end are treated as stock on hand and are valued at the lower of cost or current replacement cost.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of plant and equipment for non-profit entities is the current replacement cost discounted to current asset condition.

Depreciation

The depreciable amount of all fixed assets is calculated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	10%-20%
Office equipment	9%-33%
Leasehold improvements	10%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment
At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(f) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

For not-for-profit entities this assessment of impairment is based on the deprival value method. The deprival value is the current replacement cost discounted to current asset conditions.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Course expenditure for intangible assets

Existing and continuing courses

Expenditure for existing and continuing courses is expensed in the same period in which the course is held and the corresponding income taken up. Where expenditure is incurred prior to 31st December in respect of a subsequent year it is taken up as part of Prepaid Expenses in the current year's accounts. Expenditure includes materials, textbooks, folders, advertising, printing and accommodation deposits.

Course development costs

Expenditure incurred in respect of the development of new course content is capitalised as a course development cost to the extent that beyond reasonable doubt sufficient future benefits will be derived so as to receive the deferred cost. Expenditure capitalised includes course wages, consultants and authors fees and licence fees paid in respect of the new course.

Where expenditure is incurred with regard to revision of course materials, and a subsequent update of this material is not required within a twelve month period, it is also taken up as a course development cost to the extent that beyond reasonable doubt sufficient future benefits will be derived so as to receive the deferred cost. Expenditure capitalised includes authors fees, typesetting, instruction design, editing/proofreading and consultancy fees.

Course development costs are amortised over the period during which the related benefits are expected to be realised.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on a annual basis and adjustments, where applicable, are made on a prospective basis.

Research costs are expensed as incurred.

Intangible assets, excluding course development costs, created within the business are not capitalised and expenditure is charged against surpluses in the year in which the expenditure is incurred.

(h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits including related on-costs.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less. There are no bank short-term borrowings.

(k) Revenue

Course Income - rendering of services

Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method described in AASB 118. At year-end a reliable estimate is made of the future costs to be incurred in the remainder of each student's enrolment term as the indicator of 'percent completion'. A corresponding proportion of enrolment fees is transferred to the liability 'Income received in advance'. A prior period error in the application of this accounting policy has been disclosed in this financial report - refer to Note 15.

Interest Revenue

Interest revenue is recognised as it accrues.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates — Impairment
The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 2 Revenue

	2008 $	2007 $
Sales revenue		
— Rendering of services	5,197,537	5,087,795
Total sales revenue	5,197,537	5,087,795
Other revenue		
— interest received - banks	70,732	42,627
Total other revenue	70,732	42,627
Total sales revenue and other revenue	5,268,269	5,130,422
Other income		
— other income	4,654	-
Total other income	4,654	-

Note 3 Profit/(loss) From Ordinary Activities

Profit/(loss) from ordinary activities has been arrived at after charging/(crediting) the following items:

(a) Expenses

	2008 $	2007 $
Depreciation of:		
Plant and equipment	27,364	24,661
Leasehold improvements	11,400	11,369
Amortisation	109,515	93,136
	148,279	129,166

Movements in provisions		
Amounts credited/(debited) to provision for employee benefits	15,752	12,832
Amounts credited/(debited) to provision for impairment of receivables	10,709	(2,241)
Net expense resulting from movement in provisions	26,461	10,591

Note 4 Key Management Personnel Compensation

Remuneration paid or payable to all directors of the entity by the entity and any related parties:

	Short-term Benefits $	Post-Employment Benefit $	Total $
2008			
Total compensation	114,689	35,343	150,032
2007			
Total compensation	152,600	-	152,600

	2008	2007
Remuneration of Board Members and Executives	#	#
$ Nil	6	7
Total Aggregate Remuneration	-	-
Remuneration of Executives		
$150,000 to $159,999	1	1
Total Aggregate Remuneration	150,032	152,600

The names of Directors who held office during the financial year were:

Dr P W Bennett
J Harris
R J Doyle (Managing Director)
G P Smith
Prof I D H Macdonald (Retired 24/12/08)
Prof A J Nethery

The names of the members of the Management Committee are as follows:

Mr R J Doyle (Managing Director)
Mr I Brown
Ms M Michell
Ms K Hogan
Ms S Rudaz
Ms D Swanson
Ms D Yeomans

Note 5 Auditors' Remuneration

	2008 $	2007 $
Remuneration of the auditor for:		
— auditing or reviewing the financial report	15,000	18,800
— auditing or reviewing the financial report - under-provision 2006	-	7,300
— Other External Audit Service Providers	4,000	985

Note 6 Cash and Cash Equivalents

	2008 $	2007 $
CURRENT		
Cash at bank and in hand	71,436	90,132
Short-term bank deposits	1,001,333	449,864
	1,072,769	539,996

The effective interest rate on short-term bank deposits was 8.78% (2007: 6.85%); these deposits have an average maturity of 45 days.

	2008 $	2007 $
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	1,072,769	539,996
	1,072,769	539,996

Note 7 Trade and Other Receivables

	Note	2008 $	2007 $
CURRENT			
Trade receivables		418,214	648,422
Provision for impairment of receivables	7(a.)	(17,807)	(7,098)
		400,408	641,324
Receivables		54,965	495,294
		455,373	1,136,618
NON-CURRENT			
Other Debtors	7 (b.)	170,144	94,358
		170,144	94,358

a. Impaired Receivables

As at 31 December 2008, current trade receivables with a nominal value of $45,029 (2007 $3,450) were impaired. The amount of the provision was $17,807 (2007 $7,098). Individually impaired receivables were students in default and where there was deemed a need for a specific impairment charge to be raised.
The ageing of these receivables is as follows:

	2008 $	2007 $
Over 3 months	17,807	7,098

As at 31 December 2008, trade receivables of $143,518 (2007 $297,616) were past due but not impaired as management has determined that all are collectible. The ageing of these receivables is as follows:

	2008 $	2007 $
2 to 3 months	26,021	67,885
Over 3 months	117,497	229,731
	143,518	297,616

Movements in the provision for impairment of receivables are as follows:

	2008 $	2007 $
At 1 January	7,098	9,339
Provision for impairment recognised during the year	20,658	6,164
Receivables written off during the year as unrecoverable	(9,949)	(8,405)
	17,807	7,098

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

The other classes within trade and other receivables do not contain impaired assets and are not past due.

b. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at reporting date is the fair value of each class of receivables mentioned above.

