University of New England

Financial Report for the year ended 31 December 2009

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Uinversity of New England and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of University of New England (the University), and the University and its controlled entities (the consolidated entity), which comprise the statement of financial position as at 31 December 2009, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements:

- present fairly, in all material respects, the financial position of the University and the consolidated entity as of 31 December 2009, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 31 December 2009 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 Statements

The Council is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

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

I believe 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

16 April 2010
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 2009.

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 Dr Richard Torbay MP - Chancellor
Mr Scott Williams - Deputy Chancellor
Professor Eilis Magner
Dr James Harris
Ms Jan McClelland
Dr Col Gellatly, AO
Associate Professor Jeannie Madison
Dr Laurie Piper
Ms Kay Hempsall
Mr Robert Finch
Ms Catherine Millis
Ms Alicia Zikan

The following persons were appointed members in 2009 and continue in office at the date of this report:
Ms Gae Raby (appointed 10 December 2009)
Mr Kevin Dupe (appointed 1 May 2009)
Dr Charles Watson (appointed 1 January 2009)

The following persons were members in 2009:
Professor Alan Pettigrew - Vice-Chancellor (concluded term of office - 14 September 2009)
Professor Graham Webb - Appointed Acting Vice-Chancellor - (term expired 10 December 2009)
Ms Jill Hickson (term expired 2 November 2009)

The following person was appointed a member of Council after balance date and continues in office to the date of this report:
Professor James Barber - Vice-Chancellor (appointed 3 February 2010)

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 2009, and the number of meetings attended by each member is attached.

Principal Activities

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

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

Review of Operations

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

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

In light of the significant progress made and the shift in focus of Australia's higher education policy foreshadowed by the Federal Government in 2008, a Mid-Term Review of the UNE Strategic Plan 2007– 2010 was undertaken and completed by July 2009. The Review identified a need for greater focus over the remaining period of the Plan. Five key goals were set for the period 2009-2010:

1. UNE will develop as a significant global e-University.

2. UNE will provide an outstanding on-campus experience for students.

3. UNE will develop programme level collaborations with other providers, communities and industry.

4. UNE will deliver research with a strong regional and rural focus.

5. UNE will enrich research and teaching through international perspectives and collaboration.

A number of reforms were introduced on the basis of these goals and constituted the core focus for the University in 2009-2010.

During 2009 a new directorate was introduced into the Vice-Chancellor's Unit, being that of the University Secretary and Legal Counsel, which oversees the Council Services Unit, the Legal Office, the Government Relations Unit, Records Management and Audit and Risk; and provides advice to the Chancellor, Vice-Chancellor, members of the senior executive and senior management on governance and legal matters as they relate to the University.

One hundred and eight (108) new and amended courses were approved for 2009. Each course was developed within the framework of marketplace and student demand, and areas of research and scholastic strength. Some courses have been withdrawn but strong demand in new courses has been shown particularly in the Sciences.

The Good Universities Guide for 2010 awarded UNE its top rating (five stars) for "graduate satisfaction". UNE has achieved this rating for 10 out of the past 11 years. This is an achievement matched by no other Australian university. The high standard of teaching at UNE was reflected in another five-star rating in the Guide - that for "teaching quality". This reflects the dedication of the University's teaching staff and all those who support them, and maintains the University's long-standing reputation for teaching excellence. UNE was the only regional university in NSW to be awarded five stars for teaching quality. In addition, UNE again achieved five-star ratings for "access by equity groups" and "Indigenous participation".

During 2009 Council agreed to transfer UNE's share of ownership of the National Marine Science Centre to Southern Cross University on the basis of a commercial arrangement. This was undertaken to allow UNE to redirect its strategic focus to its core strengths in regional and rural sciences.

The UNE Residential System consists of 7 University owned and operated residences with over 1700 beds, and one affiliated College operated by the Catholic Church. Further extensive work is being undertaken to enhance the experience of students living on campus. During 2009, Mary White College continued to undergo an extensive refurbishment of three original blocks at a cost of approximately $5M. Expressions of interest are currently open for the design of the Wright Village upgrade.

In 2009 more than 3,600 students graduated from UNE and joined the august body of 79,000 UNE alumni across the globe.

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
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 14
Heritage Act 1977 No 136
Heritage Amendment Act 2009 No 34
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
Water Management Amendment Act 2009 No 110

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2008

Insurance of Officers

The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the group. The annual premium of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representative of the University and who are not otherwise indemnified.

Proceedings on behalf of the University

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

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

The Hon Dr R Torbay MP
Chancellor
Member of Council of the University of New England
Armidale NSW
9 April 2010

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committee held during the year ended 31 December 2009, and the numbers of meetings attended by each Council member were:

Meetings of committees

Council Member	Council Meetings		Standing		Audit and Compliance		Infrastructure		Finance	
	A	B	A	B	A	B	A	B	A	B
The Hon Dr Richard Torbay, MP	8	8	1	2	0*	7	0*	6	0*	8
Mr Scott Williams	7	8	2	2	7	7	6	6	8	8
Professor Alan Pettigrew	5	6	1	2	5	6	4	5	6	7
Professor Graham Webb	2	2			1	1	1	1	1	1
Professor Eilis Magner	8	8	2	2			6*	6	7	8
Mr Robert Finch	7	8			6	7			7	8
Dr Col Gellatly	8	8								
Dr James Harris	7	8	1	2	7	7			8	8
Ms Kay Hempsall	6	8					5	6		
Ms Jill Hickson	6	7								
Associate Professor Jeanne Madison	7	8			5	7				
Ms Jan McClelland	8	8	1	2	7	7				
Ms Catherine Millis	7	8					6	6		
Dr Laurie Piper	8	8	2	2			5	6	6	8
Ms Alicia Zikan	7	8							8	8
Dr Charles Watson	8	8								
Ms Gae Raby	1	1								
Mr Kevin Dupe	7	7								

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

* The Chancellor is an ex officio position on all Committee's of Council and the Deputy Chancellor represents in this capacity at Audit and Compliance Infrastructure and Finance Meetings.

* A representative has attended a meeting on behalf of a member.

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 2009 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 "Financial Statement Guidelines for Australian Higher Education Providers for the 2009 Reporting period" issued by the Australian Government Department of Education, Employment and Workplace Relations;

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 Dr R Torbay MP
Chancellor

Professor J Barber
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
9 April 2010

Income Statement

For the year ended 31 December 2009

	Notes	Consolidated **2009 $'000**	Consolidated 2008 $'000	Parent entity **2009 $'000**	Parent entity 2008 $'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	**3**	111,114	110,275	111,114	110,275
HECS-HELP - Australian Government payments	**3**	34,560	33,987	34,560	33,987
FEE-HELP	**3**	2,832	2,838	2,832	2,838
State and local Government financial assistance	**4**	2,495	1,877	2,495	1,877
HECS-HELP - Student Payments		7,656	6,765	7,656	6,765
Fees and charges	**5**	34,127	40,877	34,127	31,764
Investment revenue	**6**	3,988	4,125	3,369	3,436
Royalties, trademarks and licences	**7**	174	144	169	144
Consultancy and contracts	**8**	719	832	719	832
Other Revenue	**9**	20,411	11,941	5,857	7,600
Total revenue from continuing operations		218,076	213,661	202,898	199,518
Gains on disposal of assets		110	36	98	27
Investments accounted for using the equity method	**21**	(404)	(123)	-	-
Other investment income	**6**	678	-	251	-
Other Income	**9**	-	598	-	-
Total revenue and income from continuing operations		218,460	214,172	203,247	199,545
Expenses from continuing operations					
Employee related expenses	**10**	123,472	124,407	114,519	115,430
Depreciation and amortisation	**11**	13,216	13,141	12,345	12,182
Repairs and maintenance	**12**	6,931	5,212	6,668	4,993
Borrowing costs	**13**	62	104	57	67
Impairment of assets	**14**	27	106	2	47
Losses on disposal of assets		3	343	-	320
Investment losses	**6**	-	2,101	-	750
Deferred Super expense	**10/39**	2,845	-	2,845	-
Other expenses	**15**	62,141	61,518	58,725	57,865
Total expenses from continuing operations		208,697	206,932	195,161	191,654
Operating result before income tax		9,763	7,240	8,086	7,891

Income statement (continued)

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Income tax expense		-	-	-	-
Operating result from continuing operations		9,763	7,240	8,086	7,891
Operating result from discontinued operations		-	-	-	-
Operating result after income tax for the period		9,763	7,240	8,086	7,891
Operating result attributable to minority interest		-	-	-	-
Operating result attributable to members of the University of New England	**29(b)**	9,763	7,240	8,086	7,891

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Operating result after income tax for the period		9,763	7,240	8,086	7,891
Other comprehensive income					
Gain (Loss) on revaluation of land and buildings, net of tax		(156)	(5,619)	(138)	(7,410)
Gain (Loss) on value of available for sale financial assets, net of tax		308	(300)	291	(282)
Share of other comprehensive income of associates and joint venture, net of tax		(1,246)	-	-	-
Transfer from/(to) retained surplus		98	-	-	-
Other comprehensive income for the period, net of tax		(996)	(5,919)	153	(7,692)
Total comprehensive income for the period		8,767	1,321	8,239	199
Total comprehensive income attributable to minority interest		-	-	-	-
Total comprehensive income attributable to members of the University of New England		8,767	1,321	8,239	199

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

Statement of Financial Position

As at 31 December 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	**16**	58,117	46,400	44,944	39,003
Receivables	**17**	7,940	7,291	4,897	5,518
Inventories	**18**	479	565	178	246
Other non-financial assets	**20**	6,212	7,984	5,955	7,690
Biological assets	**22**	694	461	694	461
Total current assets		73,442	62,701	56,668	52,918
Non-current assets					
Receivables	**17**	144,051	173,325	144,008	173,097
Other financial assets	**19**	3,527	2,542	2,055	1,511
Investments accounted for using the equity method	**21**	5,272	6,923	-	-
Property, plant and equipment	**23**	220,819	219,796	214,054	212,007
Intangible assets	**24**	6,292	7,311	5,514	6,667
Total non-current assets		379,961	409,897	365,631	393,282
Total assets		453,403	472,598	422,299	446,200
LIABILITIES					
Current liabilities					
Trade and other payables	**25**	2,023	2,100	1,224	1,125
Borrowings	**26**	403	445	400	391
Provisions	**27**	32,269	31,927	30,577	30,800
Other liabilities	**28**	19,983	18,962	17,789	17,659
Total current liabilities		54,678	53,434	49,990	49,975
Non-current liabilities					
Borrowings	**26**	215	546	215	481
Provisions	**27**	151,611	184,224	151,422	183,339
Other liabilities	**28**	259	231	259	231
Total non-current liabilities		152,085	185,001	151,896	184,051
Total liabilities		206,763	238,435	201,886	234,026
Net assets		246,640	234,163	220,413	212,174
EQUITY					
Parent entity interest					
Reserves	**29(a)**	22,415	22,293	20,625	20,472
Retained surplus	**29(b)**	224,225	211,870	199,788	191,702
Parent entity interest		246,640	234,163	220,413	212,174
Total equity		246,640	234,163	220,413	212,174

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

Statement of Changes in Equity

For the year ended 31 December 2009

Consolidated	Restricted Funds	Reserves	Retained surplus	Minority Interest	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January 2008	-	28,895	203,947	-	232,842
Retrospective application/restatement	-	(701)	701	-	-
Balance as restated	-	28,194	204,648	-	232,842
Total comprehensive income					
Consolidated Entity	-	(5,919)	7,240	-	1,321
Total	-	(5,919)	7,240	-	1,321
Movement in Investment in Subsidiaries	-	18	(18)	-	
Balance at 31 December 2008	-	22,293	211,870	-	234,163
Balance at 1 January 2009	-	22,293	211,870	-	234,163
Retained surplus from control entity - Note 35			4,318		4,318
Total comprehensive income					
Consolidated Entity	-	122	8,645	-	8,767
Total	-	122	8,645	-	8,767
Movement in Investment in Subsidiaries	-	-	(608)	-	(608)
Balance at 31 December 2009	-	22,415	224,225	-	246,640

Parent	Restricted Funds	Reserves	Retained surplus	Minority Interest	Total
Balance as 1 January 2008	-	28,865	183,110	-	211,975
Retrospective application/restatement	-	(701)	701	-	-
Balance as restated	-	28,164	183,811	-	211,975
Total comprehensive income					
Parent Entity	-	(7,692)	7,891	-	199
Total	-	(7,692)	7,891	-	199
Balance at 31 December 2008	-	20,472	191,702	-	212,174
Balance as 1 January 2009	-	20,472	191,702	-	212,174
Total comprehensive income					
Parent Entity	-	153	8,086	-	8,239
Total	-	153	8,086	-	8,239
Balance at 31 December 2009	-	20,625	199,788	-	220,413

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

Statement of Cash Flows

For the year ended 31 December 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Cash flows from operating activities					
Australian Government Grants	3i	148,341	148,077	148,341	148,077
OS-Help (net)	3i	(4)	(31)	(4)	(31)
Superannuation Supplementation	3i	-	-	-	-
State Government Grants		2,495	1,877	2,495	1,877
HECS-HELP - Student payments		7,656	6,765	7,656	6,765
Receipts from student fees and other customers		62,889	62,510	48,483	47,441
Dividends received		1,194	61	1,187	61
Interest received		2,671	3,789	2,193	3,286
Payments to suppliers and employees (inclusive of GST)		(197,535)	(193,014)	(184,236)	(177,560)
Interest and other costs of finance		(82)	(87)	(57)	(67)
GST recovered/paid		(6,182)	(6,167)	(6,343)	(6,312)
Net cash provided by / (used in) operating activities	**36**	21,443	23,780	19,715	23,537
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		384	252	321	229
Payments for property, plant and equipment		(14,418)	(20,425)	(13,838)	(19,035)
Proceeds from sale of financial assets		(169)	-	-	-
Payments for financial assets		268	1,985	-	-
Repayment of loans		-	7	-	-
Net cash provided by / (used in) investing activities		(13,935)	(18,181)	(13,517)	(18,806)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		(86)	(24)	-	-
Repayment of finance leases		(287)	(55)	(257)	(23)
Net cash provided by / (used in) financing activities		(373)	(79)	(257)	(23)
Net increase / (decrease) in cash and cash equivalents		7,135	5,520	5,941	4,708
Cash and cash equivalents at the beginning of the financial year		46,400	40,880	39,003	34,295
Cash and cash equivalent from new control entity		4,582	-	-	-
Cash and cash equivalents at the end of the financial year		58,117	46,400	44,944	39,003

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements.

Compliance with IFRSs
The financial statements and notes of the University comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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.

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

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2009 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.

(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.

Principles of consolidation (continued)

(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 statement of financial position.

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 statement of financial position. Details relating to the entity are set out in note 21.

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.

(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.

(i) *Trade receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 14. 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.

Notes to the financial statements
31 December 2009
(continued)

(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.

(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

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

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

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

(iv) Available-for-sale financial assets

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

Where it is not possible to determine fair value, the asset is recoded at cost.

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

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

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:

Notes to the financial statements
31 December 2009
(continued)

Property, infrastructure, plant and equipment (continued)

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

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

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

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

Land controlled by the University was revalued as at 31 December 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.

(o) 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).

(p) 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 Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by Pillar Administration and relates to the defined benefit superannuation plan's of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund. For details relating to methodology of mearsurement by the actuary and treatment of actuarial gains and losses, refer note 39.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme, SSS and SASS, on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability for these schemes consequently does not affect the year end net asset position of the University and its controlled entities. However , the Australian Government arrangement currently excludes SANCS. At balance date, an unfunded amount of $2.8m exist. The liability for this amount is included in provisions and the expense has been recorded as a superannuation expense.

(q) 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.

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

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

(s) Provisions

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

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

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

(t) 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.

Employee benefits (continued)

(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 statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised 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 benefit 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 period 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.

(u) 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.

Notes to the financial statements
31 December 2009
(continued)

(v) Goods and Services Tax (GST)

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

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

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

(w) 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.

(x) Rounding of amounts

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

(y) 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.

(z) New standards and interpretations not yet adopted

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

Note 2. Disaggregated information

Geographical [Consolidated Entity]

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	217,242	212,562	9,599	6,951	453,329	472,209
Asia	84	534	(21)	115	74	173
US/Canada	555	520	94	86	-	131
Unallocated	579	556	91	88	-	85
	218,460	214,172	9,763	7,240	453,403	472,598

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

	Notes	Consolidated		Parent entity	
		2009	2008	**2009**	2008
		$'000	$'000	**$'000**	$'000
(a) Commonwealth Grant Scheme and Other Grants	40.1				
Commonwealth Grant Scheme #1		62,533	60,619	62,533	60,619
Indigenous Support Program		791	738	791	738
Equity Support Program		624	608	624	608
Workplace Reform Program		861	867	861	867
Workplace Productivity Program		-	1,699	-	1,699
Learning & Teaching Performance Fund		1,032	1,608	1,032	1,608
Capital Development Pool		5,513	600	5,513	600
Diversity and Structural Adjustment Fund #2		732	1,014	732	1,014
Improving the Practical Component of Teacher Education Initiative		475	636	475	636
Transitional Cost Program		479	580	479	580
Graduate Skills Assessment		-	50	-	50
Total Commonwealth Grant Scheme and Other Grants		73,040	69,019	73,040	69,019
(b) Higher Education Loan Programs	40.2				
HECS-HELP		34,560	33,987	34,560	33,987
FEE-HELP #3		2,832	2,838	2,832	2,838
Total Higher Education Loan Programs		37,392	36,825	37,392	36,825
(c) Scholarships	40.3				
Australian Postgraduate Awards		1,605	1,305	1,605	1,305
International Postgraduate Research Scholarship		219	233	219	233
Commonwealth Education Cost Scholarships #4		1,088	949	1,088	949
Commonwealth Accommodation Scholarships #4		1,408	1,211	1,408	1,211
Indigenous Access Scholarships		108	82	108	82
Total Scholarships		4,428	3,780	4,428	3,780
(d) DIISR - Research	40.4				
Institutional Grants Scheme		3,167	3,265	3,167	3,265
Research Training Scheme		7,560	7,700	7,560	7,700
Research Infrastructure Block Grants		1,466	1,584	1,466	1,584
Regional Protection Scheme		-	620	-	620
Implementation Assistance Programme		92	94	92	94
Australian Scheme for Higher Education Repositories		203	192	203	192
Commercialisation Training Scheme		71	71	71	71
Total DIISR - Research Grants		12,559	13,526	12,559	13,526

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

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
(e) Voluntary Student Unionism	40.5				
VSU Transition Fund		200	2,100	200	2,100
Support for Small Businesses		-	110	-	110
Total VSU		200	2,210	200	2,210
(f) Other Capital Funding	40.6				
Better Universities Renewal Funding		-	7,261	-	7,261
Teaching and Learning Capital Fund		7,907	-	7,907	-
Total Other Capital Funding		7,907	7,261	7,907	7,261
(g) Australian Research Council	40.7				
***(i)* Discovery**	40.7(a)				
Project		1,098	1,229	1,098	1,229
Total Discovery		1,098	1,229	1,098	1,229
***(ii)* Linkages**	40.7(b)				
Projects		342	412	342	412
Total linkages		342	412	342	412
Total ARC		1,440	1,641	1,440	1,641
(h) Other Australian Government financial assistance					
Co-operative Research Centres		4,032	3,359	4,032	3,359
Other Research Financial Assistance		6,498	7,213	6,498	7,213
Non-Research Financial Assistance		1,010	2,264	1,010	2,264
Total other Australian Government financial assistance		11,540	12,836	11,540	12,836
Total Australian Government financial assistance		148,506	147,098	148,506	147,098

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading , Maths and Science Transition Loading and Full Fee Places Transition Loading.
#2 Includes Collaboration & Structural Adjustment Program.
#3 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.
#4 Includes National Priority and National Accommodation Priority Scholarships respectively.