Note 8 Inventories

	2008 $	2007 $
CURRENT		
At cost		
Course Materials	56,112	86,103
	56,112	86,103

Note 9 Other Assets

	2008 $	2007 $
CURRENT		
Prepayments	27,788	97,554
	27,788	97,554

Note 10 Property, Plant and Equipment

	2008 $	2007 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	228,670	236,239
Accumulated depreciation	(181,185)	(188,028)
	47,485	48,211
Leasehold Improvements		
At cost	114,000	114,000
Accumulated depreciation	(41,769)	(30,369)
	72,231	83,631
Total property, plant and equipment	119,716	131,842

(a) Movements in Carrying Amounts

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

	Plant and Equipment $	Leasehold Improvements $	Total $
Balance at 1 January 2007	40,163	95,000	135,163
Depreciation expense	(24,661)	(11,369)	(36,030)
Additions	32,709		32,709
Balance at 31 December 2007	48,211	83,631	131,842
Additions	26,638	-	26,638
Depreciation expense	(27,364)	(11,400)	(38,764)
			-
Carrying amount at 31 December 2008	47,485	72,231	119,716

Note 11 Intangible Assets

	2008 $	2007 $
Course Development Expenses		
Cost	1,432,061	1,335,820
Accumulated impairment losses	(1,245,826)	(1,136,311)
Net carrying value	186,235	199,509

As at 31 December 2008, course development assets were tested for impairment and no impairment loss was charged to surpluses in the 2008 year (2007 $nil).

Reconciliation of course development expenses		
Balance at the beginning of year	199509	208294
Additions	96241	84351
Amortisation charge	-109515	-93136
Closing carrying value at 31 December 2008	186,235	199,509

Impairment Disclosures
The recoverable amount of course development costs has been determined based on a value in use calculation for each major course capitalised. To calculate this, cash flow projections are based on financial budgets and forward projections approved by senior management covering a five year period.

Note 12 Trade and Other Payables

	2008 $	2007 $
CURRENT		
Unsecured liabilities		
Trade payables	106,237	338,554
Sundry payables, accrued expenses and Income received in advance	1,106,449	1,304,737
Amounts payable to:		
— ultimate parent company	23,880	23,880
	1,236,566	1,667,171

The average credit period on trade payables is 30 days. The Company has internal procedures in place to ensure compliance with credit terms.

	2008	2007
NON-CURRENT		
Unsecured liabilities		
Amounts payable to:		
— ultimate parent company	2,560	26,440
	2,560	26,440

Note 13 Provisions

	2008	2007
CURRENT		
Long-term Employee Benefits	$	$
Opening balance at beginning of year	204,983	183,422
Additional provisions raised during year	76,150	52,039
Amounts used	(61,691)	(30,478)
Balance at end of the year	219,442	204,983
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at beginning of year	19,751	28,480
Additional provisions raised during year	7,206	2,780
Amounts used	(5,913)	(11,509)
Balance at end of the year	21,044	19,751

	2008	2007
Analysis of Total Provisions	$	$
Current	219,442	204,983
Non-current	21,044	19,751
	240,486	224,734

Note 14 Issued Capital

	2008	2007
	$	$
1,198,937 ordinary shares of $1-00 each fully paid	1,198,937	1,198,937
	1,198,937	1,198,937

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 15 Prior Period Error - Departure from Accounting Standards

(a) For the years ended 31 December 2007 and earlier, income was recognised at the point of a student's enrolment. In 2008 the company became aware that this was not consistent with the recognition of services revenue as set out in AASB 118. Comparative information has been restated to correct this error.

(b) Associated with the earlier approach to recognition of income, the company also brought to account the direct costs expected to be incurred in respect of each enrolment. These costs were accrued as expenses at the time of enrolment. The comparative information has been restated to remove the impact of this treatment.

Year ended 31 December 2006	Reported Results	(a)	(b)	Adjusted Results 31/12/2006
Trade and Other Receivables	895,873			895,873
Other Current Assets	816,877		34,052	850,929
Non-Current Assets	434,737			434,737
Total Assets	2,147,487		34,052	2,181,539
Income received in advance	0	993,695		993,695
Trade and other payables	916,282		-477,150	439,132
Other Current Liabilities	183,422			183,422
Non-Current Liabilities	78,800			78,800
Total Liabilities	1,178,504	993,695	-477,150	1,695,049
Net Assets, comprised of	968,983	-993,695	443,098	418,386
Issued Capital	1,198,937			1,198,937
Accumulated losses	-229,954	-993,695	443,098	-780,551

Year ended 31 December 2007	Reported Results	(a)	(b)	Adjusted Results 31/12/2007
Income Statement				
Revenue	5,239,394	-108,972		5,130,422
Other Income	0			0
Total Revenue	5,239,394	-108,972		5,130,422
Employee benefits expense	1,775,895		61,299	1,837,194
Student services - marking etc	1,596,145		-43,040	1,553,105
Education course expenditure	189,683		-69,254	120,429
Consultancy services	239,018			239,018
Travel and hospitality	234,292			234,292
Office expenses	172,964			172,964
Marketing	351,641			351,641
Other expenses from ordinary activities	543,364			543,364
Depreciation and amortisation expenses	129,166			129,166
Total Expenses	5,232,168		-50,995	5,181,173
Profit attributable to members of the entity	7,226		-57,977	-50,751
Balance Sheet				
Cash and cash equivalents	539,996			539,996
Trade and other receivables	1136618			1,136,618
Inventories	86103			86,103
Other Current Assets	158,853		-61,299	97,554
Non-Current Assets	425,709			425,709
Total Assets	2,347,279		-61,299	2,285,980
Trade and other payables	1,119,896	1,120,667	-555,392	1,685,171
Other Current Liabilities	204,983			204,983
Non-Current Liabilities	46,191			46,191
Total Liabilities	1,371,070	1,102,667	-555,392	1,918,345
Net Assets, comprised of	976,209	-1,102,667	494,093	367,635
Issued Capital	1,198,937			1,198,937
Accumulated losses	-222,728	-1,102,667	494,093	-831,302

Note 16 Capital and Leasing Commitments

	2008 $	2007 $
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payabl — minimum lease payments		
— not later than 12 months	63,809	46,055
— between 12 months and five years	37,203	107,462
— greater than five years	-	-
	101,012	153,517

The property lease is by a Licence Contract between University of New England (Licensor) and UNE Partnerships Pty Limited (Licensee) dated 26 April 2005 to operate for a five year term. Licence fees are paid monthly in advance. Contingent provisions within the licence agreement require that the minimum licence fee shall be increased by the CPI percentage at each anniversary. An option exists to renew the licence at the end of the fifth year for an additional term of five years.

Note 17 Contingent Liabilities and Contingent Assets

There are no known contingent liabilities or assets that would impact on the state of affairs of the economic entity or have a material effect on these financial statements.