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Reconciliation				
Australian Government grants [a + c + d + e + f +g+h]	111,114	110,273	111,114	110,273
HECS-HELP payments	34,560	33,987	34,560	33,987
FEE-HELP payments	2,832	2,838	2,832	2,838
Total Australian Government financial assistance	148,506	147,098	148,506	147,098
(i) Australian Government Grants received - cash basis				
CGS and Other DEEWR Grants	72,958	69,385	72,958	69,385
Higher Education Loan Programmes	37,311	37,429	37,311	37,429
Scholarships	4,429	3,780	4,429	3,780
DIISR research	12,559	13,527	12,559	13,527
Voluntary Student Unionism	200	2,210	200	2,210
Other Capital Funding	7,907	7,261	7,907	7,261
ARC grants - Discovery	1,098	1,229	1,098	1,229
ARC grants - Linkages	342	419	342	419
Other Australian Government Grants	11,537	12,837	11,537	12,837
Total Australian Government Grants received - cash basis	148,341	148,077	148,341	148,077
OS-HELP (Net)	(4)	(31)	(4)	(31)
Superannuation Supplementation	-	-	-	-
Total Australian Government funding received - cash basis	148,337	148,046	148,337	148,046

Notes to the financial statements
31 December 2009
(continued)

		Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Note 4.	**State and Local Government financial assistance**					
	State Government Financial Assistance for various purposes were received by the University during the reporting period		2,495	1,877	2,495	1,877
Note 5.	**Fees and charges**					
	Course fees and charges					
	Fee-paying overseas students		10,377	9,845	10,377	9,799
	Fee-paying domestic postgraduate students		3,157	3,718	3,157	3,718
	Fee-paying domestic undergraduate students		409	711	409	711
	Fee-paying domestic non-award students		214	159	214	159
	Other domestic course fees and charges		1,433	5,032	1,433	86
	Total course fees and charges		15,590	19,465	15,590	14,473
	Other non-course fees and charges					
	Amenities and service fees		545	568	545	568
	Student service fees		63	128	63	128
	Parking fees		212	206	212	206
	Conference income		772	400	772	400
	College Residential Rental		11,814	11,657	11,814	11,657
	Other Fees and Charges		5,131	8,453	5,131	4,332
	Total other fees and charges		18,537	21,412	18,537	17,291
	Total fees and charges		34,127	40,877	34,127	31,764
Note 6.	**Investment revenue and income**					
	Interest		384	534	-	-
	Investment Income		2,314	3,381	2,182	3,375
	Dividend Income		1,290	210	1,187	61
	Total investment revenue		3,988	4,125	3,369	3,436
	Change in fair value of financial assets designated as at fair value through profit & loss		678	-	251	-
	Change in fair value of financial assets classified as held for trading		-	-	-	-
	Total other investment income		678	-	251	-
	Change in fair value of financial assets designated as at fair value through profit & loss		-	2,101	-	750
	Change in fair value of financial assets classified as held for trading		-		-	
	Total other investment losses		-	2,101	-	750
	Net investment income		678	(2,101)	251	(750)
Note 7.	**Royalties, trademarks and licences**					
	Royalties		113	82	108	82
	Trademarks		-	-	-	-
	Licences		29	36	29	36
	Commission fees		32	26	32	26
	Total royalties, trademarks and licences		174	144	169	144
Note 8.	**Consultancy and contracts**					
	Consultancy		449	408	449	408
	Contract research		270	424	270	424
	Total consultancy and contracts		719	832	719	832

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Note 9. Other revenue and income					
Other revenue					
Donations and bequests		1,123	1,901	975	1,901
Scholarships and prizes		38	168	38	147
Non-government grants		2,670	2,453	2,620	2,453
Sundry trading income		16,580	7,419	2,224	3,099
Foreign exchange gains		-	-	-	-
Total other revenue		20,411	11,941	5,857	7,600
Other Income					
Other income		-	598	-	-
Total other income		-	598	-	-
Note 10. Employee related expenses					
Academic					
Salaries		42,688	40,619	42,688	40,619
Contribution to funded superannuation and pension schemes		4,875	12,528	4,875	12,528
Payroll tax		3,280	3,128	3,280	3,128
Worker's compensation		448	204	448	205
Long service leave expense		1,250	2,705	1,250	2,705
Annual leave		3,545	2,954	3,545	2,954
Total academic		56,086	62,138	56,086	62,139
Non-academic					
Salaries		50,206	45,912	42,706	38,133
Contribution to funded superannuation and pension schemes		7,521	6,569	6,786	5,942
Payroll tax		3,581	3,259	3,159	2,926
Worker's compensation		464	219	433	192
Long service leave expense		1,230	2,601	1,206	2,532
Annual leave		4,203	3,544	4,001	3,444
Other (Allowances, penalties and fringe benefits tax)		181	165	142	122
Total non-academic		67,386	62,269	58,433	53,291
Total employee related expenses		123,472	124,407	114,519	115,429
Deferred superannuation expense	39	2,845	-	2,845	-
Total employee related expenses, including deferred government employee benefits for superannuation		126,317	124,407	117,364	115,429
Note 11. Depreciation and amortisation					
Depreciation					
Buildings		4,543	4,817	4,431	4,653
Infrastructure		585	547	558	547
Furnitures and Fittings		232	212	220	200
Plant and Equipment		1,425	1,496	1,137	1,141
Computer Equipment		1,254	1,139	1,226	1,092
Motor Vehicles		135	134	63	56
Library Collection		3,154	2,976	3,154	2,976
Total depreciation		11,328	11,321	10,789	10,665
Amortisation					
Intangibles		1,530	1,424	1,222	1,147
Leasehold improvements		25	25	-	-
Plant & equipment under finance leases		333	370	334	370
Total amortisation		1,888	1,819	1,556	1,517
Total depreciation and amortisation		13,216	13,140	12,345	12,182

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Note 12. Repairs and maintenance					
Buildings		2,222	629	2,222	629
Heritage Assets		26	20	26	20
Infrastructure		676	701	676	701
Library Collection		7	6	7	6
Plant/furniture/equipment		1,633	1,424	1,397	1,227
Contracts		1,561	1,751	1,561	1,751
Grounds		369	234	342	234
Computer Service Costs		437	445	437	425
Other		-	2	-	-
Total repairs and maintenance		6,931	5,212	6,668	4,993

Note 13. Borrowing costs

Reconciliation of Finance costs					
Finance lease interest		62	104	57	67
Less : amount capitalised		-	-	-	-
Total borrowing costs expensed		62	104	57	67

Note 14. Impairment of assets

Bad Debts		284	116	259	57
Doubtful debts		(257)	(10)	(257)	(10)
Impairment of Investments		-	-	-	-
Total impairment of assets		27	106	2	47

Note 15. Other expenses

Scholarships, grants and prizes		7,571	6,797	7,557	6,797
Non-capitalised equipment		3,408	4,394	3,341	4,309
Advertising, marketing and promotional expenses		3,270	1,881	3,016	1,484
Utilities		4,319	4,453	4,109	4,089
Inventory Used		4,862	4,315	3,276	2,777
Postal and Telecommunications		2,337	2,554	1,853	2,044
Travel and Entertainment		5,665	5,643	5,265	5,218
Books, Serials and Other Library Media		3,215	2,698	3,181	2,678
Operating Lease Rental Charges		215	248	156	177
Consultants		4,054	2,768	3,490	2,398
External Contributions		3,562	5,598	4,189	5,598
Catering Services		4,551	4,498	4,551	4,498
Fees for Services		12,041	11,784	10,131	11,716
Net Losses on derecognition of assets		-	30	-	8
Foreign exchange loss		229	14	229	14
Other Expenditure		2,842	3,843	4,381	4,060
Total other expenses		62,141	61,518	58,725	57,865

		Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Note 16.	**Cash and cash equivalents**	1(h)				
	Cash on hand		16	20	2	3
	Cash at bank		11,652	3,885	6,115	2,377
	At call investments	1(k)	46,449	42,495	38,827	36,623
	Total cash and cash equivalents		58,117	46,400	44,944	39,003

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

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

	2009	2008	2009	2008
Balances as above	58,117	46,400	44,944	39,003
Less: Bank Overdraft	-	-	-	-
Balance per cash flow statement	58,117	46,400	44,944	39,003

(b) Cash at bank and on hand

These are non-interest bearing.

(c) Deposits as call

The deposits are bearing floating interest rates between 151% and 8.20 % (2008 - 3.89% and 8.78%). These deposits have an average maturity of 96 days

		Notes	Consolidated 2009	Consolidated 2008	Parent entity 2009	Parent entity 2008
Note 17.	**Receivables**					
	Current					
	Trade and Other Debtors		8,254	7,881	5,138	6,020
	Less: Provision for impaired receivables	1(i)	(339)	(590)	(266)	(523)
	OS-HELP Asset from Australian Government		25	-	25	21
	Total current receivables		7,940	7,291	4,897	5,518
	Associated Entity Debtors		-	-	-	-
	Non-current					
	Trade and Other Debtors		43	228	-	-
	Associated Entity Debtors		-	-	-	-
	Deferred government contribution for superannuation					
	* emerging cost of superannuation		144,008	173,097	144,008	173,097
	Total non-current receivables		144,051	173,325	144,008	173,097
	Total receivables		151,991	180,616	148,905	178,615

* 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.

(a) Impaired receivables

As at 31 December 2009 current receivables of the group with a nominal value of $1.184,874 (2008: $7.285m) were impaired. The amount of the provision was $265,659 (2008: $523,000). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. There were no impaired receivables for the parent in 2009 or 2008.

The ageing of these receivables is as follows:

	Consolidated 2009	Consolidated 2008
3 to 6 months	135	-
Over 6 months	202	45
	337	45

As of 31 December 2009, trade receivables of $919,214 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated 2009	Consolidated 2008
3 to 6 months	888	-
Over 6 months	459	144
	1,347	144

Notes to the financial statements
31 December 2009
(continued)

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Movements in the provision for impaired receivables are as follows:					
As at 1 January		(590)	(590)	(523)	(533)
Provision for impairment recognised during the year		(6)	(10)	-	-
Receivables written off during the year as uncollectible		255	10	257	10
		(341)	(590)	(266)	(523)

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

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

Note 18. Inventories

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current	1(j)				
Printing / binding materials		87	156	87	101
Petrol and oils		6	5	6	5
Central stores - Motor Pool		6	5	6	5
College stores		7	6	7	6
Fodder and produce		12	71	12	71
Other stocks		361	322	60	58
Total current inventories		479	565	178	246

Note 19. Other financial assets

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
	1(k)				
Investments on Deposit		-	-	-	-
Non-current					
Summary of portfolio as at 31 December:					
Shares in Private Companies *		11	1,649	870	619
Available for sale		3,516	893	1,185	892
Total non-current other financial assets		3,527	2,542	2,055	1,511
Movement of shares in Private Companies are as follows:					
Shares as at 1 January		2,542	3,986	1,511	2,385
Acquired during the year		107	532	-	532
Disposed during the year		(86)	(373)	-	(373)
Impairment income/ (expense) recognised at 31 December		964	(1,603)	544	(1,033)
Fair value of investment at 31 December		3,527	2,542	2,055	1,511

* Shares and units not traded in the market place

Note 20. Other non-financial assets

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current				
Accrued Income	1,736	2,310	1,746	2,083
Prepaid Expenses	4,476	5,674	4,209	5,607
Total current other non-financial assets	6,212	7,984	5,955	7,690

Note 21. Investments accounted for using the equity method

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Investments in jointly controlled entities		5,272	6,923	-	-
Total investments accounted for using the equity method		5,272	6,923	-	-
Reconciliation					
Balance at 1 January		6,923	7,045	-	-
Share of profit for the year		(404)	(122)	-	-
Decrement in revaluation reserves		(1,247)	-	-	-
Additions		-	-	-	-
Balance at 31 December		5,272	6,923	-	-

Name of Entity	Description	Ownership Interest % 2009	Ownership Interest % 2008
Associates			
Remarkspdf Pty Limited	The company trades in Software Development.	30	30
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 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Financial Position				
Current assets	2,185	1,867	-	-
Non-current assets	9,050	12,440	-	-
Total assets	11,235	14,307	-	-
Current liabilities	690	462	-	-
Non-current liabilities	-	-	-	-
Total liabilities	690	462	-	-
Net Assets	10,545	13,845	-	-
Share of jointly controlled entities' net assets	5,272	6,923		
Financial Performance				
Income	3,409	3,017	-	-
Expenses	4,218	3,263	-	-
Profit/(Loss)	(809)	(246)	-	-
Share of jointly contolled entitie's profit/(loss)	(404)	(123)		

Note 22. Biological assets

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Trees	5	5	5	5
Livestock	689	456	689	456
Total biological assets	694	461	694	461
Reconciliation of changes in the carrying amount of biological assets				
Balance as at 1 January	461	461	461	461
Purchases	6	54	6	54
Natural increases	176	94	176	94
Sales	(182)	(148)	(182)	(148)
Increment/(decrement) in fair value of biological assets	233	-	233	-
Balance as at 31 December	694	461	694	461

At 31 December 2009 livestock held for sale comprised 391 cattle and 8981 sheep (2008: 358 cattle and 7,397 sheep.)

Note 23. Property, plant and equipment

Consolidated	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Property, plant and equipment * $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Library Collections $'000	Library rare books $'000	Other property, plant and equipment ** $'000	Total $'000
At 1 January 2008											
- Cost	5,114	60	4,660	8,398	32,250	368	4,696	28,882	-	334	**84,762**
- Valuation	17,434	18,530	360,775	-	-	-	-	-	1,867	4,766	**403,372**
Accumulated depreciation	(543)	-	(239,555)	-	(20,518)	(43)	(2,882)	(5,222)	-	-	**(268,763)**
Net book amount	**22,005**	**18,590**	**125,880**	**8,398**	**11,732**	**325**	**1,814**	**23,660**	**1,867**	**5,100**	**219,371**
Year ended 31 December 2008											
Opening net book amount	22,005	18,590	125,880	8,398	11,732	325	1,814	23,660	1,867	5,100	**219,371**
Accummulated depreciation change on revaluation	143	-	-	-	513	-	-	-	-	-	**656**
Depreciation written back on disposal	-	-	232	-	957	-	164	353	-	-	**1,706**
Transfers	204	-	7,941	(8,220)	272	7	-	-	-	(199)	**5**
Derecognition	-	-	-	-	-	-	-	-	-	-	**-**
Revaluation surplus	671	(1,949)	(4,638)	-	(359)	-	-	-	-	-	**(6,275)**
Additions	690	-	4,790	5,654	4,247	19	349	2,230	-	339	**18,318**
Assets included in a disposal group classified as held for sale and other disposals	-	-	(341)	-	(1,205)	-	(370)	(353)	-	-	**(2,269)**
Depreciation charge	(690)	-	(4,674)	-	(2,981)	(25)	(370)	(2,976)	-	-	**(11,716)**
Closing net book amount	**23,023**	**16,641**	**129,190**	**5,832**	**13,176**	**326**	**1,587**	**22,914**	**1,867**	**5,240**	**219,796**
At 31 December 2008											
- Cost	1,958	60	488	5,832	33,213	411	4,676	30,759	-	474	**77,871**
- Valuation	22,155	16,581	408,470	-	297	-	-	-	1,867	4,766	**454,136**
Accumulated depreciation	(1,090)	-	(279,768)	-	(20,334)	(85)	(3,089)	(7,845)	-	-	**(312,211)**
Net book amount	**23,023**	**16,641**	**129,190**	**5,832**	**13,176**	**326**	**1,587**	**22,914**	**1,867**	**5,240**	**219,796**

Note 23. Property, plant and equipment (continued)

Consolidated	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Property, plant and equipment * $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Library Collections $'000	Library rare books $'000	Other property, plant and equipment ** $'000	Total $'000
Year ended 31 December 2009											
Opening net book amount	23,023	16,641	129,190	5,832	13,176	326	1,587	22,914	1,867	5,240	**219,796**
Accummulated depreciation change on revaluation	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation written back on disposal	-	-	175	-	388	-	118	-	-	-	**681**
Transfers	(3,511)	-	8,940	(5,440)	384	(6)	-	-	-	(16)	**351**
Derecognition	-	-	(65)	-	(44)	-	-	-	-	-	**(109)**
Revaluation surplus	-	-	(840)	-	(18)	-	-	-	-	-	**(858)**
Additions	343	290	4,225	4,946	1,922	4	183	1,732	-	105	**13,750**
Assets classified as held for sale and other disposals	-	-	(190)	-	(623)	-	(293)	-	-	-	**(1,106)**
Depreciation charge	(585)	-	(4,543)	-	(3,046)	(25)	(333)	(3,154)	-	-	**(11,686)**
Closing net book amount	**19,270**	**16,931**	**136,892**	**5,338**	**12,139**	**299**	**1,262**	**21,492**	**1,867**	**5,329**	**220,819**
At 31 December 2009											
- Cost	2,391	350	10,438	5,338	36,069	407	4,568	32,490	-	563	**92,614**
- Valuation	18,555	16,581	410,590	-	250	-	-	-	1,867	4,766	**452,609**
Accumulated depreciation	(1,676)	-	(284,136)	-	(24,180)	(108)	(3,306)	(10,998)	-	-	**(324,404)**
Net book amount	**19,270**	**16,931**	**136,892**	**5,338**	**12,139**	**299**	**1,262**	**21,492**	**1,867**	**5,329**	**220,819**