Note 18 Segment Reporting

The company provides education and training programs. The company's operations are located wholly in Australia. The company provides the following major education and training programs:

Frontline Management
Business Management
Practice Management
Business Administration
Project Management
Property Management
Workplace Training Qualifications
Facilities Management

Note 19 Cash Flow Information

	2008 $	2007 $
Reconciliation of Cash Flow from Operations with Profit/(loss) for the year		
Profit/(loss) for the year	240,890	(50,751)
Non-cash flows in profit		
Amortisation	109,515	93,136
Depreciation	38,764	36,030
Movement in employees provisions	15,753	12,832
Net cash provided by operating activities before changes in assets and liabilities	404,922	91,247
Changes in assets and liabilities		
(Increase)/decrease in trade and term debtors	605,458	(243,814)
(Increase)/decrease in prepayments	35,705	90,495
Increase/(decrease) in Income Received In Advance	(187,884)	108,972
Increase/(decrease) in inventories	29,991	2,913
Increase/(decrease) in payables	(208,668)	91,313
Net cash provided by (used in) operating activities	679,524	141,126

Note 20 Events After the Balance Sheet Date

There are no known events that would impact on the state of affairs of the company or have a material impact on these statements.

Note 21 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties	2008 $	2007 $
(a) Shareholder entities		
<u>University of New England</u>		
Income received	16,039	2,450
Payments made	306,051	357,260
Net	(290,012)	(354,810)
<u>Balance sheet disclosure:</u>		
Prepaid expenses	-	2,625
Payables - loans and creditors	40,871	77,627
Share capital	1,198,937	1,198,937
(b) Directors A company controlled by Mr GP Smith, a director, provides academic advisory, presentation and assessment services to the company. All services are provided at the direction of the program manager.	70,459	57,896

Note 22 Financial Instruments

The company's accounting policies, including the terms and conditions of each class of financial asset and financial liability are as follows:

(a)(i) Market risk

Terms and conditions

Recognised financial instruments	Balance Sheet Note	Accounting Policies	Terms and conditions
Financial assets			
Receivables	7	Receivables are carried at face value due, less any specific provision for impairment.	Accounts receivable credit terms are 30 days.
Deposits at call	6	Deposits at Bank are stated at cost.	Bank call deposit interest rate is determined by the Official Money Market.
Term deposits	6	Term Deposits are stated at cost.	Term Deposits are invested for a period of under a year. Interest rates are determined by the Official Money Market.
Financial liabilities			
Creditors and payables	12	Liabilities are recognised for amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms.

(ii) Foreign exchange risk

The company has no exposure to foreign exchange risk.

(iii) Price risk

The company has no exposure to commodity price risk.

(iv) Cash flow and fair value interest rate risk

The company has no interest bearing debt and has no exposure to interest rate risk on debt.

Interest rate risk applies to funds invested at Bank and this is managed by monitoring cash flow to budget on a regular basis.

Treasury policy ensures that surplus funds are invested at appropriate rates and to ensure continuing liquid reserves.

A change of 2% (down or up) to the average interest rate earned on average balances in 2008 would change profit (down or up, respectively) by $16,116.

This is calculated by reference to the 'average interest rate achieved', namely total interest earned, divided by the average of opening and closing cash balances. A 2% variation is considered feasible, given the magnitude of reductions in official interest rates witnessed late in 2008.

(v) Summarised sensitivity analysis

The table summarising the sensitivity of the entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk is located at the bottom of this note.

(b) Credit Risk

The maximum exposure to credit risk is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

There has been no material change of approach to managing credit risk during 2008.

(c) Liquidity Risk

Management closely monitors cash flow on a regular basis to ensure the company retains at all times sufficient cash reserves to fund the continuing operations of the business and meet all obligations as they fall due.

Funds held in short-term investments are utilized to meet any short-term fluctuations in liquidity.

There has been no material change of approach to managing liquidity risk during 2008.

(d) Net Fair Values of Financial Assets and Liabilities

The company has no derivative financial instruments.

The company's financial assets and liabilities as disclosed in current and non-current assets and current and non-current liabilities in the Balance Sheet, are considered to be carried at amounts that approximate fair value.

In the case of Receivables, the carrying value less impairment provision is a reasonable approximation of their fair value due to the short term nature. All other items are stated at cost, which is considered to be the fair value.

The carrying value of trade payables is a reasonable approximation of their fair values due to the short-term nature of trade payables.

Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate risk.

31 December 2008	Carrying amount	Interest rate risk -2% Result	-2% Equity	+2% Result	+2% Equity
	$	$	$	$	$
Financial Assets					
Cash	71,536	(1,431)	(1,431)	1,431	1,431
Investments-Term Deposits	1,001,333	(20,027)	(20,027)	20,027	20,027
Receivables	625,517	-	-	-	-
		(21,457)	(21,457)	21,457	21,457
Financial Liabilities					
Borrowings	26,440	-	-	-	-
Creditors	106,238	-	-	-	-
Other Amounts Owing	913,660	-	-	-	-
		-	-	-	-
Total increase / (decrease)		(21,457)	(21,457)	21,457	21,457

31 December 2007	Carrying amount	Interest rate risk -1% Result	-1% Equity	+1% Result	+1% Equity
	$	$	$	$	$
Financial Assets					
Cash	90,132	(849)	(849)	849	849
Investments-Term Deposits	449,864	(4,210)	(4,210)	4,210	4,210
Receivables	1,230,976	-	-	-	-
		(5,059)	(5,059)	5,059	5,059
Financial Liabilities					
Borrowings	50,320	-	-	-	-
Creditors	338,554	-	-	-	-
Other Amounts Owing	757,462	-	-	-	-
		-	-	-	-
Total increase / (decrease)		(5,059)	(5,059)	5,059	5,059

Note 23 Change In Accounting Policy

New Accounting Standards issued but not yet effective

At reporting date a number of Australian Accounting Standards have been issued by the AASB but are not yet operative. These have not been early-adopted by the company. These standards have been assessed for their possible impact on the financial report, if any, in the period of their initial application. The assessment concluded that there will be no material impact.

Note 24 Company Details

The registered office of the company is:
UNE Partnerships Pty Limited
CB Newling Building
122-132 Mossman Street
Armidale NSW 2350

The principal place of business is:
UNE Partnerships Pty Limited
122-132 Mossman Street
Armidale NSW 2350

UNE VISION PTY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Vision Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial report of UNE Vision Pty Ltd (the Company), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of UNE Vision Pty Ltd as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

Directors 'Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

Steven Martin
Director, Financial Audit Services

20 April 2009
SYDNEY

DIRECTORS' REPORT

The Director of the company has pleasure in presenting his report on the company for the year ended 31 December 2008 and the Auditors' Report thereon. The Director reports the following:

Directors

The Directors of the company in office during or since the end of the financial year are:

Professor P Flood (resigned 13 August 2008)
Mr A Robinson (resigned 12 August 2008)
Mr B Doyle (resigned 14 August 2008)
Professor A Pettigrew (appointed 7 January 2009)

The Directors were in office since 24 May 2007 unless otherwise indicated.

Principal Activities

The company has not traded since it incorporated on 24 May 2007.

Significant Changes in Activities

There have been no significant changes in the principal activities of the company during the period.

Dividends

No dividends were paid or declared during the period and the directors do not recommend payment of a dividend in respect of the period ended 31 December 2008.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Operating Results

The operating result for the year ended 31 December 2008 reflects a profit of $5,871 as the University of New England forgave the 2007 debts recorded as loans payable in preparation for deregistration, (2007 loss of $5,906).

Significant Changes in the State of Affairs

During the period, there was no significant change in the state of affairs of the company.

Matters Subsequent to the End of the Financial Year

An application was filed with the Australian Securities & Investments Commission (ASIC) to deregister the Company which became effective 16 March 2009.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

Proceedings of behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Directors Benefits

During or since the financial period, no Director has received or become entitled to receive any benefit by reason of a contract made by the company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which he has a substantial interest, with the exception of payments made to Directors in their occupations.

Directors and Auditors Indemnification

The Company has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

Auditor's Independence Declaration

A copy of the Auditors Independence Declaration as required under Section 307c of the Corporations Act 2001 is attached.

Signed in accordance with a resolution of the Director.

....

Prof. A Pettigrew
Director

17 April 2009

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
UNE Vision Pty Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNE Vision Pty Ltd for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

16 April 2009
SYDNEY

DIRECTORS' STATEMENT

STATEMENT MADE IN ACCORDANCE WITH SECTION 41C (1B) AND 1(C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

In accordance with a resolution of the Board of Directors of UNE Vision Pty Ltd, I state that:

(a) the financial statements and notes thereon exhibit a true and fair view of the financial position of the company for the year ended 31 December 2008;

(b) the financial statements have been prepared in accordance with the provisions of the Public Finance and Audit (General) Regulation 2005; and

(c) I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

....

Prof. A Pettigrew
Director

17 April 2009

Income Statement

for the year ended 31 December 2008

	Notes	2008 ($)	2007 ($)
Revenues from continuing operations			
Total revenue from continuing operations		5,906	-
Expenses from continuing operations			
Doubtful debts		35	-
Legal fees		-	906
Audit fees	6	-	5,000
Total expenses from continuing operations		35	5,906
Operating profit/(loss) before income tax		5,871	(5,906)
Income tax expense	14		-
Operating loss for the year		5,871	(5,906)
Operating loss attributable to members of UNE Vision Pty Ltd		**5,871**	**(5,906)**

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

Balance Sheet

as at 31 December 2008

	Notes	2008 ($)	2007 ($)
Current assets			
Cash and cash equivalents	2	-	-
Trade and other receivables	3	65	100
Total current assets		65	100
Total assets		65	100
Current liabilities			
Loan payable	4	-	5,906
Total current liabilities		-	5,906
Total liabilities		-	5,906
Net liabilities		65	**(5,806)**
Equity			
Contributed equity	12	100	100
Accumulated losses	5	(35)	(5,906)
Total equity		**65**	**(5,806)**

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December 2008

	Notes	2008 ($)	2007 ($)
Total equity at the beginning of the period		(5,806)	-
Net operating result		5,871	(5,906)
Total recognised income and expense for the period		5,871	(5,906)
Issue of share capital	12	-	100
Total equity at the end of the financial year		65	**(5,806)**
Total recognised income and expense for the year is attributable to: Members of UNE Vision Pty Ltd		**65**	**(5,806)**

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

Cash Flow Statement

for the year ended 31 December 2008

	Notes	2008 ($)	2007 ($)
Cash flows from operating activities			
Cash receipts in the course of operations		-	-
Cash payments in the course of operations		-	-
Interest Received		-	-
GST Payable/Receipts		-	-
Net cash provided by/(used in) operating activities	13	-	-
Cash flows from investing activities			
Proceeds from Sale of Property, plant & equipment		-	-
Payments for property plant and equipment		-	-
Net cash provided by/(used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of capital		-	-
Net cash provided by financing activities		-	-
Net increase (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial period		-	-
Cash and cash equivalents at end of year	2	-	-

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

Notes to and forming part of the financial report

for the year ended 31 December 2008

Note 1. Statement of significant accounting policies

a) UNE Vision Pty Ltd

The shareholders in the company are the University of New England (UNE) with 65% interest and RMTek with 35% interest. The company has not traded since it incorporated on 24 May 2007. The financial report was authorised for issue by the Director on 17 April 2009.

b) Basis of accounting

The Financial Report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005. The Financial Report has also been prepared in accordance with the historical cost convention and, except where indicated, does not reflect current valuations of non-monetary assets. The Financial Report has been prepared on accrual accounting basis.

A statement of compliance with International Financial Reporting Standards cannot be made due to the company applying the not for profit sector requirements contained in AIFRS.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the Financial Report.

c) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

d) Revenue recognition

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

e) Trade receivables

Receivables are recognised and carried at the original invoice amount less a provision for doubtful debts.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

f) Loans and receivables

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

g) Trade and other payables

Represent liabilities for goods and services provided to the company prior to balance date which are unpaid. The amounts are unsecured and are usually settled on the creditors trading terms.

h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In such case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, ATO is included with other receivables or payables in the balance sheet.

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

i) Income tax

UNE Vision Pty Limited is subject to income tax.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and the carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting not taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

j) Comparative amounts

Where necessary, certain comparative figures have been adjusted to comply with the current year's presentation.

Loans payable has been grossed up by $100 representing an amount owing from the two parent entities which was previously offset.

k) New Australian Accounting Standards issued but not effective

The company has not early adopted any new Australian Accounting Standards issued but not yet effective, and does not consider that the impact of new accounting standards will be significant to the Company.

	2008 ($)	2007 ($)

Note 2. Cash and cash equivalents

	2008 ($)	2007 ($)
Cash at Bank	-	-
Cash on Hand	-	-
	-	-

Note 3. Trade and other receivables

CURRENT

	2008 ($)	2007 ($)
Trade and other receivables	100	100
Less: Provision for impaired receivables	35	-
	65	**100**

Note 4. Loan payable

CURRENT

	2008 ($)	2007 ($)
Loan payable to UNE	-	5,906
	-	**5,906**

The loan payable was forgiven by the University of New England during the year and has been brought to account as Income in the Income Statement.