Note 23. Property, plant and equipment (continued)

	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Inftrastructure under construction $'000	Property, plant and equipment * $'000	Leased plant & equipment $'000	Library collections $'000	Library rare books $'000	Other property, plant & equipment ** $'000	Total $'000
Parent entity										
At 1 January 2008										
- Cost	1,068	-	3,713	8,399	28,231	4,696	28,882	-	334	**75,323**
- Valuation	17,434	18,530	360,775	-	-	-	-	1,867	4,766	**403,372**
Accumulated depreciation	(543)	-	(239,406)	-	(17,684)	(2,883)	(5,222)	-	-	**(265,738)**
Net book amount	**17,959**	**18,530**	**125,082**	**8,399**	**10,547**	**1,813**	**23,660**	**1,867**	**5,100**	**212,957**
Year ended 31 December 2008										
Opening net book amount	17,959	18,530	125,082	8,399	10,547	1,813	23,660	1,867	5,100	**212,957**
Accummulated depreciation change on revaluation	-	-	-	-	-	-	-	-	-	**-**
Depreciation written back on disposal	-	-	232	-	997	164	353	-	-	**1,746**
Transfers	204	-	7,941	(8,221)	275	-	-	-	(199)	**-**
Derecognition	-	-	-	-	-	-	-	-	-	**-**
Revaluation surplus	-	(1,949)	(5,461)	-	-	-	-	-	-	**(7,410)**
Additions	686	-	4,782	5,654	3,977	350	2,230	-	339	**18,018**
Assets included in a disposal group classified as held for sale and other disposals	-	-	(341)	-	(1,205)	(370)	(353)	-	-	**(2,269)**
Depreciation charge	(547)	-	(4,653)	-	(2,489)	(370)	(2,976)	-	-	**(11,035)**
Closing net book amount	**18,302**	**16,581**	**127,582**	**5,832**	**12,102**	**1,587**	**22,914**	**1,867**	**5,240**	**212,007**
At 31 December 2008										
- Cost	1,958	-	-	5,832	31,276	4,676	30,759	-	474	**74,975**
- Valuation	17,434	16,581	407,180	-	-	-	-	1,867	4,766	**447,828**
Accumulated depreciation	(1,090)	-	(279,598)	-	(19,174)	(3,089)	(7,845)	-	-	**(310,796)**
Net book amount	**18,302**	**16,581**	**127,582**	**5,832**	**12,102**	**1,587**	**22,914**	**1,867**	**5,240**	**212,007**

Note 23. Property, plant and equipment (continued)

	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Property, plant and equipment * $'000	Leased plant & equipment $'000	Library collections $'000	Library rare books $'000	Other property, plant & equipment ** $'000	Total $'000
Parent entity										
Year ended 31 December 2009										
Opening net book amount	18,302	16,581	127,582	5,832	12,102	1,587	22,914	1,867	5,240	**212,007**
Depreciation written back on disposal	-	-	175	-	342	118	-	-	-	**635**
Transfers	83	-	5,340	(5,440)	384	-	-	-	(16)	**351**
Derecognition	-	-	-	-	-	-	-	-	-	**-**
Revaluation surplus	-	-	-	-	-	-	-	-	-	**-**
Additions	337	-	4,225	4,946	1,656	185	1,732	-	105	**13,186**
Assets classified as held for sale and other disposals	-	-	(190)	-	(519)	(293)	-	-	-	**(1,002)**
Depreciation charge	(558)	-	(4,431)	-	(2,646)	(334)	(3,154)	-	-	**(11,123)**
Closing net book amount	**18,164**	**16,581**	**132,701**	**5,338**	**11,319**	**1,263**	**21,492**	**1,867**	**5,329**	**214,054**
At 31 December 2009										
- Cost	2,378	-	9,565	5,338	32,796	4,569	32,491	-	563	**87,700**
- Valuation	17,434	16,581	406,990	-	-	-	-	1,867	4,766	**447,638**
Accumulated depreciation	(1,648)	-	(283,854)	-	(21,477)	(3,306)	(10,999)	-	-	**(321,284)**
Net book amount	**18,164**	**16,581**	**132,701**	**5,338**	**11,319**	**1,263**	**21,492**	**1,867**	**5,329**	**214,054**

* Property, plant & equipment includes all operational assets

** Other Property, plant & equipment includes non-operational assets such as Museum & Collections, Artworks & MIS WIP.

Note 24. Intangible assets

	Notes	Software Development	License	Course Development	Total
Intangible assets	1(n)				
Consolidated		$'000	$'000	$'000	$'000
At 1 January 2008					
Cost		13,509	525	1,336	15,370
Accumulated amortisation and impairment		(6,593)	-	(1,136)	(7,729)
Net book amount		6,916	525	200	7,641
Year ended 31 December 2008					
Opening net book amount		6,916	525	200	7,641
Impairment charge		-	-	-	-
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)
Net book amount		6,600	525	186	7,311
Year ended 31 December 2009					
Opening net book amount		6,600	525	186	7,311
Additions		428	-	83	511
Impairment charge		-	-	-	-
Amortisation charge		(1,401)	-	(129)	(1,530)
Closing net book amount		5,627	525	140	6,292
At 31 December 2009					
Cost		15,119	525	840	16,484
Accumulated amortisation and impairment		(9,492)	-	(700)	(10,192)
Closing Net book amount		5,627	525	140	6,292

Note 25. Trade and other payables

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current					
Trade Payables		1,952	2,100	1,222	1,125
Refundable Receipts		71	-	2	-
Total current trade and other payables		2,023	2,100	1,224	1,125

a) Foreign currency risk

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

US Dollar	-	-	-	-
Australian Dollars	2,023	2,100	1,224	1,125
	2,023	2,100	1,224	1,125

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 38.

Note 26. Borrowings

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current				
Commercial Loan				
Other	3	-	-	-
Total commercial loan	3	-	-	-
Finance Lease (i)				
Other	-	54	-	-
National Australia Bank	224	227	224	227
Westpac Banking Corporation (Honeywell)	176	164	176	164
Total finance lease	400	445	400	391
Total current borrowings	403	445	400	391
Non-current				
Commercial Loan				
Other	-	65	-	-
Total commercial loan	-	65	-	-
Finance Lease				
Other	-	-	-	-
Westpac Banking Corporation (Honeywell)	174	350	174	350
National Australia Bank	41	131	41	131
Total finance lease	215	481	215	481

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Total non-current borrowings		215	546	215	481
Total borrowings		618	991	615	872

(i) Secured by the assets leased (note 23)

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 27. Provisions 1(s)

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current				
Annual leave				
The estimated liability, as at 31 December, is fully provided. Movements in the provision are :				
Balance brought forward from prior year	9,578	8,475	8,624	7,571
Add : Current Year Provision	7,820	6,469	7,547	6,399
Less : Payments from Fund	(6,012)	(5,466)	(5,643)	(5,346)
Balance as at 31 December	11,386	9,478	10,528	8,624
Long service leave				
The estimated liability, as at 31 December, is fully provided. Movements in the provision are :				
Balance brought forward from prior year	17,508	15,664	17,235	15,461
Add : Current Year Provision	3,024	5,313	2,457	5,237
Less : Payments from Fund	(2,732)	(3,469)	(2,714)	(3,463)
Balance as at 31 December	17,800	17,508	16,978	17,235
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 through to 2009.				
Staffing	500	2,365	500	2,365
Other	2,583	2,576	2,571	2,576
Total Current Provision	32,269	31,927	30,577	30,800
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual Leave	11,371	9,478	10,527	8,624
Long service leave	4,384	3,650	3,597	3,377
Staffing	500	2,365	500	2,365
Other	2,583	2,576	2,571	2,576
Subtotal	18,838	18,069	17,195	16,942
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual Leave	15	-	-	-
Long service leave	13,416	13,858	13,382	13,858
Subtotal	13,431	13,858	13,382	13,858
Total current provisions	32,269	31,927	30,577	30,800
Summary movements current provisions				
Movements in the Provision Account are:				
Carrying amount at start of year	31,927	31,749	30,800	30,642
Current year movement in provision				
- Annual Leave	1,908	1,003	1,903	1,053
- Long Service Leave	292	1,844	(256)	1,774
- Staffing	(1,865)	(750)	(1,865)	(750)
- Other	7	(1,919)	(5)	(1,919)
Carrying amount at end of year	32,269	31,927	30,577	30,800

Notes to the financial statements
31 December 2009
(continued)

	Notes	Consolidated		Parent entity	
		2009	2008	**2009**	2008
		$'000	$'000	**$'000**	$'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		4,095	3,698	3,210	2,783
Add : Current Year Provision		7	(30)	-	-
Less : Payments from Fund		(1,288)	427	(584)	427
Balance as at 31 December		2,814	4,095	2,626	3,210
Deferred government benefits for superannuation					
State Superannuation Scheme (SSS)					
Liability		216,999	245,328	216,999	245,328
Less : Equity		(73,457)	(78,507)	(73,457)	(78,507)
		143,542	166,821	143,542	166,821
State Authorities Superannuation Scheme (SASS)					
Liability		24,748	25,735	24,748	25,735
Less : Equity		(24,281)	(22,959)	(24,281)	(22,959)
		467	2,776	467	2,776
State Authorities Non-Contributory Scheme (SANCS)					
Liability		5,263	6,074	5,263	6,074
Less : Equity		(2,418)	(2,575)	(2,418)	(2,575)
		2,845	3,499	2,845	3,499
Total deferred government benefits for superannuation		146,854	173,096	146,854	173,096
Accrued Liability Professorial Superannuation		1,943	7,032	1,943	7,032
Total Superannuation Liability		148,797	180,128	148,797	180,128
Total Non-current provisions		151,611	184,224	151,422	183,339
Summary movements employee benefits					
Movements in the Provision Account are:					
Carrying amount at start of year		184,224	82,208	183,339	81,293
Current year movement in provision					
- Professorial Superannuation		(5,089)	3,424	(5,089)	3,424
- Other Superannuation		(26,243)	98,202	(26,244)	98,195
- Long Service Leave		(1,281)	390	(584)	427
Carrying amount at end of year		151,611	184,224	151,422	183,339

Notes to the financial statements
31 December 2009
(continued)

Note 28. Other Liabilities

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current				
(i) Accrued Liabilities				
Salary Related	1,311	487	1,273	487
Other Accrued Expenditure	5,165	5,745	4,972	5,745
	6,476	6,232	6,245	6,232
(ii) Monies Received in Advance				
Financial Assistance in Advance	4,247	4,077	4,247	4,077
Fees in Advance	6,249	5,984	4,286	4,681
	10,496	10,061	8,533	8,758
(iii) Trust Funds				
Security Deposits	7	8	7	8
Employee Deduction Clearing Accounts	2,045	1,804	2,045	1,804
Associated Entities	159	153	159	153
Other	800	704	800	704
	3,011	2,669	3,011	2,669
Total current other liabilities	19,983	18,962	17,789	17,659
Non Current				
Fees in Advance	259	231	259	231
Total other liabilities	20,242	19,193	18,048	17,890

Note 29. Reserves and retained surplus

(a) Reserves	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Revaluation Reserve - Investments	1,147	839	1,130	839
Revaluation Reserve - Buildings	4,346	4,887	3,112	3,250
Revaluation Reserve - Land	9,051	9,051	9,051	9,051
Revaluation Reserve - Infrastructure	7,683	7,320	7,144	7,144
Revaluation Reserve - Works of Art	188	188	188	188
Soccer scholarship fund reserve	-	8	-	-
Total reserves	22,415	22,293	20,625	20,472

Notes to the financial statements
31 December 2009
(continued)

Reserves Continued

Movements	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Asset revaluation reserve - Investments				
Balance 1 January	839	1,121	839	1,121
Increment/(decrement) on revaluation	308	(282)	291	(282)
Balance 31 December	1,147	839	1,130	839
Asset revaluation reserve - Buildings				
Balance 1 January	4,887	9,412	3,250	9,412
Increment/(decrement) on revaluation	-	(3,824)	-	(5,461)
Transfer to/(from) retained surplus on disposal	(541)	(701)	(138)	(701)
Balance 31 December	4,346	4,887	3,112	3,250
Asset revaluation reserve - Land				
Balance 1 January	9,051	11,000	9,051	11,000
Increment/(decrement) on revaluation	-	(1,949)	-	(1,949)
Balance 31 December	9,051	9,051	9,051	9,051
Asset revaluation reserve - Infrastructure				
Balance 1 January	7,320	7,166	7,144	7,144
Increment/(decrement) on revaluation	363	154	-	-
Balance 31 December	7,683	7,320	7,144	7,144
Asset revaluation reserve - Works of art				
Balance 1 January	188	188	188	188
Increment on revaluation	-	-	-	-
Balance 31 December	188	188	188	188

(b) Retained surplus

Movements in retained surplus were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Retained surplus at 1 January	211,870	203,947	191,702	183,110
Write off Revaluation Reserve for Demolition of Buildings (AASB 116)	-	701	-	701
Write off Retained surplus for devaluation of holdings in Joint Venture	(1,246)	-	-	-
Transfer from Reserves	128	-	-	-
Retained surplus of newly acquired entity	4,318	-	-	-
Net movement - Investment in subsidiaries	(608)	(18)	-	-
Net Operating Result for the year	9,763	7,240	8,086	7,891
Retained Surplus at 31 December	224,225	211,870	199,788	191,702

(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(n).

Note 30. Key management personnel disclosures

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

The Hon Dr R Torbay MP - Chancellor
Mr S Williams - Deputy Chancellor
Professor A Pettigrew - Vice-Chancellor (term expired 14 September 2009)
Professor G Webb - Acting Vice -Chancellor (term expired 10 December 2009)
Professor E Magner
Dr J Harris
Ms J McClelland
Dr C Gellatly, AO
Ms Gae Raby (appointed 10 December 2009)
Mr Kevin Dupe (appointed 1 May 2009)
Associate Professor J Madison
Dr L Piper
Ms K Hempsall
Ms C Millis
Ms A Zikan
Ms J Hickson (term expired 2 November 2009)
Mr R Finch
Dr C Watson (appointed 1 January 2009)

(b) Remuneration of Board Members and Executives

	Consolidated		Parent entity	
Remuneration of Board Members	**2009**	2008	**2009**	2008
	No.	**No.**	**No.**	**No.**
Nil to $9,999	37	39	18	22
	37	39	18	22
	$'000	$'000	**$'000**	$'000
Aggregate Remuneration of Board Members				
Total Aggregate Remuneration	12	15	6	5
Remuneration of executive officers	**No.**	**No.**	**No.**	**No.**
$130,000 to $139,999	-	-	-	-
$140,000 to $149,999	-	-	-	-
$150,000 to $159,999	-	2	-	1
$160,000 to $169,999	1	2	-	-
$170,000 to $179,999	1	-	-	-
$190,000 to $199,999	1	-	1	-
$200,000 to $209,999	-	-	-	-
$210,000 to $219,999	1	-	1	-
$220,000 to $229,999	-	-	-	-
$230,000 to $239,999	-	2	-	2
$240,000 to $249,999	1	-	1	-
$250,000 to $259,999	-	1	-	1
$260,000 to $269,999	1	-	1	-
$270,000 to $279,999	2	1	2	1
$280,000 to $289,999	1	-	1	-
$290,000 to $299,999	1	-	1	-
$330,000 to $339,999	1	-	1	-
$350,000 to $359,999	-	1	-	1
$430,000 to $439,999	-	-	-	-
$510,000 to $519,999	-	1	-	1
$550,000 to $559,999	-	-	-	-
$970,000 to $979,999*	1	-	1	-
	12	10	10	7

* Includes termination payments

	$'000	$'000	**$'000**	$'000
Aggregate Remuneration of executive officers				
Total Aggregate Remuneration	3,822	2,709	3,346	2,026

(c) **Related party transactions**

The University had no material related party transactions for the year ended 31 December, 2009. 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 2009, the University paid sitting fees to University Council Members totalling $6,000.

Note 31. 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	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'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.*	346	279	245	200
Total remuneration for audit services	346	279	245	200
2. Non-audit services				
Audit-related services				
External Audit Services Providers	49	5	45	-
Quality assurance	92	-	92	-
Total remuneration for audit-related services	141	5	137	-

Note 32. 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 33. Commitments

(a) Capital Commitments

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

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Property, plant and equipment payable:				
Within one year	11,556	4,363	11,556	4,363
Later than one year but not later than five years	-	-	-	-
Later than five years				
	11,556	4,363	11,556	4,363
Intangible assets payable:				
Within one year	30	-	-	-
Later than one year but not later than five years	-	-	-	-
Later than five years				
	30	-	-	-
(b) Lease Commitments				
(i) Operating Leases				
Within one year	167	168	-	-
Later than one year but not later than five years	653	62	-	-
Later than five years	27	-	-	-
Total operating leases	847	230	-	-
(ii) Finance Leases				
Within one year	430	473	430	443
Later than one year but not later than five years	222	512	222	512
Later than five years	-	-	-	-
Total finance leases	652	985	652	955
Total lease commitments	1,499	1,215	652	955

No lease arrangements, existing as at 31 December 2009, 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 2009 Commitments

The value of orders, for goods and services placed, but not filled, as at 31 December 2009, total $6,707,733.
(2008: $6,536,301). Expenditure for these orders is expected to occur in 2010.

In addition, during 2009, the University entered into contracts for the following operating expenditures:

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Within one year	11,359	9,850	10,315	9,850
Later than one year but not later than five years	22,717	21,530	22,717	21,530
Later than five years	-	-	-	-
Total other expenditure commitments	34,076	31,380	33,032	31,380

(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 34. Related parties

(a) Parent entities
The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries
Interest in subsidiaries are set out in note 35.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 30.