Note 5. Accumulated losses

	2008 ($)	2007 ($)
Balance at the beginning of the period	(5,906)	-
Net operating result for the period	5,871	(5,906)
Balance at the end of the period	**(35)**	**(5,906)**

Note 6. Remuneration of auditors

	2008 ($)	2007 ($)
Fee payable to the Audit Office of New South Wales		
Audit of financial report	**-**	**5,000**

The audit fee for 2008 will be paid by the Parent Entity, the University of New England.

Note 7. Commitments for expenditure

(a) Capital expenditure commitments
There were no commitments for capital expenditure as at 31 December 2008.

(b) Other expenditure commitments
There were no expenditure commitments contracted as at 31 December 2008.

Note 8. Contingent liabilities and contingent assets

UNE Vision Pty Ltd currently has no legal matters outstanding or other contingent liabilities which are expected to result in material claims against it.

Note 9. Segment reporting

Geographic segments
The company operates solely within Australia.

Note 10. Responsible persons and executive officers

Directors

The names of directors who have held office during the financial period are:
Professor P Flood (UNE)
Mr A Robinson (UNE)
Mr B Doyle (RMTek Pty Limited)

Note 11. Subsequent events

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

An application was filed with the Australian Securities & Investments Commission (ASIC) to deregister the Company which became effective 16 March 2009.

Note 12. Contributed equity

	2008 ($)	2007 ($)
Opening balance	100	-
Shares issued during the financial year		
65 ordinary shares of $1.00 each fully paid issued on 24 May 2007 to UNE	-	65
35 ordinary shares of $1.00 each fully paid issued on 24 May 2007 to RMTeK Pty Limited	-	35
Closing balance	100	100

Note 13. Reconciliation of net operating result for the year after income tax to net cash flows from operations

Net operating result for the period	5,871	(5,906)
Change in operating assets and liabilities		
(Increase)/decrease in Trade Receivable	35	
Increase/(decrease) in loan payable	(5,906)	5,906
Net cash provided by/used in operating activities	-	-

Note 14. Income tax

Income tax expense		
Income tax on profit/(loss) from continuing operations at 30%	1,761	(1,772)
Utilisation of tax losses	(1,761)	-
Write-off deferred income tax as it is not probable that it will be recovered by future operations	-	1,772
Income tax attributable to the entity	-	-

Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1 are satisfied

- operating losses	11	1,772

Note 15. Related party information

Related parties

University of New England owns 65% interest and RMTek Pty Limited owns 35% interest in the entity.

Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

University of New England

The University of New England paid the establishment costs and audit fees on behalf of the company in 2007 and the ASIC fees in 2008. These costs will not be recovered from the Company as it will be deregistered in 2009.

The establishment cost and audit fee for 2007 were $906 and $5,000 respectively.

On 24 May 2007, University of New England was issued 65 ordinary shares of $1.00 and RMTek Pty Limited was isued 35 ordinary shares of $1.00.

University of New England is the ultimate parent entity.

Note 16. Financial instruments

(a) Market risk

i) Foreign exchange risk
The company has no exposure to foreign exchange risk.

ii) Price risk
The company has no exposure to commodity price risk.

iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk.

31 December 2008	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
Financial Assets	$	$	$	$	$
Cash	-	N/A	N/A	N/A	N/A
Receivables	65	-	-	-	-
		-	-	-	-
Financial liabilities					
Loan	-	-	-	-	-
Total Increase / (decrease)	-	-	-	-	-

31 December 2007	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
Financial Assets	$	$	$	$	$
Cash	-	N/A	N/A	N/A	N/A
Receivables	100	-	-	-	-
		-	-	-	-
Financial liabilities					
Loan	5,906	-	-	-	-
Total Increase / (decrease)	(5,806)	-	-	-	-

(b) Credit risk exposures

The maximum exposure to credit risk at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Liquidity risk

Management closely monitors cash flow on a regular basis to ensure the company retains at all times sufficient cash reserves to fund the continuing operations of the business and meet all obligations as they

(d) Net fair values of financial assets and liabilities

The company has no derivative financial instruments.

The company's financial assets and liabilities included in current and non-current assets and liabilities in the balance sheet are considered to be carried at amounts that approximate net fair value.

The carrying value less impairment provisions of trade receivables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. All other items are stated at cost that being fair

The carrying value of trade payables is a reasonable approximation of their fair values due to the short-term nature of trade payables.

Note 17. Company details

UNE Vision Pty Limited is a proprietary company limited by shares which is incorporated and operates in Australia.

The registered office and principal place of business of the company is:
University of New England
Elm Avenue
Armidale NSW 2350

End of Audited Financial Statements

NATIONAL MARINE SCIENCE

CENTRE PTY LTD

A.C.N. 092 754 222

National Marine
Science Centre

FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

National Marine Science Centre Pty Ltd

To Members of the New South Wales Parliament and Members of National Marine Science Centre Pty Ltd

I have audited the accompanying financial report of National Marine Science Centre Pty Ltd (the Company), which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report:

- is in accordance with the *Corporations Act 2001*, including:
    - giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the year ended on that date; and
    - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- is in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of National Marine Science Centre Pty Ltd on 16 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

20 April 2009
SYDNEY

DIRECTORS' REPORT

The Directors have pleasure in presenting their report, together with the accounts of National Marine Science Centre Pty Ltd for the year ended 31 December 2008 and the Auditors' Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report the following:

Directors

The Directors of the company in office during the financial year or since the date of this report are:

Professor P Clark (appointed as Chair for 2009)
Professor A Pettigrew (term as Chair ceased at the end of 2008)
Professor J Graham
Professor M Sedgley
Professor J Gibson (resigned 12/03/2009)
Professor I Young (appointed 12/03/2009)
Professor P Harrison
Professor B Thom
Mr W Grimshaw
Councillor I Ovens

Principal Activities

The company is to establish and operate a Marine Centre that will integrate education, environmental research, fisheries research, management, ecotourism, and public interpretative facilities.

No significant change in the nature of these activities occurred during the financial year.

The operations of the company are not regulated by any significant environmental regulation under the law of the Commonwealth or of a State or Territory.

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any of those proceedings. The company was not a party to any such proceedings during the year.

Result Of Operations

The Company incurred a deficit of $245,993 for the year ended 31 December 2008, (2007 surplus of $92,114). The actual operating deficit was $60,993 and the additional $185,000 was to recognise through the Profit and Loss the reduction in the value of the Investment Units after valuation.

Dividends

No dividends were paid during the year and the Directors do not recommend payment of a dividend in respect of the year ended 31 December 2008.

Significant Changes in State of Affairs

There have been no significant changes in the principal activities of the company in 2008.

Future Developments

The company will continue to pursue its principal activities during the year 2009.

Matters Subsequent To The End Of The Financial Year

Except where stated in the Financial Report, there have not been any matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operation of the company or the state of affairs of the company in subsequent years.

Directors and Auditors Indemnification

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following matters.

During or since the financial year the University of New England has paid premiums on behalf of the Company to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving wilful breach of duty in relation to the Company. The amount of the premium was included in a bulk insurance charged by the University.

Signed in accordance with a resolution of Directors made pursuant to Section 298(2) of the Corporations Act 2001.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached.

....

Prof. A Pettigrew
Director

....

Prof. M Sedgley
Director

17 April 2009

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
National Marine Science Centre Pty Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial report of National Marine Science Centre Pty Ltd for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

16 April 2009
SYDNEY

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of National Marine Science Centre Pty Ltd and pursuant to Section 41C (1B) and 1(C) of the Public Finance and Audit Act 1983 and the Corporations Act 2001, we state that:

1 The attached is a general purpose financial report and presents a true and fair view of the financial position and performance of the company at 31 December 2008 and the results of its operations and transactions of the company for the year then ended;

2 The financial report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Corporations Act 2001;

3 The financial report has been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements;

4 We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and,

5 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors, and on behalf of the Directors.

....

Prof. A Pettigrew
Director

....

Prof. M Sedgley
Director

17 April 2009

Income Statement

For the year ended 31 December 2008

	Note	2008 ($)	2007 ($)
Revenues from ordinary activities			
Grant income		314,855	296,004
Contracted teaching		2,472,766	2,617,683
Interest received		67,365	49,209
Rental income - Investment Units		54,949	64,922
Rental income - Centre Properties		43,832	39,811
Trading & other income		63,698	40,705
Total revenue		3,017,465	3,108,334
Expenses from ordinary activities			
Administrative costs		48,447	52,481
Consumables		79,009	85,978
Depreciation		295,993	296,312
Publicity		20,907	9,597
Repairs and maintenance		120,830	115,419
Services		2,516,491	2,287,693
Travel and accommodation		84,240	85,698
Utilities		71,431	57,885
Investment Units		26,110	25,157
Total expenses		3,263,458	3,016,220
Operating result from ordinary activities before income tax		(245,993)	92,114
Income tax expense		-	-
Net operating result for the year		(245,993)	92,114

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

Balance Sheet

As at 31 December 2008

	Note	2008 ($)	2007 ($)
Current Assets			
Cash assets	2	877,959	1,409,867
Receivables	3	440,270	603,542
Other assets	4	329,143	435,754
Non-current assets classified as held for sale	5	220,000	-
Total current assets		1,867,372	2,449,163
Non-current assets			
Property, plant & equipment	6a	11,494,602	11,629,383
Investment Properties	6b	945,000	1,350,000
Total non-current assets		12,439,602	12,979,383
Total assets		14,306,974	15,428,546
Current liabilities			
Accounts payable	7	461,885	1,337,464
Total current liabilities		461,885	1,337,464
Total liabilities		461,885	1,337,464
Net assets		13,845,089	14,091,082
Equity			
Contributed equity	9	4	4
Retained earnings	9	10,808,687	11,054,680
Reserves	9	3,036,398	3,036,398
Total equity		13,845,089	14,091,082

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2008

	2008 ($)	2007 ($)
Total equity at the beginning of the financial year	14,091,082	13,998,968
Reserves	-	-
Gain on revaluation of land and buildings, net of tax	-	-
Gain on revaluation of infrastructure, net of tax	-	-
Net income recognised directly in equity	-	-
Operating result for the year	(245,993)	92,114
Total recognised income and expense for the year	(245,993)	92,114
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial year	13,845,089	14,091,082
Total recognised income and expense for the year is attributable to:		
The University of New England		
Income	1,508,733	1,554,167
Expenditure	1,631,729	1,508,110
Southern Cross University		
Income	1,508,733	1,554,167
Expenditure	1,631,729	1,508,110

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

Cash Flow Statement

For the year ended 31 December 2008

		2008 ($)	2007 ($)
Cash flows from operating activities			
Cash receipts in the course of operations		3,109,302	3,063,831
Cash payments in the course of operations		(3,629,638)	(2,980,556)
Interest Received		67,239	41,065
GST Payable/Receipts		88,471	(32,742)
Net cash inflow (outflow) from operating activities	Note 12 (ii)	(364,626)	91,598
Cash flows from investing activities			
Proceeds from Sale of Property, plant & equipment		26,550	-
Payments for property plant and equipment		(193,832)	(157,052)
Net cash inflow (outflow) from investing activities		(167,282)	(157,052)
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(531,908)	(65,454)
Cash and cash equivalents at the beginning of the financial year		1,409,867	1,475,321
Cash and cash equivalents at end of year	Note 12 (i)	877,959	1,409,867

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

Notes to and forming parts of the financial report

For the year ended 31 December 2008

Note 1. Statement of significant accounting policies

a) National Marine Science Centre Pty Ltd

The company is equally owned by the University of New England (UNE) and Southern Cross University (SCU). It established and operates a Marine Centre to integrate education, environmental research, fisheries research, management, ecotourism and public interpretative facilities.

b) Basis of accounting

The Financial Report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005. The Financial Report has also been prepared in accordance with the historical cost convention and, except where indicated, does not reflect current valuations of non-monetary assets. The Financial Report has been prepared on an accrual accounting basis.

Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards requirements and therefore a comprehensive statement of compliance cannot be made.

The financial report for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Board on 17 April 2009.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the Financial Report. The accounting policies have been consistently applied unless otherwise stated.

c) Comparatives

Where the presentation or reclassification of items in the financial report is amended, comparable amounts are reclassified unless reclassification is impracticable. When comparable amounts are reclassified, the entity shall disclose:

a) the nature of the reclassification
b) the amount of each item or class of items that is reclassified; and
c) the reason for the reclassification

In accordance with AASB 140(75) - "Investment Properties", the operating expenses incurred in deriving revenue from investment properties are shown separately on the face of the Income Statement in 2008 and the 2007 comparatives were adjusted accordingly.

d) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of 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 balance sheet.

e) Valuation of non-current assets

Items of property, plant and equipment have been recognised in the Financial Report as follows :

(i) Land, Buildings and Infrastructure

Land, buildings and infrastructure are recorded at their fair value obtained through independent valuation in accordance with AASB 116 - "Property, plant and equipment" less subsequent depreciation for buildings and infrastructure. The current valuation was done by Knight Davidson in 2006. The Centre has adopted the Gross Valuation Method in bringing to account the reinstated new value and subsequent accumulated depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Investment Units