(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.

	2009	2008
The following transactions occurred with related parties	$'000	$'000
Sale of goods and services	3,695	2,341
Purchase of goods and services	2,658	1,608

Outstanding balances

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

Receivables	177	276
Payables	29	10

(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 35. Subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity Holding 2009 %	Equity Holding 2008 %
UNE Partnerships Pty Ltd	Australia	Limited by Shares	100	100
Agricultural Business Research Institute	Australia	Limited by Guarantee	100	100
International Livestock Resources And Information Centre Limited	Australia	Limited by Guarantee	100	100
Services UNE Limited	Australia	Limited by Guarantee	100	100
UNE Sports Association trading as Sport UNE	Australia	Other Unincorporated Entity	100	100
UNE Foundation Limited as Trustee for UNE Foundation *	Australia	Limited by Guarantee	100	100

* Included as a Controlled Entity from 1 January 2009

Note 36. **Reconciliation of operating result after income tax to net cash flows from operating activities**

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Operating result for the period	9,763	7,240	8,086	7,891
Depreciation and amortisation	13,216	13,141	12,345	12,181
Impairment of investment	-	750	(251)	750
Provision for impaired receivables	(255)	(13)	(257)	(10)
Share in Operating Result of Joint Venture	404	123	-	-
Loss on revaluation	(678)	22	-	-
Net (gain) / loss on sale of non-current assets	(113)	317	(98)	302
Increase/(Decrease) in Payables and Prepaid Income	221	(2,067)	(112)	(1,550)
Increase/(Decrease) in Provision for Employee Entitlements	(32,226)	103,807	(32,175)	103,820
Increase/(Decrease) in Provision for Annual Leave	1,882	1,068	1,903	1,053
Increase/(Decrease) in Other Provisions	(1,855)	(2,669)	(1,870)	(2,669)
Increase/(Decrease) in Trust Funds	367	2,098	369	2,099
(Increase)/Decrease in Receivables and Prepaid Expenses	30,631	(100,083)	31,707	(100,401)
(Increase)/Decrease in Inventories	86	46	68	71
Net cash provided by / (used in) operating activities	21,443	23,780	19,715	23,537

Note 37. **Events occuring after the balance date**

Subsequent to balance date the University of New England and Southern Cross University have agreed to sell UNE's interest in National Marine Science Centre to Southern Cross University.

Notes to the financial statements
31 December 2009
(continued)

Note 38. 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	17	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	16	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	16	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 1.51% and 8.20%. Average maturity of 71 days.
Listed Shares	19	Listed Shares are carried at bid price	
Unlisted Shares	19	Unlisted Shares are carried at the lower of cost or recoverable amount	
Financial Liabilities			
Borrowings	26	No borrowings were taken up in 2009.	
Finance Leasing	26	The lease liability is accounted for in accordance with AASB 117.	Interest rates per market and schedules. Between 5.53% and 8.48%.
Creditors and Accruals	25 & 28(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

Financial risk management - 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 table at the end of the note summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation 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 statement of financial position.

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

For UNE Partnerships Pty Limited, Agricultural Business Research Institute, International Livestock Resources and Information Centre Ltd, Services UNE Limited, the University of New England Sports Association, Sport UNE Limited, UNE Foundation and UNE Foundation 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.

Financial risk management - continued

31 December 2009	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	2.79	11,668					11,668
Investments-Term Deposits	4.41		46,449				46,449
Receivables						14,152	14,152
Receivable - Commonwealth debtor						144,008	144,008
Receivables - Related Entities						43	43
Listed Shares						3,516	3,516
National Marine Science Centre						5,272	5,272
Unlisted Shares						11	11
Total Financial Assets		11,668	46,449			167,002	225,119
Financial Liabilities							
Borrowings			403	215			618
Payables						2,023	2,023
Other Amounts Owing						19,983	19,983
Total Financial Liabilities			403	215		22,006	22,624
Net Financial Assets(Liabilities)		11,668	46,046	(215)		144,996	202,495

Comparative figures for the previous year are as follows:

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 and 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

(d) 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) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Group is the current bid price.

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

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

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

Financial risk management - continued

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	58,117	46,400	58,117	46,400
Receivables	14,152	15,275	14,152	15,275
Investments using the equity method	5,272	6,923	5,272	6,923
Other financial assets	3,527	2,542	3,527	2,542
Total financial assets	81,068	71,140	81,068	71,140
Financial liabilities				
Payables	2,023	2,100	2,023	2,100
Borrowings	618	991	618	991
Other financial liabilities	19,983	18,962	19,983	18,962
Total financial liabilities	22,624	22,053	22,624	22,053

Financial risk management - (continued)

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 2009	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	11,668	(117)	(117)	117	117	(1,167)	(1,167)	1,167	1,167	N/A	N/A	N/A	N/A
Investments-Term Deposits	46,449	(464)	(464)	464	464	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	14,152												
Receivable - Commonwealth debtor	144,008												
Receivables - Related Entities	43												
Listed Shares	3,516												
National Marine Science Centre	5,272												
Unlisted Shares	11												
Total Financial Assets	225,119												
Financial Liabilities													
Borrowings	618	-	-	-	-								
Payables	2,023												
Other Amounts Owing	19,983												
Total Financial Liabilities	22,624												
Total increase / (decrease)	202,495	-	-	-	-	-	-	-	-	-	-	-	-

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(continued)

Financial risk management (continued)

Comparative figures for the previous year are as follows:

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	(39)	(39)	39	39	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	42,495	(425)	(425)	425	425	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	15,274					(1,528)	(1,528)	1,528	1,528				
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	-	-	-	-								
Creditors	2,100												
Other Amounts Owing	18,962												
Total Financial Liabilities	22,053												
Total increase / (decrease)	222,412	-	-	-	-	-	-	-	-	-	-	-	-

Note 39 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 made a contribution of $2.9 million in 2009, (2008: $2.7 million) to the defined benefit plan during the year.

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

State schemes (SASS, SANCS, SSS)	**2009 (%)**	**2008 (%)**
Discount rate(s)		
Expected return on plan assets	8.3	8.3
Expected rate(s) of salary increase	4.0	3.5
Expected return on reimbursement rights	7.3	7.3
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate (s) (gross of tax)	5.7	4.0
Discount rate (s) (net of tax)	4.8	3.4
Expected return on fund assets	8.4	6.7
Expected rate (s) of salary increase	4.0	4.0

Notes to the financial statements
31 December 2009
(continued)

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 2009 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 date is as follows:

State schemes (SASS, SANCS, SSS)	**2009 (%)**	**2008 (%)**
Australian equities	33.1	29
Overseas equities	26.8	26.5
Australian fixed interest securities	5.8	8.3
Overseas fixed interest securities	4.1	6.9
Property	9.2	10.8
Cash	7.8	4.2
Other	13.2	14.3
Weighted average expected return	8.3	7.7
Professorial Superannuation Fund		
Australian equities	41.1	40.3
Overseas equities	36.2	38.3
Australian fixed interest securities	2	10.8
Overseas fixed interest securities	6.9	0.0
Property	9.8	8.8
Cash	4	1.8

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:

State schemes (SASS, SSS)	**2009 $'000**	2008 $'000	2007 $'000	2006 $'000	2005 $'000
Fair value of plan assets	97,738	104,041	143,688	135,026	98,379
Present value of defined benefit obligation	(241,746)	(277,137)	(218,590)	(231,627)	(222,103)
Surplus/(deficit)	(144,008)	(173,096)	(74,902)	(96,601)	(123,724)
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	(8,004)	(5,119)	(6,365)	(4,403)	(2,730)
Present value of defined benefit obligation	9,947	12,151	9,973	11,213	11,425
Liability (asset) recognised in balance sheet	1,943	7,032	3,608	6,810	8,695
Actuarial liability (gain) loss due to experience adjustments	(131)	920	(220)	437	(245)
Actuarial asset (gain) loss due to experience adjustments	(1,090)	3,258	(313)	(125)	(92)

b) Financial impact for funds guaranteed by Commonwealth Government

Present value obligations - 2009	**SASS** $'000	**SSS** $'000	**Total** $'000
Opening defined benefit obligation	25,735	245,328	271,063
Current service cost	1,031	603	1,634
Interest cost	1,012	9,748	10,760
Contributions from plan participants	449	659	1,108
Actuarial losses/(gains)	(1,268)	(25,823)	(27,091)
Benefits paid	(2,212)	(13,516)	(15,728)
Past service costs	-	-	-
Liabilities from business combinations	-	-	-
Loss/(gains) on curtailments	-	-	-
Liabilities extinguished on settlements	-	-	-
Closing defined benefit obligation	**24,747**	**216,999**	**241,746**

Defined Benefit Plans (continued)

Present value of plan assets - 2009	**SASS**	**SSS**	**Total**
	$'000	$'000	$'000
Opening fair value of plan assets	22,959	78,507	101,466
Expected return on plan assets	1,823	5,929	7,752
Actuarial gains/(losses)	246	1,319	1,565
Exhange differences on foreign plans	-	-	-
Contributions from the employer	1,016	559	1,575
Contributions from plan participants	449	659	1,108
Benefits paid	(2,212)	(13,516)	(15,728)
Assets acquired in a business combination	-	-	-
Assets distributed on settlements	-	-	-
Closing fair value of plans assets	**24,281**	**73,457**	**97,738**

Reimbursement rights - 2009	**SASS**	**SSS**	**Total**
	$'000	$'000	$'000
Opening value of reimbursement right	-	-	-
Change in value	-	-	-
Closing value of reimbursement right	**0**	**0**	**0**

Net liability- 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Defined benefit obligation	24,747	5,263	216,998	247,008
Fair value of plan assets	(24,281)	(2,418)	(73,456)	(100,155)
Net liability	466	2,845	143,542	146,853
Reimbursement right	-	-	-	-
Total liability /(asset) in balance sheet	**466**	**2,845**	**143,542**	**146,853**

Expense recognised - 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Current service cost	1,031	290	603	1,924
Interest on obligation	1,012	234	9,747	10,993
Expected return on plan assets	(1,823)	(266)	(5,929)	(8,018)
Expected return on reimbursement rights	-	-	-	-
Past service costs	-	2,587	-	2,587
Loss/(gain) from curtailments/settlements	-	-	-	-
Limit on the defined benefit asset	-	-	-	-
Expense/(income)	220	2,845	4,421	7,486

Actual returns - 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Actual return on plan assets	2,488	282	7,515	10,285
Actual return on reimbursement right	-	-	-	-

Other comprehensive income - 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Actuarial losses/(gains) on defined benefit	-	-	-	-
Actuarial (losses)/gains on plan assets	-	-	-	-
Change in reimbursement rights	-	-	-	-
Recognised in other comprehensive income	**0**	**0**	**0**	**0**
Cumulative total net actuarial (loses)/gains				

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
Exhange differences on foreign plans				0
Benefits paid	(2,208)	(1,116)	(17,267)	(20,591)
Past service costs	-	-	-	
Liabilities from business combinations	-	-	-	-
Loss/(gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Closing defined benefit obligation	**25,735**	**6,074**	**245,328**	**277,137**

Notes to the financial statements
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(continued)

Defined Benefit Plans (continued)

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)
Exhange differences on foreign plans				0
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)
Assets acquired in a business combination	-	-	-	0
Assets distributed on settlements	-	-	-	0
Closing fair value of plans assets	**22,959**	**2,575**	**78,507**	**104,041**

Reimbursement rights - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening value of reimbursement right	-	-	-	-
Change in value	-	-	-	-
Closing value of reimbursement right	**0**	**0**	**0**	**0**

Net liability- 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Defined benefit obligation	25,735	6,074	245,328	277,137
Fair value of plan assets	(22,959)	(2,575)	(78,507)	(104,041)
Net liability	2,776	3,499	166,821	173,096
Reimbursement right	-	-	-	-
Total liability /(asset) in balance sheet	**2,776**	**3,499**	**166,821**	**173,096**

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)
Expected return on reimbursement rights	-	-	-	-
Past service costs	-	-	-	-
Loss/(gain) from curtailments/settlements	-	-	-	-
Limit on the defined benefit asset	-	-	-	-
Expense/(income)	394	242	3,840	4,476

Actual returns - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Actual return on plan assets	-	-	-	-
Actual return on reimbursement right	-	-	-	-

Other comprehensive income - 2008	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Actuarial losses/(gains) on defined benefit	-	-	-	-
Actuarial (losses)/gains on plan assets	-	-	-	-
Change in reimbursement rights	-	-	-	-
Recognised in other comprehensive income	**0**	**0**	**0**	**0**
Cumulative total net actuarial (loses)/gains				

Defined Benefit Plans (continued)

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 2009 the assets of the DBD in aggregate were estimated to be $1,396 million in deficiency 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 2009 the assets of the DBD in aggregate were estimated to be $39 million in deficiency 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 12 June 2009 on the actuarial investigation of the DBD as at 31 December 2008. 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.

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

The Defined Benefit Division as at 30 June 2009 is therefore in an "unsatisfactory financial position" as defined by SIS Regulation 9.04. An "unsatisfactory financial position" for a defined benefit fund is defined as when ‘the value of the assets of the Fund is inadequate to cover the value of the liabilities of the Fund in respect of benefits vested in the members of the Fund'. The Actuary and the Trustee have followed the procedure required by Section 130 of the SIS Act when funds are found to be in an unsatisfactory financial position.

The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 30 June 2009, together with current contribution rates, are expected to be sufficient to provide for the current benefit levels for both existing members and anticipated new members if experience follows the “best estimate” assumptions.

Note 40. Acquittal of Australian Government financial assistance

40.1 DEEWR - CGS and Other DEEWR Grants

Parent entity (University) Only

	Note	Commonw'lth Grant Scheme #1		Indigeneous Support Program		Equity Support Program		Workplace Reform Program		Workplace Productivity Program		Learning & Teaching Performance Fund	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		62,542	60,899	791	738	624	608	861	867	-	1,699	1,032	1,608
Net accrual adjustments		(9)	(280)	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(a)	62,533	60,619	791	738	624	608	861	867	-	1,699	1,032	1,608
Surplus / (deficit) from the previous year		2,405	2,126	89	138	809	686	-	-	1,222	1,139	1,141	1,067
Total revenue including accrued revenue		64,938	62,745	880	876	1,433	1,294	861	867	1,222	2,838	2,173	2,675
Less expenses including accrued expenses		62,524	60,340	698	787	389	485	861	867	1,222	1,616	21	1,534
Surplus / (deficit) for reporting period		2,414	2,405	182	89	1,044	809	-	-	-	1,222	2,152	1,141

 # 1 Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

DEEWR - CGS and Other DEEWR Grants (continued)	Note	Capital Development Pool		Diversity and Structural Adjustment Fund #2		Improving Practical Comp of Teach Ed		Transitional Cost Program		Graduate Skills Assessment		Total	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		5,513	600	732	1,014	475	636	386	666	-	50	72,956	69,385
Net accrual adjustments		-	-	-	-	-	-	93	(86)	-	-	84	(366)
Revenue for the period	3(a)	5,513	600	732	1,014	475	636	479	580	-	50	73,040	69,019
Surplus / (deficit) from the previous year		855	1,129	1,085	305	-	-	86	-	-	119	7,692	6,709
Total revenue including accrued revenue		6,368	1,729	1,817	1,319	475	636	565	580	-	169	80,732	75,728
Less expenses including accrued expenses		4,089	874	605	234	475	636	572	494	-	169	71,456	68,036
Surplus / (deficit) for reporting period		2,279	855	1,212	1,085	-	-	(7)	86	-	-	9,276	7,692

 # 2 Includes Collaboration and Structural Adjustment Program.

40.2 Higher Education Loan Programmes (excl OS-HELP)

Parent entity (University) Only

	Note	HECS-HELP (Australian Government payments only) 2009 $'000	2008 $'000	FEE-HELP #3 2009 $'000	2008 $'000	Total 2009 $'000	2008 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		34,759	33,966	2,555	3,463	37,314	37,429
Net accrual adjustments		(199)	21	277	(625)	78	(604)
Revenue for the period	3(b)	34,560	33,987	2,832	2,838	37,392	36,825
Surplus / (deficit) from the previous year		875	897	(70)	(695)	805	202
Total revenue including accrued revenue		35,435	34,884	2,762	2,143	38,197	37,027
Less expenses including accrued expenses		34,361	34,008	3,110	2,213	37,471	36,221
Surplus / (deficit) for reporting period		1,074	876	(348)	(70)	726	806

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

40.3 Scholarships

Parent entity (University) Only

	Note	Australian Postgraduate Awards 2009 $'000	2008 $'000	International Postgraduate Research Scholarships 2009 $'000	2008 $'000	Commonwealth Education Costs Scholarships #4 2009 $'000	2008 $'000	Commonwealth Accomodation Scholarships #4 2009 $'000	2008 $'000	Indigenous Access Scholarships 2009 $'000	2008 $'000	Total 2009 $'000	2008 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,605	1,305	219	233	1,088	949	1,408	1,211	108	82	4,428	3,780
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(c)	1,605	1,305	219	233	1,088	949	1,408	1,211	108	82	4,428	3,780
Surplus / (deficit) from the previous year		463	184	35	-	870	418	854	411	17	-	2,239	1,013
Total revenue including accrued revenue		2,068	1,489	254	233	1,958	1,367	2,262	1,622	125	82	6,667	4,793
Less expenses including accrued expenses		1,460	1,026	229	198	549	497	913	768	87	65	3,238	2,554
Surplus / (deficit) for reporting period		608	463	25	35	1,409	870	1,349	854	38	17	3,429	2,239

#4 Includes National Priority and National Accommodation Priority Scholarships respectively.

40.4 DIISR Research

Parent entity (University) Only

	Note	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Regional Protection Scheme		Implementation Assistance Programme	
		2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
		$'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)		3,167	3,265	7,560	7,700	1,466	1,584	-	620	92	94
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,167	3,265	7,560	7,700	1,466	1,584	-	620	92	94
Surplus / (deficit) from the previous year		-	-	-	-	-	-	77	-	62	13
Total revenue including accrued revenue		3,167	3,265	7,560	7,700	1,466	1,584	77	620	154	107
Less expenses including accrued expenses		3,167	3,265	7,560	7,700	1,466	1,584	77	543	(6)	45
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	77	160	62

DIISR Research (continued)

	Note	Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Total	
		2009	2008	**2009**	2008	**2009**	2008
		$'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)		203	192	71	71	12,559	13,526
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	203	192	71	71	12,559	13,526
Surplus / (deficit) from the previous year		3	91	140	69	282	173
Total revenue including accrued revenue		206	283	211	140	12,841	13,699
Less expenses including accrued expenses		206	280	-	-	12,470	13,417
Surplus / (deficit) for reporting period		-	3	211	140	371	282

40.5 Voluntary Student Unionism and Better Universities Renewal Funding

Parent entity (University) Only

		VSU Transition Fund		Support for Small Businesses		Total	
		2009	2008	**2009**	2008	**2009**	2008
		$'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)		200	2,100	-	110	200	2,210
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)	200	2,100	-	110	200	2,210
Surplus / (deficit) from the previous year		5,225	3,740	346	258	5,571	3,998
Total revenue including accrued revenue		5,425	5,840	346	368	5,771	6,208
Less expenses including accrued expenses		2,094	615	346	22	2,440	637
Surplus / (deficit) for reporting period		3,331	5,225	-	346	3,331	5,571

40.6 Other Capital Funding

Parent entity (University) Only

		Better Universities Renewal Fund		Teaching and Learning Capital Fund		Total	
		2009	2008	**2009**	2008	**2009**	2008
		$'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)		-	7,261	7,907	-	7,907	7,261
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(f)	-	7,261	7,907	-	7,907	7,261
Surplus / (deficit) from the previous year		7,255	-	-	-	7,255	-
Total revenue including accrued revenue		7,255	7,261	7,907	-	15,162	7,261
Less expenses including accrued expenses		3,374	6	91	-	3,465	6
Surplus / (deficit) for reporting period		3,881	7,255	7,816	-	11,697	7,255

40.7 Australian Research Council Grants

Parent entity (University) Only

(a) Discovery

		Projects		Total	
		2009	2008	**2009**	2008
		$'000	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		1,098	1,229	1,098	1,229
Net accrual adjustments		-	-	-	-
Revenue for the period	3(g)(i)	1,098	1,229	1,098	1,229
Surplus / (deficit) from the previous year		359	526	359	526
Total revenue including accrued revenue		1,457	1,755	1,457	1,755
Less expenses including accrued expenses		1,164	1,396	1,164	1,396
Surplus / (deficit) for reporting period		293	359	293	359

Parent entity (University) Only

(b) Linkages

	Note	Projects 2009 $'000	Projects 2008 $'000	Total 2009 $'000	Total 2008 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		342	419	342	419
Net accrual adjustments		-	(7)	-	(7)
Revenue for the period	3(g)(ii)	342	412	342	412
Surplus / (deficit) from the previous year		137	269	137	269
Total revenue including accrued revenue		479	681	479	681
Less expenses including accrued expenses		414	544	414	544
Surplus / (deficit) for reporting period		65	137	65	137

Parent entity (University) Only

40.8 OS-HELP

	Note	2009 $'000	2008 $'000
Cash Received during the reporting period		145	112
Cash Spent during the reporting period		(149)	(143)
Net Cash received	3(i)	(4)	(31)
Cash Surplus / (deficit) from the previous period		(21)	10
Cash Surplus / (deficit) for the reporting period	20/30	(25)	(21)

" End of Audited Financial Statements "

Agricultural Business Research Institute

ABRI

Agricultural Business Research Institute

ABN: 30 058 555 632
Annual Financial Report for the year ended 31 December 2009

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 the Agricultural Business Research Institute

I have audited the accompanying financial statements of the Agricultural Business Research Institute (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Agricultural Business Research Institute on 26 March 2010, 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

6 April 2010
SYDNEY

Agricultural Business Reasearch Institute

Directors Report

Your directors submit their report, together with the financial report of the company for the year ended 31 December, 2009.

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

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

The following director was appointed during the year and continues in office at the date of this report:
Morris George MCINNES (appointed November 30, 2009)

The following director held office from the beginning of the year until the date of his resignation:
Daniel Howard HOLMES (resigned October 22, 2009)

b) Directors' Meetings

During the financial year ended 31 December, 2009 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	2
Charles Alexander MCDONALD	3	3
Robert Anthony BARWELL	3	3
Ian Michael LOCKE	3	3
Keith William ENTWISTLE (AM)	3	3
Barry John PAFF	3	2
Daniel Howard HOLMES	2	0
Morris George McInnes	1	1

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.

Significant Changes in Activities
There have been no significant changes in the principal activities of the company in 2009.

Review of Operations
The operating surplus of the company was: $663,155 (2008 = $447,577) and the surplus after fair value adjustments on the financial assets was $1,317,251 (2008 = ($900,930))

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

Significant Changes in the State of Affairs
The value of ABRI's share investments appreciated by $654,096, this being in line with the recovery in the all ordinaries index during 2009.

Matters Subsequent to the End of the Financial Year
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 and Expected Results of Operations
The company will continue to pursue its principal activities during the year 2010.

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.

Insurance of Officers
The University obtains commercial insurance to indeminify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

R A Barwell
Director

Dr A. Rickards
Director

1 April 2010

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 2009, 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

26 March 2010
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;

3. the financial statements and notes are in accordance with the Corporations Act 2001; and

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

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

R A Barwell
Director

Dr A. Rickards
Director

1 April 2010

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005;*

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the 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.

R A Barwell
Director

Dr A. Rickards
Director

1 April 2010

Income Statement

For the year ended 31 December 2009

	Notes	**2009** **$**	2008 $
Revenue from continuing operations			
Investment revenue	**3**	275,740	445,177
Other Revenue	**4**	6,805,011	6,461,993
Total revenue from continuing operations		7,080,751	6,907,170
Gains on disposal of assets	**4**	24,253	-
Other investment income	**3**	654,096	(1,348,507)
Total revenue and income from continuing operations		7,759,100	5,558,663
Expenses from continuing operations			
Employee related expenses	**5**	4,332,998	4,389,806
Depreciation and amortisation	**6**	348,113	334,075
Repairs and maintenance	**7**	62,134	46,092
Impairment of assets	**8**	16,171	35,975
Other expenses	**9**	1,682,433	1,653,645
Total expenses from continuing operations		6,441,849	6,459,593
Operating Surplus/(Deficit) before income tax		1,317,251	(900,930)
Income tax expense		-	-
Operating Surplus/(Deficit) from continuing operations		1,317,251	(900,930)
Operating Surplus/(Deficit) from discontinued operations		-	-
Operating Surplus/(Deficit) after income tax for the period		1,317,251	(900,930)
Operating Surplus/(Deficit) attributable to minority interest		-	-
Operating Surplus/(Deficit) attributable to the ABRI	**19**	1,317,251	(900,930)

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	**2009** **$**	2008 $
Operating Surplus/(Deficit) after income tax for the period		1,317,251	(900,930)
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		-	823,145
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		-	823,145
Total comprehensive income for the period		1,317,251	(77,785)
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		1,317,251	(77,785)

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

Statement of Financial Position

As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	4,487,999	3,694,188
Receivables	**11**	1,100,600	1,305,842
Other non-financial assets	**13**	118,551	-
Total current assets		5,707,150	5,000,030
Non-current assets			
Other financial assets	**12**	2,207,301	1,637,526
Property, plant and equipment	**14**	2,138,379	2,193,371
Intangible assets	**15**	612,642	433,486
Total non-current assets		4,958,322	4,264,383
Total assets		10,665,472	9,264,413
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	455,255	384,742
Provisions	**17**	1,333,060	703,122
Other liabilities	**18**	266,696	296,344
Total current liabilities		2,055,011	1,384,208
Non-current liabilities			
Provisions	**17**	157,469	744,464
Total non-current liabilities		157,469	744,464
Total liabilities		2,212,480	2,128,672
Net assets		8,452,992	7,135,741
EQUITY			
Retained surplus	**19**	7,629,847	6,312,596
Asset revaluation reserve		823,145	823,145
Total equity	**19**	8,452,992	7,135,741

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

Statement of Changes in Equity
For the year ended 31 December 2009

	Reserves	Retained surplus	Total
Balance as 1 January 2008	-	7,213,526	7,213,526
Retrospective application/restatement	-	-	-
Balance as restated	-	7,213,526	7,213,526
Total comprehensive income			
Parent Entity	823,145	(900,930)	(77,785)
Minority interest	-	-	-
Total	823,145	(900,930)	(77,785)
Distributions to owners	-	-	-
Contributions from owners	-	-	-
Balance at 31 December 2008	823,145	6,312,596	7,135,741
Balance as 1 January 2009	823,145	6,312,596	7,135,741
Total comprehensive income			
Parent Entity	-	1,317,251	1,317,251
Minority Interest	-	-	-
Total	-	1,317,251	1,317,251
Distributions to owners	-	-	-
Contributions from owners	-	-	-
Balance at 31 December 2009	823,145	7,629,847	8,452,992

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

Statement of Cash Flows

For the year ended 31 December 2009

	Notes	**2009**	2008
		$	$
Cash flows from operating activities			
Receipts from customers		6,990,743	6,637,041
Interest received		160,345	254,669
Payments to suppliers and employees (inclusive of GST)		(6,078,174)	(6,519,796)
Net cash provided by / (used in) operating activities	**25**	1,072,914	371,914
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		(29,876)	(122,487)
Payments for property, plant and equipment		(357,802)	(150,000)
Proceeds from sale of financial assets		(170,251)	-
Payments for financial assets		278,826	(186,455)
Net cash provided by / (used in) investing activities		(279,103)	(458,942)
Net increase / (decrease) in cash and cash equivalents		793,811	(87,028)
Cash and cash equivalents at the beginning of the financial year		3,694,188	3,781,216
Cash and cash equivalents at the end of the financial year	**10**	4,487,999	3,694,188

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Agricultural Business Research Institute, a not for profit entity, was incorporated in Australia on 11 January 1993 as a company limited by guarantee and is domiciled in Australia. The amount of the gaurantee is limited to $100 per member, which can be called upon in the event of winding up. At December 31, 2009 membership of the company stood at six.

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

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 1 April 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (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, and the Corporations Act of 2001.

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

(b) Foreign currency translation

(i) Functional and presentation currency
The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

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

(ii) Investment income
Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(d) Income tax

Agricultural Business Research Institute has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997.

(e) Leases

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

Note 1. Summary of significant accounting policies (continued)

(f) Impairment of assets

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

(g) *Cash and cash equivalents*

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

(h) *Receivables*

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of 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 Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

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

(i) Investments and other financial assets

Classification

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

(iv) Available-for-sale financial assets

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

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

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

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

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

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

(j) Fair value estimation

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

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

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

Note 1. Summary of significant accounting policies (Continued)

(k) Property, infrastructure, plant and equipment

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

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

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

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

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

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

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

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

Buildings controlled by Entity were revalued as at 31 December 2008, by KnightDavidson.

(l) Intangible assets

(i) Research and development

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

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

***(ii)* Licences**

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

(m) Trade and other payables

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

Note 1. Summary of significant accounting policies (continued)

(n) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance 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.

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.

(o) Goods and Services Tax (GST)

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

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

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

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.

(p) New Accounting Standards and Interpretations
The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption but have not been applied in preparing this financial report.

AASB 2009-5 further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASB's resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Australia	6,664,929	4,511,527	1,131,495	(1,000,193)	10,665,471	9,264,413
Asia	-	-	-	-	-	-
US/Canada	554,726	517,367	94,175	82,779	-	-
Unallocated	539,445	529,769	91,581	16,485	-	-
	7,759,100	5,558,663	1,317,251	(900,930)	10,665,471	9,264,413

		Notes	2009	2008
			$	$
Note 3.	**Investment revenue and income**			
	Interest		179,248	295,375
	Investment Income		-	-
	Dividend Income		96,492	149,802
	Total investment revenue		275,740	445,177
	Change in fair value of financial assets designated as at fair value through profit & loss		654,096	(1,348,507)
	Profit on sale of Assets held for trading		-	-
	Net investment income		654,096	(1,348,507)
Note 4.	**Other revenue and income**			
	Fees and charges		6,805,011	6,461,993
	Gains on sale of assets		24,253	-
	Total other revenue		6,829,264	6,461,993
Note 5.	**Employee related expenses**			
	Salaries		3,694,600	3,805,381
	Contribution to funded superannuation and pension schemes		356,486	332,655
	Payroll tax		215,395	218,015
	Worker's compensation		8,948	21,311
	Long service leave expense		39,343	-
	Other (Allowances, penalties and fringe benefits tax)		18,226	12,444
	Total employee related expenses		4,332,998	4,389,806
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Buildings		37,850	26,974
	Furnitures and Fittings		7,583	7,435
	Plant and Equipment		67,772	80,124
	Motor Vehicles		56,262	52,193
	Total depreciation		169,467	166,726
	Amortisation			
	Intangibles		178,646	167,349
	Plant & equipment under finance leases		-	-
	Total amortisation		178,646	167,349
	Total depreciation and amortisation		348,113	334,075
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		62,134	46,092
	Total repairs and maintenance		62,134	46,092

Notes to the financial statements
(continued)
31 December 2009

		Notes	2009 $	2008 $
Note 8.	**Impairment of assets**			
	Bad Debts		16,171	35,975
	Total impairment of assets		16,171	35,975
Note 9.	**Other expenses**			
	Non-capitalised equipment		7,319	2,656
	Advertising, marketing and promotional expenses		50,571	34,048
	Utilities		36,932	30,408
	Postal and Telecommunications		406,896	431,741
	Travel and Entertainment		118,086	152,003
	Operating Lease Rental Charges		49,929	54,495
	Consultants		258,813	188,026
	Other Expenditure		753,887	760,268
	Total other expenses		1,682,433	1,653,645
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash at bank		4,487,999	3,694,188
	At call investments		-	-
	Total cash and cash equivalents		4,487,999	3,694,188

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

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

	2009 $	2008 $
Balances as above	4,487,999	3,694,188
Less: Bank Overdrafs	-	-
Balance per cash flow statement	4,487,999	3,694,188

(b) Cash at bank and on hand

These are non-interest bearing.

(c) Deposits as call

The deposits are bearing floating interest rates between **4%** and **7%** (2008 - **5%** and **8%**). These deposits have an average maturity of **120** days.

		Notes	2009 $	2008 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,147,702	1,353,545
	Less: Provision for impaired receivables	1(h)	(47,102)	(47,703)
	Total receivables		1,100,600	1,305,842

(a) Impaired receivables

As at 31 December 2009 current receivables of the entity with a nominal value of **$47,102 (2008: $47,703)** were impaired. The amount of the provision was **$47,102 (2008: $47,703).** The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	2009	2008
Over 6 months	47,102	47,703
	47,102	47,703

Notes to the financial statements (continued)
31 December 2009

	Notes	2009 $	2008 $
Receivables (continued)			
Movements in the provision for impaired receivables are as follows:			
As at 1 January		47,703	47,626
Provision for impairment recognised during the year		(601)	77
Receivables written off during the year as uncollectible		-	-
		47,102	47,703

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

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

		Notes	2009 $	2008 $
Note 12.	**Other financial assets**	1(i)		
	Non-current			
	Summary of portfolio as at 31 December:			
	Fair value through profit and loss		2,207,301	1,637,526
	Total non-current other financial assets		2,207,301	1,637,526
Note 13.	**Other non-financial assets**			
	Current			
	Accrued Income		99,530	-
	Prepaid Expenses		19,021	-
	Total current other non-financial assets		118,551	-

Note 14. Property, plant and equipment

	Freehold land $	Freehold buildings $	Plant and equipment $	Motor vehicle $	Furniture & fittings $	Total $
At 1 January 2008						
- Cost	60,000	1,236,336	1,398,577	469,790	114,791	**3,279,494**
- Valuation	290,000	-	-	-	-	**290,000**
Accumulated depreciation	-	(207,889)	(1,244,147)	(320,137)	(92,993)	**(1,865,166)**
Net book amount	**350,000**	**1,028,447**	**154,430**	**149,653**	**21,798**	**1,704,328**
Year ended 31 December 2008						
Opening net book amount	350,000	1,028,447	154,430	149,653	21,798	**1,704,328**
Revaluation surplus	-	533,144	-	-	-	**533,144**
Additions	-	8,585	29,315	76,394	8,331	**122,625**
Depreciation charge	-	(26,973)	(80,125)	(52,193)	(7,435)	**(166,726)**
Closing net book amount	**350,000**	**1,543,203**	**103,620**	**173,854**	**22,694**	**2,193,371**
At 31 December 2008						
- Cost	350,000	1,037,030	183,745	226,047	30,129	**1,826,951**
- Valuation	-	533,145	-	-	-	**533,145**
Accumulated depreciation	-	(26,972)	(80,125)	(52,193)	(7,435)	**(166,725)**
Net book amount	**350,000**	**1,543,203**	**103,620**	**173,854**	**22,694**	**2,193,371**
Year ended 31 December 2009						
Opening net book amount	350,000	1,543,203	103,620	173,854	22,694	**2,193,371**
Additions	-	-	67,142	62,163	8,248	**137,553**
Assets classified as held for sale and other disposals	-	-	-	(23,079)	-	**(23,079)**
Depreciation charge	-	(37,849)	(67,772)	(56,262)	(7,583)	**(169,466)**
Closing net book amount	**350,000**	**1,505,354**	**102,990**	**156,676**	**23,359**	**2,138,379**
At 31 December 2009						
- Cost	350,000	1,778,066	1,175,787	500,669	131,370	**3,935,892**
- Valuation	-	-	-		-	**-**
Accumulated depreciation	-	(272,712)	(1,072,797)	(343,993)	(108,011)	**(1,797,513)**
Net book amount	**350,000**	**1,505,354**	**102,990**	**156,676**	**23,359**	**2,138,379**

Note 15. Intangible assets

	Notes	Software Development
	1(l)	$
At 1 January 2008		
Cost		1,287,884
Accumulated amortisation and impairment		(836,912)
Net book amount		450,972
Year ended 31 December 2008		
Opening net book amount		450,835
Impairment charge		-
Additions		150,000
Amortisation charge		(167,349)
Closing net book amount		433,486
At 31 December 2008		
Cost		1,437,747
Accumulated amortisation and impairment		(1,004,261)
Net book amount		433,486
Year ended 31 December 2009		
Opening net book amount		433,486
Additions		357,803
Impairment charge		-
Amortisation charge		(178,647)
Closing net book amount		612,642
At 31 December 2009		
Cost		1,795,549
Accumulated amortisation and impairment		(1,182,907)
Closing Net book amount		612,642

Note 16. Trade and other payables

	2009 $	2008 $
Current		
Trade Payables	455,255	384,742
Total current trade and other payables	455,255	384,742

a) Foreign currency risk

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

	2009	2008
Australian Dollars	455,255	384,742
	455,255	384,742

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 26.