The Company owns five 2 bedroom Units located in the grounds of the Pacific Bay Resort in Coffs Harbour. The Units are classified as Investment assets under AASB 140 - "Investment Properties" and are recorded at their fair value obtained through independent valuation. The basis of the valuation was to determine the Fair Value of the Asset for Financial reporting purposes in accordance with AAS116 - "Property, Plant & Equipment". The concept of "Fair Value" is founded on the belief that market measurement of the highest and best use of an asset is consistent with rational economic behaviour, being that the seller will always seek the best price and the buyer that offers the best price will always be the buyer that has the highest and best use of the asset. Fair Value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction. The current valuation as at 31 December 2008 was conducted by Knight Davidson. Changes in fair values are recognised in the income statement as a gain or loss for the period in which it arises. The independent valuation in December 2008 indicated a loss of $185,000 in the fair value of the Units.

One of the Units is currently on the market for sale and in accordance with AASB 5 - "Non-current Assets Held for Sale and Discontinued Operations", it's fair value was reclassified as a current asset under note 5.

(iii) Plant and Equipment

Plant and equipment, including computer equipment, furniture & fittings, motor vehicle, with an initial purchase price of equal to or greater than $500, owned by the entity as at 31 December 2008 were recognised at historical cost less accumulated depreciation in accordance with AASB 116 - "Property, Plant and Equipment". 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.

f) Revaluation of non-current assets

In the normal course of events revaluations of non-current assets will occur at five yearly intervals.

g) Depreciation

Depreciation on property, plant and equipment is calculated on a straight line basis to allocate their cost or revalued amounts, net of their residual values, over their expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets. Investment units and Land are not depreciated.

The following rates of depreciation have been applied :

Buildings	1.67%
Infrastructure	3.33%
Computer Equipment	33.33%
Furniture & Fittings	10.00%
Motor Vehicle	18% to 20%
Plant & Equipment	15.00%
Library Collection	10.00%

h) Maintenance and repairs

Maintenance, repair costs and minor renewals are charged to the Income Statement in the period in which the expenses are incurred.

i) 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 the entity's activities.

Revenue is recognised for the major business activities as follows:

i) Government grants
The entity treats operating grants received from Australian Government entities as income in the year of receipt.

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

j) Income tax

The National Marine Science Centre Pty Ltd has been granted exemption from paying income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

k) GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the acquisition cost of the asset or part of the expense.

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

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

l) New Accounting Standards and Interpretations

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the Company. The company considers that application of the new standards will not have a material impact.

AASB 3 Business Combination; AASB 127 Consolidated and Separate Financial Statements; AASB 2008-3; AASB 2008-6; AASB 2008-8 are applicable to annual reporting periods beginning on or after 1 July 2009.

	2008 ($)	2007 ($)
Note 2. Cash assets		
Cash at Bank	877,544	1,409,405
Cash on Hand	415	462
	877,959	1,409,867
Note 3. Receivables		
Current		
Trade Debtors	397,797	512,488
Less : Provision for Doubtful Debts	-	-
	397,797	512,488
GST Receivable	42,473	91,054
	440,270	603,542
Note 4. Other assets		
Current		
Accrued Interest Income	13,600	13,652
Other Accrued Income	314,244	420,489
Prepaid Expenses	1,299	1,614
	329,143	435,754

	2008 ($)	2007 ($)
Note 5. Non-current assets classified as held for sale		
One Investment Unit - Lot 34 (refer Note 6b)	220,000	-

	2008 ($)	2007 ($)
Note 6a. Property, plant & equipment		
Non-current		
Land - At Cost	-	-
- At Independent Valuation	1,500,000	1,500,000
	1,500,000	1,500,000
Buildings - At Cost	84,315	58,615
- At Independent Valuation	9,639,000	9,639,000
Less : Accumulated Depreciation	(322,641)	(160,980)
	9,400,674	9,536,635
Infrastructure - At Cost	-	8,942
- At Independent Valuation	257,801	246,000
Less : Accumulated Depreciation	(16,675)	(8,316)
	241,126	246,626
Computer Equipment - At Cost	196,902	236,744
Less : Accumulated Depreciation	(157,585)	(186,884)
	39,317	49,860
Furniture & Fittings - At Cost	184,481	173,807
Less : Accumulated Depreciation	(107,804)	(90,117)
	76,677	83,690
Motor Vehicle - At Cost	89,750	83,052
Less : Accumulated Depreciation	(25,533)	(30,459)
	64,217	52,593
Plant & Equipment - At Cost	511,524	436,010
Less : Accumulated Depreciation	(349,089)	(287,020)
	162,435	148,990
Library Collection - At Cost	8,332	8,332
Less : Accumulated Depreciation	(4,540)	(3,707)
	3,792	4,625
Works of Art - At Valuation	6,364	6,364
Total Property Plant & Equipment	**11,494,602**	**11,629,383**

	2008 ($)	2007 ($)
Note 6b. Investment properties		
Investment Units - At Independent Valuation 2008	1,350,000	1,350,000
Less : Write down in value of Units in 2008	185,000	-
Investment Properties - At Independent Valuation	1,165,000	1,350,000
Less : Transfer of 1 Unit to Non-current assets classsified as held for sale - (refer Note 5)	220,000	-
Total Investment Properties	**945,000**	**1,350,000**

Movements in carrying amounts

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

2008	Freehold Land $	Buildings $	Infrastructure $	*Plant and equipment $	Total $	Investment Units $
Balance at the beginning of the year	1,500,000	9,536,635	246,626	346,122	11,629,383	1,350,000
Additions	-	25,700	2,859	165,273	193,832	-
Loss of Fair value	-	-	-	-	-	(185,000)
Depreciation write back on disposals	-	-	-	79,608	79,608	-
Revaluation	-	-	-	-	-	-
Disposal/Transfer	-	-	-	(112,228)	(112,228)	(220,000)
Depreciation Expense	-	(161,661)	(8,359)	(125,973)	(295,993)	-
Carrying amount at end of the year	**1,500,000**	**9,400,674**	**241,126**	**352,802**	**11,494,602**	**945,000**

Movement in the carrying amounts for each class of property, plant and equipment and investment properties between the beginning and the end of the previous financial year.