Note 17. Provisions

1(n)

	2009	2008
Current		
Annual leave		
The estimated liability, as at 31 December, is fully provided. Movements in the provision are :		
Balance brought forward from prior year	668,667	624,105
Add : Current Year Provision	-	-
Less : Payments from Fund	-	-
Balance as at 31 December	668,667	624,105
Long service leave		
The estimated liability, as at 31 December, is fully provided. Movements in the provision are :		
Balance brought forward from prior year	-	-
Add : Current Year Provision	660,793	79,017
Less : Payments from Fund	-	-
Balance as at 31 December	660,793	79,017
Other	3,600	-
Total Current Provision	1,333,060	703,122

	2009 **$**	2008 $
Provisions (continued)		
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual Leave	668,667	624,105
Long service leave	660,793	79,018
Staffing	-	-
Other	3,600	-
Subtotal	1,333,060	703,123
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Annual Leave	-	-
Long service leave	157,469	744,464
Subtotal	157,469	744,464
Total provisions	1,490,529	1,447,587
Summary movements current provisions		
Movements in the Provision Account are:		
Carrying amount at start of year	703,123	741,462
Current year movement in provision		
- Annual Leave	44,562	(41,258)
- Long Service Leave	581,775	2,919
- Other	3,600	-
Carrying amount at end of year	1,333,060	703,123
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	157,469	716,898
Add : Current Year Provision	-	27,566
Less : Payments from Fund	-	-
Balance as at 31 December	157,469	744,464
Total Non-current provisions	157,469	744,464
Summary movements employee benefits		
Movements in the Provision Account are:		
Carrying amount at start of year	744,464	716,898
Current year movement in provision		
- Long Service Leave	(586,995)	27,566
Carrying amount at end of year	157,469	744,464

		2009	2008
		$	$
Note 18.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Fees in Advance	266,696	296,344
	Total current other liabilities	266,696	296,344

Note 19. Reserves and retained surplus

Retained surplus

Movements in retained surplus were as follows:

	2009	2008
Retained surplus at 1 January	6,312,596	7,213,526
Net Operating Result for the year	1,317,251	(900,930)
Retained Surplus at 31 December	7,629,847	6,312,596
Fair value - Revaluation of Land and Buildings	823,145	823,145
Total Equity	8,452,992	7,135,741

Note 20. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receives no benefits or fees for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for Dr Rickards in his capacity as Chief Managing Direcotr of ABRI.

	No.	**No.**
Nil to $9,999	8	8
	8	8

Key management personnel disclosures - continued

Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	5,500	5,400

Remuneration of executive officers	**No.**	**No.**
$100,000 to $119,999	3	3
$120,000 to $139,999	-	-
$140,000 to $169,999	1	1
	4	4

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	514,472	512,921

	2009	2008
	$	$

Note 21. Remuneration of auditors

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

	2009	2008
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.*	19,500	19,500
Total remuneration for audit services	19,500	19,500

Note 22. Contingencies

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

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

Note 23. Lease Commitments

	2009	2008
(i) Operating Leases		
Within one year	-	-
Later than one year but not later than five years	68,387	-
Later than five years	-	-
Total operating leases	68,387	-

No lease arrangements, existing as at 31 December 2009, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 24. Related parties

(a) Parent entities
The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries
The entity does not have any interest in a subsidiary.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 20.

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

The following transactions occurred with related parties:

	2009	2008
Transactions during the period	**$**	$
University of New England		
Income received	-	-
Payments made	311,643	454,082
Net	(311,643)	(454,082)

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

University of New England		
Payables	49,191	36,223

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

	2009	2008
	$	$
Operating result for the period	1,317,251	(900,930)
Depreciation and amortisation	263,514	334,073
Impairment of investment	-	-
Provision for impaired receivables	(601)	77
Loss on revaluation	(678,348)	1,348,507
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables and Prepaid Income	38,181	(281,248)
Increase/(Decrease) in Provision for Employee Entitlements	39,343	(10,773)
Increase/(Decrease) in Provision for Annual Leave	-	-
Increase/(Decrease) in Other Provisions	3,600	-
(Increase)/Decrease in Receivables and Prepaid Expenses	89,974	(117,792)
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	1,072,914	371,914

Note 26. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	11	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	10	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 5 and 7 %. Average maturity of 105 days.
Listed Shares	12	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	16 & 18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

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

As the company recognises all transactions, assets and liabilities in Australian dollars only, it has 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 company Investment Committee.

(iv) Cash flow and fair value interest rate risk

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

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the company:
- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

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
(continued)
31 December 2009

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	5.05	4,487,999					4,487,999
Investments-Term Deposits	5.05		-				0
Receivables						1,100,600	1,100,600
Listed Shares						2,207,301	2,207,301
Unlisted Shares						-	0
Total Financial Assets		4,487,999	-			3,307,901	7,795,900
Financial Liabilities							
Borrowings			-	-			0
Payables						455,255	455,255
Other Amounts Owing						266,696	266,696
Total Financial Liabilities			-	-		721,951	721,951
Net Financial Assets(Liabilities)		4,487,999	-	-		2,585,950	7,073,949

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	6.12	3,694,188					3,694,188
Investments - Term Deposits	6.12		-				0
Receivables	-					1,305,842	1,305,842
Listed Shares	-					1,637,526	1,637,526
Unlisted Shares	-					-	0
Total Financial Assets		3,694,188	-			2,943,368	6,637,556
Financial Liabilities							
Borrowings	-		-	-			0
Payables	-					384,742	384,742
Other Amounts Owing	-					296,344	296,344
Total Financial Liabilities			-	-		681,086	681,086
Net Financial Assets(Liabilities)		3,694,188	-	-		2,262,282	5,956,470

(d) Net Fair Values of Financial Assets and Liabilities

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

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

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

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	4,487,999	3,694,188	4,487,999	3,694,188
Receivables	1,219,151	1,305,842	1,219,151	1,305,842
Other financial assets	2,207,300	1,637,526	2,207,300	1,637,526
Total financial assets	7,914,450	6,637,556	7,914,450	6,637,556
Financial liabilities				
Payables	455,255	384,742	455,255	384,742
Borrowings	0	0	0	0
Other financial liabilities	266,696	296,344	266,696	296,344
Total financial liabilities	721,951	681,086	721,951	681,086

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	4,487,999	(44,880)	(44,880)	44,880	44,880	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	1,100,600					-	-	-	-				
Listed Shares	2,207,301												
Unlisted Shares	-												
Total Financial Assets	7,795,900												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	455,255												
Other Amounts Owing	266,696												
Total Financial Liabilities	721,951												
Total increase / (decrease)	7,073,949	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	3,694,188	(36,942)	(36,942)	36,942	36,942	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	1,305,842					-	-	-	-				
Listed Shares	1,637,526												
Unlisted Shares	-												
Total Financial Assets	6,637,556												
Financial Liabilities													
Borrowings	-	-		-	-								
Creditors	384,742												
Other Amounts Owing	296,344												
Total Financial Liabilities	681,086												
Total increase / (decrease)	5,956,470	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

International Livestock Resources and Information Centre Ltd

ABN: 62 101 200 515
Annual Financial Report for the year ended 31 December 2009

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 statements of International Livestock Resources and Information Centre Ltd (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of International Livestock Resources and Information Centre Ltd on 6 April 2010, 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

13 April 2010
SYDNEY

Directors Report

The directors of the International Livestock Resources And Information Centre Ltd present their report with the financial report for the financial year year ended 31 December 2009 and the auditors report thereon.

Directors

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

Philip Arthur RICKARDS (OAM)
Bruce James STANDEN
Scott Malcolm WILLIAMS
Charles Alexander McDonald
Christopher McKay PATTON
Ian Kemball MCIVOR (AM)

The following directors held office during the year until the day of their resignation.

Robert Anthony BARWELL, resigned 15/04/2009
Guillaume John STASSEN, resigned 04/04/2009

DIRECTORS' PARTICULARS

a) Qualifications and Experience

Name: **Philip 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: **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 four Companies. 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: **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

Name: **Scott Malcolm WILLIAMS**
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, resigned 15/04/2009

Directors Report (Continued)

Name: **Christopher McKay PATTON**
Experience: Mr Chris Patton, took up his role in May 2008 as the Chief Development Officer at the University of New England (UNE). Mr Patton's experience makes him ideally suited to his new position at UNE. Most recently he worked for Navitas, an Australian company delivering education on behalf of public universities. In this role, he was responsible for delivering higher education in Sydney for La Trobe University as the operation's Campus Director and Principal. Mr Patton is also well versed in the on-campus provision of services to students, having been the CEO and general manager of the University of Wollongong's commercial services arm and general manager of their college system in Australia and New Zealand. He has also managed student housing and residences at three well-known Canadian Universities. He has a Bachelor's degree in Criminology and a Master of Arts in Organisational Development.

Board member appointed 22/04/2008

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, Resigned 04/04/2009

b) Directors' Meetings

During the period ended 31 December, 2009 three directors' meetings were held. Attendance at the meetings was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Attended
Bruce James STANDEN	3	3
Charles Alexander McDONALD	3	3
Guillaume John STASSEN	0	0
Ian Kemball MCIVOR (AM)	3	3
Philip Arthur RICKARDS (OAM)	3	3
Robert Anthony BARWELL	1	1
Christopher McKay PATTON	3	3
Scott Malcolm WILLIAMS	3	3

Principal Activities

There were no other significant changes in the nature of the activities of the entity during the year but the operations of the company was subcontracted to the Agricultural Business Research Institute.

Review of Operations

The operating surplus/(deficit) of the company was ($112,962): (2008=$132,830).

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 year ended 31 December, 2009.

Significant Changes in the State of Affairs

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

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 entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The company will continue to pursue its principal activities during the year 2010.

There are no significant developments or changes in the Company's operations which have been proposed for the immediate future.

Directors Report (Continued)

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.

Insurance of Officers
The University obtains commercial insurance to indeminify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

....	....
Philip Arthur RICKARDS (OAM)	Christopher McKay PATTON

8 April 2010

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 year ended 31 December 2009, 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

6 April 2010
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

....	....
Philip Arthur RICKARDS (OAM)	Christopher McKay PATTON

8 April 2010

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005;*
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

....	....
Philip Arthur RICKARDS (OAM)	Christopher McKay PATTON

8 April 2010

Income Statement

For the year ended 31 December 2009

	Notes	2009 $	18 Months period ending 31/12/2008 $
Revenue from continuing operations			
Investment revenue	**3**	5,249	12,871
Royalties, trademarks and licences	**4**	5,048	5,900
Other Revenue	**5**	131,690	768,162
Total revenue and income from continuing operations		141,987	786,933
Expenses from continuing operations			
Employee related expenses	**6**	71,994	328,085
Depreciation and amortisation	**7**	12,416	38,126
Other expenses	**8**	170,539	287,892
Total expenses from continuing operations		254,949	654,103
Operating Surplus/(Deficit) before income tax		(112,962)	132,830
Income tax expense		-	-
Operating surplus/(deficit) from continuing operations		(112,962)	132,830
Operating surplus/(deficit) from discontinued operations		-	-
Operating surplus/(deficit) after income tax for the period		(112,962)	132,830
Operating surplus/(deficit) attributable to minority interest		-	-
Operating surplus/(deficit) attributable to the ILRIC Ltd.	**15(a)**	(112,962)	132,830

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	2009 $	18 Months period ending 31/12/2008 $
Operating surplus/(deficit) after income tax for the period		(112,962)	132,830
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		-	-
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		(112,962)	132,830
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		(112,962)	132,830

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

Statement of Financial Position

As at 31 December 2009

	Notes	2009 $	18 Months period ending 31/12/2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**9**	171,675	105,142
Receivables	**10**	3,155	226,088
Total current assets		174,830	331,230
Non-current assets			
Property, plant and equipment	**11**	1,631	65,198
Total non-current assets		1,631	65,198
Total assets		176,461	396,428
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	7,091	36,174
Provisions	**14**	-	15,117
Total current liabilities		7,091	51,291
Non-current liabilities			
Borrowings	**13**	-	62,805
Total non-current liabilities		-	62,805
Total liabilities		7,091	114,096
Net assets		169,370	282,332
EQUITY			
Retained surplus	**15(a)**	169,370	282,332
Total equity		169,370	282,332

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

Statement of Changes in Equity

For the year ended 31 December 2009

	Retained surplus	Total
Balance as 1 July 2007	149,502	149,502
Retrospective application/restatement	-	-
Balance as restated	149,502	149,502
Total comprehensive income		
Parent Entity	132,830	132,830
Minority interest	-	-
Total	132,830	132,830
Distributions to owners	-	-
Contributions from owners	-	-
Balance at 31 December 2008	282,332	282,332
Balance as 1 January 2009	282,332	282,332
Total comprehensive income		
Parent Entity	(112,962)	(112,962)
Minority Interest	-	-
Total	(112,962)	(112,962)
Distributions to owners	-	-
Contributions from owners	-	-
Balance at 31 December 2009	169,370	169,370

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

Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 $	18 Months period ending 31/12/2008 $
Cash flows from operating activities			
Receipts from customers		357,922	634,031
Dividends received		-	-
Interest received		5,249	17,628
Payments to suppliers and employees (inclusive of GST)		(289,343)	(821,321)
Interest and other costs of finance		-	-
GST recovered/paid		-	-
Net cash provided by / (used in) operating activities	**21**	73,828	(169,662)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		55,300	-
Payments for property, plant and equipment		-	(69,307)
Proceeds from sale of financial assets		-	-
Repayment of loans		-	-
Net cash provided by / (used in) investing activities		55,300	(69,307)
Cash flows from financing activities			
Proceeds from borrowings		-	62,804
Repayment of borrowings		(62,595)	-
Net cash provided by / (used in) financing activities		(62,595)	62,804
Net increase / (decrease) in cash and cash equivalents		66,533	(176,165)
Cash and cash equivalents at the beginning of the financial year		105,142	281,307
Cash and cash equivalents at the end of the financial year	**9**	171,675	105,142

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

International Livestock Resources And Information Centre Ltd, a not for profit entity, was incorporated in Australia as a company limited by guarantee and is domiciled in Australia. The amount of the guarantee is limited to $100 per member, which can be called upon in the event of winding up. At December 31, 2009 membership of the company stood at six.

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

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 8 April 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (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 and the Corporations Act 2001.

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

(b) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Investment income
Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(ii) Other revenue
Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(c) Income tax

International Livestock Resources And Information Centre Ltd has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997.

(d) Impairment of assets

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

Note 1. Summary of significant accounting policies (continued)

(e) *Cash and cash equivalents*

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

(f) *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 Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

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

(g) Property, infrastructure, plant and equipment

Other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Other Plant and Equipment - 5 - 15 yrs,

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(d)).
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 the Entity's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(h) Trade and other payables

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

Note 1. Summary of significant accounting policies (continued)

(i) 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 date.

(j) Provisions

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

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

(k) Goods and Services Tax (GST)

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

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

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

(l) 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.

(m) New Accounting Standards and Interpretations

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements* Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Australia	141,987	786,933	(112,962)	132,830	176,461	396,428
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
	141,987	786,933	(112,962)	132,830	176,461	396,428

		Notes	2009	18 Months period ending 31/12/2008
			$	$
Note 3.	**Investment revenue and income**			
	Interest		5,249	12,871
	Total investment revenue		5,249	12,871
Note 4.	**Royalties, trademarks and licences**			
	Royalties		5,048	5,900
	Total royalties, trademarks and licences		5,048	5,900
Note 5.	**Other revenue and income**			
	Other revenue			
	Sundry trading income		131,690	768,162
	Total other revenue		131,690	768,162
Note 6.	**Employee related expenses**			
	Salaries		69,095	298,087
	Contribution to funded superannuation and pension schemes		2,122	27,575
	Payroll tax		-	-
	Worker's compensation		777	2,423
	Long service leave expense		-	-
	Annual leave		-	-
	Other (Allowances, penalties and fringe benefits tax)		-	-
	Total employee related expenses		71,994	328,085
Note 7.	**Depreciation**			
	Plant and Equipment		12,416	38,126
	Total depreciation		12,416	38,126
Note 8.	**Other expenses**			
	Postal and Telecommunications		529	17,110
	Consultants		34,713	41,821
	Catering Services		-	-
	Other Expenditure		135,297	228,961
	Total other expenses		170,539	287,892
Note 9.	**Cash and cash equivalents**	1(e)		
	Cash at bank		171,675	105,142
	Total cash and cash equivalents		171,675	105,142

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

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

	2009	31/12/2008
Balances as above	171,675	105,142
Less: Bank Overdrafs	-	-
Balance per cash flow statement	171,675	105,142

Notes to the financial statements
31 December 2009
(continued)

		Notes	2009 $	18 Months period ending 31/12/2008 $
Note 10.	**Receivables**			
	Current			
	Trade and Other Debtors		3,155	226,088
	Less: Provision for impaired receivables	1(f)	-	-
	Total current receivables		3,155	226,088

(a) Impaired receivables

As at 31 December 2009 current receivables of the entity with a nominal value of $3,155 (2008: $226,088) were not impaired.

		Notes	2009 $	18 Months period ending 31/12/2008 $
Note 11	**Property, plant and equipment**			
	Cost		88,297	161,585
	Valuation		-	-
	Accumulated depreciation		(86,666)	(96,387)
	Net book amount		1,631	65,198
	Reconciliation of Assets			
	Opening net book amount		65,198	34,016
	Additions		-	69,308
	Disposals		(51,151)	-
	Depreciation charge		(12,416)	(38,126)
	Closing net book amount		1,631	65,198
Note 12.	**Trade and other payables**			
	Current			
	Trade Payables		7,091	36,174
	Refundable Receipts		-	-
	Total current trade and other payables		7,091	36,174
Note 13.	**Borrowings**			
	Non-current			
	Commercial Loan			
	Other		-	62,805
	Total commercial loan		-	62,805
	Total non-current borrowings			62,805
	Total borrowings		-	62,805
Note 14	**Provisions**	1(j)		
	Current			
	Annual leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		-	-
	Add : Current Year Provision		-	15,117
	Less : Payments from Fund		-	-
	Balance as at 31 December		-	15,117
	Long service leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		-	-
	Add : Current Year Provision		-	-
	Less : Payments from Fund		-	-
	Balance as at 31 December		-	-
	Total Current Provision		-	15,117

		2009	18 Months period ending 31/12/2008
		$	$
Note 15.	**Reserves and retained surplus**		
(a)	**Retained surplus**		
	Movements in retained surplus were as follows:		
	Retained surplus at 1 January	282,332	149,502
	Net Operating Result for the year	(112,962)	132,830
	Retained Surplus at 31 December	169,370	282,332

Note 16. Key management personnel disclosures

Remuneration of Board Members and Executives

Remuneration of Board Members

Mr Stassen received a salary as Centre Director of ILRIC until his resignation. Dr Standen received an honorarium for his duty as Chairman. Other directors of the company act in an honorary capacity.

	No.	No.
Nil to $9,999	7	7
	7	7

Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-

Remuneration of executive officers	**No.**	**No.**
$70,000 to $89,999	1	-
$170,000 to $179,999	-	1
	1	1

Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	70,150	173,520

Note 17. Remuneration of auditors

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

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.*	6,000	9,000
Total remuneration for audit services	6,000	9,000

Note 18. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of ILRIC Ltd. At balance date, no contingent liabilities or contingent assets of a material nature to the ILRIC Ltd. had been identified.

Note 19. Commitments

(a) Capital Commitments

There were no capital expenditure contracted for at the reporting date but not recognised as liabilities.

(b) Other expenditure commitments

There were no orders for goods and services placed but not filled as at 31 December 2009.
During 2009, the Entity did not enter into contracts for operating expenditures.

(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 20. Related parties

(a) Parent entities
The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries
The entity does not have any interest in a subsidiary.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 16.

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

The following transactions occurred with related parties:

	2009 $	18 Months period ending 31/12/2008 $
Transactions during the period		
University of New England		
Income received	-	4062
Payments made	140	232
Net	(140)	3,830
With other related parties		
Income received	5048	5900
Payments made	64756	32687
Net	(59,708)	(26,787)

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

University of New England		
Receivables	-	-
Payables	-	-
With other related parties		
Receivables	-	-
Payables	-	-

(e) Guarantees
There have been no guarantees given.

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

Note 21. Reconciliation of operating result after income tax to net cash flows from operating activities

	2009 $	18 Months period ending 31/12/2008 $
Operating result for the period	(112,962)	132,830
Depreciation and amortisation	12,416	38,126
Impairment of investment	-	-
Provision for impaired receivables	-	-
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	(4,359)	-
Increase/(Decrease) in Payables and Prepaid Income	(29,083)	(257,437)
Increase/(Decrease) in Provision for Employee Entitlements	(15,117)	(10,711)
Increase/(Decrease) in Provision for Annual Leave	-	-
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	222,933	(72,470)
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	73,828	(169,662)

Note 22. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	10	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Financial Liabilities			
Borrowings	13	No borrowings were taken up in 2009.	
Creditors and Accruals	12	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Price risk

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

(iii) 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.

(iv) 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 statement of financial position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, ILRIC Ltd.
- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The 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.

Financial risk management (continued)

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	3.50	171,675					171,675
Investments-Term Deposits	-		-				0
Receivables						3,155	3,155
Total Financial Assets		171,675	-			3,155	174,830
Financial Liabilities							
Borrowings			-	-			0
Payables						7,091	7,091
Other Amounts Owing						-	0
Total Financial Liabilities			-	-		7,091	7,091
Net Financial Assets(Liabilities)		171,675	-	-		(3,936)	167,739

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	4.00	105,142					105,142
Investments - Term Deposits	-		-				0
Receivables	-					226,088	226,088
Total Financial Assets		105,142	-			226,088	331,230
Financial Liabilities							
Borrowings	-		-	62,805			62,805
Payables	-					36,174	36,174
Other Amounts Owing	-					-	0
Total Financial Liabilities			-	62,805		36,174	98,979
Net Financial Assets(Liabilities)		105,142	-	(62,805)		189,914	232,251

(d) Net Fair Values of Financial Assets and Liabilities

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

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

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

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	171,675	105,142	171,675	105,142
Receivables	3,155	226,088	3,155	226,088
Other financial assets	0	0	0	0
Total financial assets	174,830	331,230	174,830	331,230
Financial liabilities				
Payables	7,091	36,174	7,091	36,174
Borrowings	0	62,805	0	62,805
Other financial liabilities	0	0	0	0
Total financial liabilities	7,091	98,979	7,091	98,979

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		**+1%**		**-10%**		**+10%**		**-1%**		**+1%**	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	171,675	(1,717)	(1,717)	1,717	1,717	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	3,155					-	-	-	-				
Listed Shares	-												
Total Financial Assets	174,830												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	7,091												
Other Amounts Owing	-												
Total Financial Liabilities	7,091												
Total increase / (decrease)	167,739	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	105,142	(1,051)	(1,051)	1,051	1,051	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	226,088					-	-	-	-				
Listed Shares	-												
Total Financial Assets	331,230												
Financial Liabilities													
Borrowings	62,805	-		-	-								
Creditors	36,174												
Other Amounts Owing	-												
Total Financial Liabilities	98,979												
Total increase / (decrease)	232,251	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

Services UNE Ltd

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2009

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 statements of Services UNE Ltd (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Services UNE Ltd on 17 March 2010, 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

24 March 2010
SYDNEY

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 2009 and the Auditors' Report thereon.

Directors

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

Roderick Watt
Brett Purkiss

The following directors were appointed during the year and continue in office at the date of this report:

Geoff Allen - from 1 May 2009
Mike Quinlan - from 19 March 2009
Alicia Zikan - from 1 May 2009

The following director held office from the beginning of the year until the date of her resignation:

Ann Maurer - resigned 17 April 2009

Directors Meetings

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

	Board Meetings	
Director	**A**	**B**
Geoff Allen - from 1 May 2009	**5**	**7**
Roderick Watt	**9**	**10**
Brett Purkiss	**8**	**10**
Mike Quinlan - from 19 March 2009	**7**	**8**
Alicia Zikan - from 1 May 2009	**6**	**7**
Ann Maurer - resigned 17 April 2009	**3**	**3**

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

Principal Activities

The principal activity of the Company is the provision of non-academic student services at the University of New England. There were no significant changes in the nature of the activities of the entity during the year.

Review of Operations
The Company recorded an operating surplus of $49,346 for the year ended 31 December 2009 (2008 deficit of ($34,735).

Significant Changes in the State of Affairs

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

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 entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Company's operations which have been proposed for the immediate future.

The Company will continue to pursue its principal activities in 2010.

Environmental Regulation

The significant environmental regulations to which the Entity 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
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 14
Heritage Act 1977 No 136
Heritage Amendment Act 2009 No 34
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 Man, No 92
Water Management Amendment Act 2008 No 73
Water Management Amendment Act 2009 No 110

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2008

Insurance of Officers

The University obtains commercial insurance to indeminify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

Director

Director

18 March 2010

GPO BOX 12
Sydney NSW 2001

To the Directors
Services UNE Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of Services UNE Limited for the year ended 31 December 2009, 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

17 March 2010
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;

3. the financial statements and notes are in accordance with the Corporations Act 2001; and

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

In arriving at their opinion in paragraph 4 the directors have taken into account the matters outlined in Note 22 - Economic Dependency.

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

....

Director Director

18 March 2010

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983,* Public Finance and Audit Regulation 2005;

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

....

Director Director

18 March 2010

Income Statement

For the year ended 31 December 2009

	Notes	**2009** $	2008 $
Revenue from continuing operations			
Trading income	**3**	3,584,437	3,451,352
Investment revenue	**4**	90,457	130,722
Other Revenue	**5**	583,498	513,270
Total revenue from continuing operations		4,258,392	4,095,344
Gains on disposal of assets		11,571	-
Total revenue and income from continuing operations		4,269,963	4,095,344
Expenses from continuing operations			
Employee related expenses	**6**	1,717,018	1,652,591
Depreciation and amortisation	**7**	206,211	238,403
Repairs and maintenance	**8**	118,990	85,698
Borrowing costs	**9**	5,306	6,724
Impairment of assets	**10**	15,698	(2,653)
Losses on disposal of assets		-	2,611
Other expenses	**11**	2,157,394	2,146,705
Total expenses from continuing operations		4,220,617	4,130,079
Operating surplus / (deficit) before income tax		49,346	(34,735)
Income tax expense		-	-
Operating surplus / (deficit) attributable to the Entity	**22(a)**	49,346	(34,735)

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	**2009** **$**	2008 $
Operating surplus / (deficit) after income tax for the period		49,346	(34,735)
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		-	-
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		49,346	(34,735)
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		49,346	(34,735)

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

Statement of Financial Position

As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**12**	1,886,659	1,882,181
Receivables	**13**	127,807	320,841
Inventories	**14**	255,155	248,398
Other non-financial assets	**16**	246,439	-
Total current assets		2,516,060	2,451,420
Non-current assets			
Other financial assets	**15**	500	500
Property, plant and equipment	**17**	463,236	610,671
Intangible assets	**18**	25,000	25,000
Total non-current assets		488,736	636,171
Total assets		3,004,796	3,087,591
LIABILITIES			
Current liabilities			
Trade and other payables	**19**	267,601	382,631
Borrowings	**20**	-	29,898
Provisions	**21**	159,192	150,291
Total current liabilities		426,793	562,820
Non-current liabilities			
Provisions	**21**	9,101	5,215
Total non-current liabilities		9,101	5,215
Total liabilities		435,894	568,035
Net assets		2,568,902	2,519,556
EQUITY			
Retained surplus	**22**	2,568,902	2,519,556
Total equity		2,568,902	2,519,556

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

Statement of Changes in Equity

For the year ended 31 December 2009

	Reserves	Retained surplus	Minority interest	Total
Balance as 1 January 2008	-	2,554,291	-	2,554,291
Retrospective application/restatement	-	-	-	-
Balance as restated	-	2,554,291	-	2,554,291
Total comprehensive income				
Parent Entity	-	(34,735)	-	(34,735)
Minority interest	-	-	-	-
Total	-	(34,735)	-	(34,735)
Distributions to owners	-	-	-	-
Contributions from owners	-	-	-	-
Balance at 31 December 2008	-	2,519,556	-	2,519,556
Balance as 1 January 2009	-	2,519,556	-	2,519,556
Total comprehensive income				
Parent Entity	-	49,346	-	49,346
Minority Interest	-	-	-	-
Total	-	49,346	-	49,346
Distributions to owners	-	-	-	-
Contributions from owners	-	-	-	-
Balance at 31 December 2009	-	2,568,902	-	2,568,902

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

Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Cash flows from operating activities			
Receipts from customers		4,501,307	4,211,086
Dividends received		-	-
Interest received		90,457	130,722
Payments to suppliers and employees (inclusive of GST)		(4,484,949)	(4,133,305)
Interest and other costs of finance		(25,234)	(20,230)
Net cash provided by / (used in) operating activities	**29**	81,581	188,273
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		11,767	-
Payments for property, plant and equipment		(58,972)	(53,772)
Proceeds from sale of financial assets		-	-
Payments for financial assets		-	-
Repayment of loans		-	-
Net cash provided by / (used in) investing activities		(47,205)	(53,772)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Repayment of finance leases		(29,898)	(32,415)
Net cash provided by / (used in) financing activities		(29,898)	(32,415)
Net increase / (decrease) in cash and cash equivalents		4,478	102,086
Cash and cash equivalents at the beginning of the financial year		1,882,181	1,780,095
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year		1,886,659	1,882,181

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Services UNE Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 14 July 1994 and is domiciled in Australia.

If the Company is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligation of the Company. At 31 December 2009, the number of members is 1 (one).

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

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 18 March 2010.

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

(a) Basis of preparation

The Financial Statement 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, the Public Finance and Audit Act Regulations 2005 and the Corporations Act 2001.

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

(b) Foreign currency translation

(i) Functional and presentation currency
The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

***(i)* Sale of Goods**

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

***(ii)* Rendering of services**

Revenue from rendering of services is recognised when there is unlikely to be any further effort or contribution necessary by the Entity to fulfil the obligations of the sale and the transfer of risk and reward to the customer is complete.

***(iii)* Interest received**

Interest income is recognised as it accrues.

(iv) Other revenue

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

(d) Income tax

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

(e) Leases

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

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

(f) Impairment of assets

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

(g) *Cash and cash equivalents*

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

(h) *Receivables*

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

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 Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 10. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

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

(j) Investments and other financial assets

Classification

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

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

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

(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 statement of financial position.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

Fair Value

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

Impairment

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

(k) 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 reporting date. The quoted market price used for financial assets held by the Entity is the current bid price.

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

(l) Plant and Equipment

Depreciation on plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Leasehold Improvements - 5 - 50 yrs,
Plant & Equipment - 2 - 10 yrs,
Motor Vehicle - 3 - 7 yrs,

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

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

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

(m) Intangible assets

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

(n) Trade and other payables

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

(o) 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 reporting date.

(p) Provisions

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

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

(q) 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.

(r) Goods and Services Tax (GST)

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

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

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

(s) 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.

(t) New Accounting Standards and Interpretations

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

Notes to the financial statements
31 December 2009
(continued)

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Australia	4,269,963	4,095,344	49,346	(34,735)	3,004,796	3,087,591
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
	4,269,963	4,095,344	49,346	(34,735)	3,004,796	3,087,591

		Notes	2009 $	2008 $
Note 3.	**Trading income**			
	Sale of goods		3,333,898	3,226,342
	Rendering of services		250,539	225,010
			3,584,437	3,451,352
Note 4.	**Investment revenue and income**			
	Interest		90,457	130,722
	Total investment revenue		90,457	130,722
Note 5.	**Other revenue**		583,498	513,270
Note 6.	**Employee related expenses**			
	Salaries		1,466,509	1,412,997
	Contribution to funded superannuation and pension schemes		135,286	115,487
	Payroll tax		76,577	76,028
	Worker's compensation		17,363	14,828
	Long service leave expense		-	-
	Annual leave		12,787	17,049
	Other (Allowances, penalties and fringe benefits tax)		8,496	16,201
	Total employee related expenses		1,717,018	1,652,590
Note 7.	**Depreciation and amortisation**			
	Depreciation			
	Plant and Equipment		182,918	206,234
	Motor Vehicles		9,969	19,005
	Total depreciation		192,887	225,239
	Amortisation			
	Leasehold improvements		13,324	13,164
	Total amortisation		13,324	13,164
	Total depreciation and amortisation		206,211	238,403
Note 8.	**Repairs and maintenance**			
	Plant/furniture/equipment		118,990	85,698
	Total repairs and maintenance		118,990	85,698
Note 9.	**Borrowing costs**		5,306	6,724
	Reconciliation of Finance costs			
	Finance lease interest		5,306	6,724
	Less : amount capitalised		-	-
	Total borrowing costs expensed		5,306	6,724
Note 10.	**Impairment of assets**			
	Bad Debts		12,691	-
	Doubtful debts		3,007	(2,653)
	Total impairment of assets		15,698	(2,653)

		Notes	2009 $	2008 $
Note 11.	**Other expenses**			
	Inventory Used		1,492,143	1,492,414
	Other Expenditure		665,251	654,291
	Total other expenses		2,157,394	2,146,705
Note 12.	**Cash and cash equivalents**	1(g)		
	Cash on hand		12,160	15,110
	Cash at bank		118,128	213,411
	At call investments	1(k)	1,756,371	1,653,660
	Total cash and cash equivalents		1,886,659	1,882,181

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

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

	2009	2008
Balances as above	1,886,659	1,882,181
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,886,659	1,882,181

(b) Cash on hand

	2009	2008
These are non-interest bearing.	12,160	15,110

(c) Deposits as call

The deposits are bearing floating interest rates between 3.65% and 5.35% (2008 - 5.85% and 7.85%). These deposits have an average maturity of 30 days.