2007	Freehold Land $	Buildings $	Infrastructure $	*Plant and equipment $	Total $	Investment Units $
Balance at the beginning of the year	1,500,000	9,639,000	246,000	384,193	11,769,193	1,350,000
Additions	-	58,615	8,942	89,495	157,052	-
Depreciation write back on disposal	-	-	-	3,649	3,649	-
Disposal	-	-	-	(4,200)	(4,200)	-
Depreciation Expense	-	(160,980)	(8,316)	(127,015)	(296,311)	-
Carrying amount at end of the year	**1,500,000**	**9,536,635**	**246,626**	**346,122**	**11,629,383**	**1,350,000**

* Plant and equipment includes all operational assets.

	2008 ($)	2007 ($)

Note 7. Accounts payable

Current

	2008 ($)	2007 ($)
Trade Creditors	298,563	938,813
Accrued Expenses	162,630	398,651
Goods and Services Tax	692	-
	461,885	1,337,464

Note 8. Contingent liabilities

At balance date no contingent liabilities of a material nature to the National Marine Science Centre Pty Ltd had been identified.

Note 9. Equity

Contributed equity

	2008 ($)	2007 ($)
Ordinary Shares of $1.00 each fully paid:		
2 UNE Class	2	2
2 SCU Class	2	2
	4	4

Retained earnings

	2008 ($)	2007 ($)
Retained earnings at beginning of the financial year	11,054,680	10,962,566
Net operating result	(245,993)	92,114
Retained earnings at end of the financial year	10,808,687	11,054,680

Reserves

	2008 ($)	2007 ($)
Revaluation Reserve - Land	545,000	545,000
Revaluation Reserve - Buildings	2,429,872	2,429,872
Revaluation Reserve - Infrastructure	61,526	61,526
Revaluation Reserve at end of financial year	3,036,398	3,036,398

Movements in reserves

	Land	Buildings	Infrastructure
Balance at beginning of financial year	545,000	2,429,872	61,526
Increment/(decrement) in reserve	-	-	-
Balance at end of the financial year	545,000	2,429,872	61,526

Note 10. Auditors remuneration

Amount received or due and receivable by the auditor of the company for:

Audit services:

	2008 ($)	2007 ($)
Fees paid to The Audit Office of NSW		
- Audit and review of financial reports and other Audit work under the *Public Finance and Audit Act, 1983 and the Corporations Act 2001*.	12,500	10,120
	12,500	10,120

	2008 ($)	2007 ($)

Note 11. Remuneration of Directors

	2008 ($)	2007 ($)
Income paid or payable to all Directors of the entity by the entity and any related parties	-	-

The names of Directors who held office during the financial year are:

Professor A Pettigrew (Chair)
Professor P Clark
Professor J Graham
Professor M Sedgley
Professor J Gibson
Professor P Harrison
Professor B Thom
Mr W Grimshaw
Councillor I Ovens

Note 12. Notes to the cash flow statements

i) Reconciliation of Cash

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008 ($)	2007 ($)
Cash at Bank	877,544	1,409,405
Cash on Hand	415	463
	877,959	1,409,868

ii) Reconciliation of operating profit after income tax to net cash provided by operating activities.

	2008 ($)	2007 ($)
Operating profit/(loss) after abnormal items	(245,993)	92,114
Add/(less) non-cash items:		
Depreciation	295,993	296,311
Loss on disposal of fixed assets	6,069	551
Loss in the fair value of Units	185,000	-
Change in assets and liabilities during the financial year :		
(Increase)/Decrease in Trade Debtors	114,691	(359,006)
(Increase)/Decrease in Other Debtors	-	-
(Increase)/Decrease in GST Receivable	48,581	(91,054)
(Increase)/Decrease in Accrued Income	106,612	(262,329)
Increase/(Decrease) in Trade Creditors	(640,250)	745,826
Increase/(Decrease) in Accrued Expenses	(236,021)	(330,800)
Increase/(Decrease) in Other Creditors	692	(15)
Net Cash Provided by Operating Activities	(364,626)	91,598

Note 13. Financial instruments

(a) Market risk

i) Foreign exchange risk

The company has no exposure to foreign exchange risk.

ii) Price risk

The company has no exposure to commodity price risk.

iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk.

31 December 2008	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
Financial Assets	$	$	$	$	$
Cash	877,959	(8,779)	(8,779)	8,779	8,779
Receivables	440,270	-	-	-	-
Other assets	329,143	-	-	-	-
		(8,779)	(8,779)	8,779	8,779
Financial liabilities					
Creditors	298,563	-	-	-	-
Other amounts owing	162,630	-	-	-	-

31 December 2007	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
Financial Assets	$	$	$	$	$
Cash	1,409,867	(14,098)	(14,098)	14,098	14,098
Receivables	603,542	-	-	-	-
Other assets	435,754	-	-	-	-
		(14,098)	(14,098)	14,098	14,098
Financial liabilities					
Creditors	938,813	-	-	-	-
Other amounts owing	398,651	-	-	-	-

(b) Credit risk exposures

The maximum exposure to credit risk at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Liquidity risk

Management closely monitors cash flow on a regular basis to ensure the company retains at all times sufficient cash reserves to fund the continuing operations of the business and meet all obligations as they fall due.

(d) Net fair values of financial assets and liabilities

The company has no derivative financial instruments.

The company's financial assets and liabilities included in current and non-current assets and liabilities in the balance sheet are considered to be carried at amounts that approximate net fair value.

The carrying value less impairment provisions of trade receivables is a reasonable approximation of their fair values due to the short term nature of trade receivables. All other items are stated at cost that being fair value.

The carrying value of trade payables is a reasonable approximation of their fair values due to the short term nature of trade payables.

Note 14. Related party transactions

The following information is provided in relation to transactions that occurred with related parties in accordance with AASB 124 - Related Party Disclosures.

The company deals with the University of New England, Armidale, and Southern Cross University, Lismore, the controlling entities, on a regular basis for the purpose of purchasing goods and services under normal commercial terms and conditions.

	2008 ($)	2007 ($)
University of New England		
Revenues and Expenses		
Income Received	797,279	1,087,081
Payments Made	405,686	474,474
Net	391,593	612,607
Balance Sheet		
Receivables	14,846	17,117
Payables	1,282	-
Share Capital	2	2

Note 14. Related party transactions (continued)

	2008 ($)	2007 ($)
Southern Cross University		
Revenues and Expenses		
Income Received	2,056,324	1,574,048
Payments Made	2,255,118	1,588,294
Net	(198,794)	(14,245)
Balance Sheet		
Receivables	365,572	290,195
Payables	261,829	-
Share Capital	2	2

Note 15. Capital and other commitments

In addition, during 2008, NMSC entered into contracts for the following operating expenditures:

Not later than one year	-	-

Capital Commitments
As at 31 December 2008, NMSC had the following Capital commitments:

Not later than one year	-	-

End of Audited Financial Statements

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