		Notes	2009	2008
Note 13.	**Receivables**			
	Current			
	Trade and Other Debtors		132,775	322,802
	Less: Provision for impaired receivables	1(h)	(4,968)	(1,961)
	Total current receivables		127,807	320,841
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		127,807	320,841

(a) Impaired receivables

As at 31 December 2009 current receivables of the entity with a nominal value of $63,283 (2008: $264,309) were impaired. The amount of the provision was $4,968 (2008: $1,961). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	2009	2008
3 to 6 months	-	-
Over 6 months	4,968	1,961
	4,968	1,961

As of 31 December 2009, trade receivables of $49,833 (2008: $204,909) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2009	2008
3 to 6 months	36,316	83,428
Over 6 months	7,171	30,234
	43,487	113,662

Movements in the provision for impaired receivables are as follows:

	Notes	2009 $	2008 $
As at 1 January		1,961	4,614
Provision for impairment recognised during the year		18,705	(2,653)
Receivables written off during the year as uncollectible		(15,698)	-
		4,968	1,961

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

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

Note 14.	**Inventories**	1(i)		
	Current			
	Stock on hand		260,782	254,025
	Less: Provision for stock write-down		(5,627)	(5,627)
	Total current inventories		255,155	248,398
Note 15.	**Other financial assets**	1(k)		
	Non-current			
	Available for sale		500	500
	Total non-current other financial assets		500	500
Note 16.	**Other non-financial assets**			
	Current			
	Accrued Income		-	-
	Prepaid Expenses		246,439	-
	Total current other non-financial assets		246,439	-
Note 17.	**Property, plant and equipment**			
	Plant and equipment - At cost		1,080,886	1,026,073
	Less: Accumulated depreciation		(863,094)	(680,176)
			217,792	345,897
	Motor Vehicles – At cost		35,278	79,225
	Less: Accumulated depreciation		(28,136)	(61,918)
			7,142	17,307
	Leasehold improvements - At cost		292,645	288,486
	Less: Accumulated depreciation		(54,343)	(41,019)
			238,302	247,467
	Total Property Plant & Equipment		463,236	610,671

Reconciliation

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

Plant and Equipment		
Carrying amount at beginning of year	345,897	520,365
Additions	54,813	34,377
Disposals	-	(2,611)
Depreciation	(182,918)	(206,234)
Carrying amount at end of year	217,792	345,897
Motor vehicles		
Carrying amount at beginning of year	17,307	36,312
Additions	-	-
Disposals	(196)	-
Depreciation	(9,969)	(19,005)
Carrying amount at end of year	7,142	17,307
Leasehold improvements		
Carrying amount at beginning of year	247,467	241,236
Additions	4,159	19,395
Disposals	-	-
Depreciation	(13,324)	(13,164)
Carrying amount at end of year	238,302	247,467

		Notes	2009 $	2008 $
Note 18.	**Intangible assets**	1(m)		
	Australia Post Licence – At cost		25,000	25,000
Note 19.	**Trade and other payables**			
	Current			
	Trade Payables		267,601	382,631
	Total current trade and other payables		267,601	382,631
Note 20.	**Borrowings**			
	Current			
	Finance Lease (i)			
	Other		-	29,898
	Total finance lease		-	29,898
	Total current borrowings		-	29,898
	Total borrowings		-	29,898
Note 21.	**Provisions**	1(p)		
	Current			
	Annual leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		84,397	76,880
	Add : Current Year Provision		12,787	15,647
	Less : Payments from Fund		(7,529)	(8,130)
	Balance as at 31 December		89,655	84,397
	Long service leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		65,894	62,405
	Add : Current Year Provision		3,643	3,489
	Less : Payments from Fund		-	-
	Balance as at 31 December		69,537	65,894
	Total Current Provision		159,192	150,291
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual Leave		74,935	67,832
	Long service leave		36,118	37,136
	Staffing		-	-
	Other		-	-
	Subtotal		111,053	104,968
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual Leave		14,721	16,565
	Long service leave		33,418	28,758
	Subtotal		48,139	45,323
	Total current provisions		159,192	150,291
	Summary movements current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		150,291	139,285
	Current year movement in provision			
	- Annual Leave		5,258	7,517
	- Long Service Leave		3,643	3,489
	Carrying amount at end of year		159,192	150,291
	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		5,215	10,514
	Add : Current Year Provision		3,886	-
	Less : Payments from Fund		-	(5,299)
	Balance as at 31 December		9,101	5,215
	Total Non-current provisions		9,101	5,215

Provisions (continued)	Notes	2009	2008
		$	$
Summary movements employee benefits			
Movements in the Provision Account are:			
Carrying amount at start of year		5,215	10,514
Current year movement in provision			
- Long Service Leave		3,886	(5,299)
Carrying amount at end of year		9,101	5,215

Note 22. Reserves and retained surplus

(a) Retained surplus

Movements in retained surplus were as follows:

	2009	2008
Retained surplus at 1 January	2,519,556	2,554,291
Net operating surplus / (deficit) for the year	49,346	(34,735)
Retained Surplus at 31 December	2,568,902	2,519,556

Note 23. Economic Dependency

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

Note 24. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers from the beginning of the year to the reporting dates:

Directors
Roderick Watt
Brett Purkiss
Geoff Allen - from 1 May 2009
Mike Quinlan - from 19 March 2009
Alicia Zikan - from 1 May 2009

Executive Officers
Simon Paul - Chief Executive Officer

(b) Remuneration of Board Members and Executives

The Directors of the company act in an honorary capacity and receives no benefits or fees for their services as Directors.
The Directors did not receive benefits and fees from a related body corporate.

Remuneration of Board Members	**2009**	2008
	No.	**No.**
Nil to $9,999	5	3
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-

Remuneration of executive officers	**No.**	**No.**
$110,000 to $119,999	-	1
$120,000 to $129,999	1	-
	1	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	129,365	113,162

	2009 $	2008 $

Note 25. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor.

	2009 **$**	2008 $
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*.	23,300	35,700
Total remuneration for audit services	23,300	35,700

Note 26. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to Services UNE Limited had been identified other than a Bank Guarantee from the National Australia Bank for $20,000 in favour of Road Show Film Distributors for deposit for supply of films.

Note 27. Commitments

(a) Capital Commitments

There were no commitments for Capital Expenditure at 31 December 2009, (2008: Nil).

	2009 **$**	2008 $
(b) Lease Commitments		
(i) Operating Leases		
Within one year	103,276	100,079
Later than one year but not later than five years	440,138	8,360
Later than five years	14,977	-
Total operating leases	558,391	108,439

As at 31 December 2009, the company had the right to exercise an option over the lease of the cinema for a further five years. This option was exercised on 3 February 2010. The operating lease commitments associated with this option have been included above.

(ii) Finance Leases		
Within one year	-	29,898
Later than one year but not later than five years	-	-
Later than five years	-	-
Total finance leases	-	29,898
Total lease commitments	558,391	138,337

No lease arrangements, existing as at 31 December 2009, 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

Any outstanding orders as at 31 December 2009 have been taken up as accrual.

The Entity had no outstanding contracts for operating expenditure at 31 December 2009.

(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 28. Related parties

(a) Parent entities
The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries
The entity does not have any interest in a subsidiary.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 24.

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

The following transactions occurred with related parties:

	2009	2008
Transactions during the period	**$**	$
University of New England		
Income received	457,868	591,408
Payments made	(457,115)	(355,153)
Net	753	236,255
With other related parties		
Income received	7,098	5,310
Payments made		
Net	7,098	5,310

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

University of New England		
Receivables	22,292	199,552
Payables	11,817	11,305
With other related parties		
Receivables	232	4,048
Payables	-	-

(e) Guarantees
There have been no guarantees given.

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

(g) Watson McNamara and Watt
Watson McNamara and Watt have understaken 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.

Note 29. Reconciliation of operating result after income tax to net cash flows from operating activities

	2009	2008
	$	$
Operating surplus / (deficit) for the period	49,346	(34,735)
Depreciation and amortisation	206,211	238,403
Provision for impaired receivables	3,007	(2,653)
Net (gain) / loss on sale of non-current assets	(11,570)	2,611
Increase/(Decrease) in Payables and Prepaid Income	(115,030)	109,737
Increase/(Decrease) in Provision for Employee Entitlements	12,787	5,707
(Increase)/Decrease in Receivables and Prepaid Expenses	(56,413)	(69,908)
(Increase)/Decrease in Inventories	(6,757)	(60,889)
Net cash provided by / (used in) operating activities	81,581	188,273

Note 30. 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	13	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	12	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	12	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 3.65% and 5.85%. Average maturity of 60 days.
Financial Liabilities			
Borrowings	20	No borrowings were taken up in 2009.	
Creditors and Accruals	19	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

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

The entity recognises all transactions, assets and liabilities in Australian dollars only, it has has minimal exposure to foreign exchange risk.

(iii) Price risk

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

(iv) Cash flow and fair value interest rate risk

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

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity:
- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

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

Financial risk management (continued)

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	3.32	118,128				12,160	130,288
Investments-Term Deposits	4.81		1,756,371				1,756,371
Receivables & other non-financial assets						374,246	374,246
Unlisted						500	500
Total Financial Assets		118,128	1,756,371			386,906	2,261,405
Financial Liabilities							
Borrowings			-	-			0
Payables						267,601	267,601
Other Amounts Owing						-	0
Total Financial Liabilities			-	-		267,601	267,601
Net Financial Assets(Liabilities)		118,128	1,756,371	-		119,305	1,993,804

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	6.94	213,411				15,110	228,521
Investments - Term Deposits	7.06		1,653,660				1,653,660
Receivables						320,841	320,841
Unlisted						500	500
Total Financial Assets		213,411	1,653,660			336,451	2,203,522
Financial Liabilities							
Borrowings	-		29,898	-			29,898
Payables	-					382,631	382,631
Other Amounts Owing	-					-	0
Total Financial Liabilities			29,898	-		382,631	412,529
Net Financial Assets(Liabilities)		213,411	1,623,762	-		(46,180)	1,790,993

(d) Net Fair Values of Financial Assets and Liabilities

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

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

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

Financial risk management (continued)

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,886,659	1,882,181	1,886,659	1,882,181
Receivables	374,246	320,841	374,246	320,841
Other financial assets	500	500	500	500
Total financial assets	2,261,405	2,203,522	2,261,405	2,203,522
Financial liabilities				
Payables	267,601	382,631	267,601	382,631
Borrowings	0	29,898	0	29,898
Other financial liabilities	0	0	0	0
Total financial liabilities	267,601	412,529	267,601	412,529

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	130,288	(1,303)	(1,303)	1,303	1,303	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	1,756,371	(17,564)	(17,564)	17,564	17,564	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	374,246					-	-	-	-				
Listed Shares	500												
Total Financial Assets	2,261,405												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	265,482												
Other Amounts Owing	-												
Total Financial Liabilities	265,482												
Total increase / (decrease)	1,995,923	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	228,521	(2,285)	(2,285)	2,285	2,285	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,653,660	(16,537)	(16,537)	16,537	16,537	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	320,841					-	-	-	-				
Listed Shares	500												
Total Financial Assets	2,203,522												
Financial Liabilities													
Borrowings	29,898	-		-	-								
Creditors	382,631												
Other Amounts Owing	-												
Total Financial Liabilities	412,529												
Total increase / (decrease)	1,790,993	-	-	-	-	-	-	-	-	-	-	-	-

END OF THE AUDITED FINANCAIL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report
for the year ended
31 December 2009

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

To Members of the New South Wales Parliament and Members of UNE Foundation Limited

I have audited the accompanying financial statements of UNE Foundation Limited (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of UNE Foundation Limited on 6 April 2010, 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

12 April 2010
SYDNEY

UNE FOUNDATION LIMITED

Directors Report

The directors present their report for the financial year ended 31 December 2009 and the auditors report thereon.

Directors

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

Dr Geoffrey Fox (Chairman)
Mr Paul Barratt
Dr Laurie Piper

The following directors were appointed during the year and continue in office at the date of this report:

Mr Geoff Gorrie - from 12 May 2009
Mr Matthew Irwin - from 12 May 2009
Professor Deborah Ralston - from 12 May 2009
Mrs Margaret Roberts - from 12 May 2009

The following directors held office from the beginning of the year until the date of their resignation:

Ms Gillian Cappelletto - to 25 March 2009
Dr Colin Gellatly - to 25 March 2009
Professor Allan Pettigrew - to 30 October 2009

The following director was appointed after the end of the financial year and continues to hold office at the date of this report.

Professor James Barber - from 3 February 2010

UNE Foundation Limited Board Membership

Dr Geoffrey Fox (Chairman)
BRurSc(UNE), PhD (UNE), MA (ANU),

Geoff Fox is an agricultural economist with thirty-six years experience in international development in East Asia/Pacific and countries of Eastern Europe and the former Soviet Union. He worked in the World Bank for 27 years ending his career as Director of Rural Development and Natural Resource Management in the East Asia and Pacific Region. His work focused on the formulation of rural policy and strategy, program development and project implementation. Upon returning to Australia in 2000 he consulted for Australia's overseas aid agency, AusAID, and later joined the staff in 2004 as Principal Adviser, Rural Development and the Environment. As a member of the Principal Advisers' multi-sectoral team, he supported AusAID management formulating and implementing Australia's overseas aid program. Since 2008, he has been farming cattle on his property close to Armidale.

Appointed a Director of the Company on 26 February 2008

Professor Alan Pettigrew
BSc(Hons), PhD (Syd)

Professor Pettigrew is Vice-Chancellor and CEO of the University of New England and took up this position in February 2006 and retired on 30 October 2009.

Prior to the appointment as Vice-Chancellor he was the inaugural Chief Executive Officer of the National Health and Medical Research Council where he held the position from January 2001 until December 2005.

Professor Pettigrew has held positions of Pro-Vice-Chancellor (Biological Sciences) at the University of Queensland; Executive Dean of the new Faculty of Biological and Chemical Science, University of Queensland; and Deputy Vice-Chancellor (Academic Planning and Resources) at the University of NSW. From 1995 until 1997 Professor Pettigrew was a Board member of UniQuest Ltd and during 1997 he served as a member of the Mater Medical Research Institute Development Council. Professor Pettigrew has been a member of the Australian Physiological and Pharmacological Society, Australian Neuroscience Society, Australian Society for Medical Research and the Australian Perinatal Society and throughout his career his research interests have focussed on the nervous system.

Appointed a Director of the Company on 30 March 2006.

Resigned as Director on 30 October 2009

Ms Gillian Cappelletto
Chartered Accountant, BEc, DipEd, DipFinMgt(UNE).

Gillian Cappelletto has her own consultancy company and provides services to client Such as professional bodies, chartered accounting firms, universities and government in the UK, South Africa, Hong Kong and Australia. Projects include strategic reviews, strategy development, process development, quality assurance, process improvement, tender development, research, assessment methodologies and development of competencies.

From 1987 to 2004 Gillian was General Manager Professional Education with the Institute of Chartered Accountants in Australia. This role involved the strategic oversight, development and delivery of the Professional Year Programme, the CA Program and members continuing professional education. This appointment followed experience in a variety of environments in accounting and education.

Appointed a Director of the Company on 22 March 2005.

Resigned as Director on 25 March 2009

Mr Paul Barratt
B.Sc. (Hons) (UNE), BA (ANU), FAICD, FCDA

Paul Barratt joined the Department of Defence in 1966. He spent the next 25 years of his career in the Commonwealth Public Service, mainly in areas relating to resources, energy and international trade, becoming Deputy Secretary of the Department of Trade and Resources (1978-85), Special Trade Representative for North Asia (1985-88), and Deputy Secretary in the Department of Foreign Affairs and Trade (1988-91).

In 1992 he became Executive Director of the Business Council of Australia, a body consisting of the Chief Executive Officers of about 90 of the 100 largest companies in Australia.

In 1996 he returned to the Public Service, becoming Secretary to the Departments of Primary Industries and Energy (1996-98) and Defence (1998-9).

In 1997 he received a Distinguished Alumni Award from the University of New England. In 1999 he was made an Officer in the General Division of the Order of Australia in 1999, for service to public administration, public policy development, business and international trade.

He now runs his own consulting business, and is a director of Australia 21, a non-profit company dedicated to stimulating research and development on issues of strategic importance to Australia in the 21st century.

Appointed a Director of the Company on 5 September 2006.

Dr Colin Gellatly
BAgEc(Hons) (UNE), MComm(Hons) (UNSW), PhD (NCSU)

Dr Colin Gellatly finished a long and distinguished career in the NSW Public Sector in May 2007, the last position was as Director General of the Premiers department, a position he held for 11 years. He is now on a number of Boards and does some advisory work in both the public and private sectors. He is currently an administrator at Wollongong Council.

Appointed a Director of the Company on 20 October 2000.

Resigned as Director on 25 March 2009

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

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

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

Appointed a Director of the Company 25 March 2009 as UNE Council nominee.

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

Matthew is responsible for Transfield Services' financial and management reporting, treasury, taxation, funding and investor relations. He has played a pivotal role in the Company's global growth and in the successful public listing of Transfield Services Infrastructure Fund (TSI Fund). Matthew has 16 years experience in finance, administration and banking with significant experience working at Chief Financial Officer level.

Appointed a Director of the Company on 12 May 2009.

Professor Deborah Ralston
BEc, DipFinMgmt, MEc (UNE), PhD (Bond), FAICD, FAIBF, FCPA

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

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

Appointed a Director of the Company on 12 May 2009

Mr Geoff Gorrie
BEc, BA (ANU), BSc, DipEd (UNE), PSM

Geoff Gorrie has a long history in agricultural policy and programs, food policy, regional development and natural resources management at Australian Government level as well as extensive experience in change management and administration. He was involved in the implementation of food regulation reforms, water reform policies, water management in the Murray Darling Basin, the establishment of the Regional Forest Agreements and the Decade of Landcare which led into the establishment of the Natural Heritage Trust.

Geoff is a Director of the Co-operative Research Centre on Biosecurity and Australia 21 and is a member the Serco Advisory Board. He is Chair of the Boards of Safe Food Production Queensland, Seafood Services Ltd and Australian Forestry Standard Ltd. He has held directorships with the Australian Wine and Brandy Corporation, the Australian Wheat Board, AWB Ltd, the Wheat Export Authority, Landcare Australia Ltd, the Forests and Wood Products Reseach and Development Corporation, the Australian Wool Research and Promotion Organisation and the Woolmark Company. He was Commonwealth Commissioner on the Murray Darling Basin Commission between 1994 and 1998 and Chair of the National Land and Water Resources Audit Advisory Council between 2003 and 2008.

Geoff has a very high affinity with rural Australia - he was born in Gulgong, grew up in Binnaway and then attended high school in Bathurst and went on to university in Armidale and Canberra. From the mid 1970s Geoff's public sector work dealt with aspects of rural and regional Australia.

Geoff holds a Bachelor of Science and a Diploma of Education from the University of New England as well as a Bachelor of Arts and a Bachelor of Economics from the Australian National University. He was awarded the Public Service Medal on Australia Day 2002.

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

Appointed a Director of the Company on 12 May 2009.

Mrs Margaret Roberts

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

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

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

Appointed a Director of the Company on 12 May 2009.

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

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

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

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

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

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

Appointed a Director of the Company on 03 February 2010.

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

Directors Meetings

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

Board of Directors	Board Meetings A	Board Meetings B
Dr Geoffrey Fox	7	7
Professor Alan Pettigrew (resigned 30/10/2009)	4	5
Mr Paul Barratt	7	7
Ms Gillian Cappelletto (resigned 25/3/2009)	1	1
Dr Colin Gellatly (resigned 25/3/2009)	1	1
Dr Laurie Piper (appointed 25/3/2009)	6	7
Mr Geoff Gorrie (appointed 12/5/2009)	6	6
Mr Matthew Irwin (appointed 12/5/2009)	4	6
Professor Deborah Ralston (appointed 12/52009)	6	6
Mrs Margaret Roberts (appointed 12/5/2009)	3	6
Professor James Barber - (appointed 3/2/2010)	0	0

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

Principal Activities

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

Review of Operations

During 2009, the company continued to operate as trustee of UNE Foundation and had no financial results.

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

The company is not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Company's operations which have been proposed for the immediate future.

Environmental Regulation

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

Insurance of Officers

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

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

....
Director

8 April 2010

....
Director

8-4-2010.

GPO BOX 12
Sydney NSW 2001

To the Directors
UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNE Foundation Limited for the year ended 31 December 2009, 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

6 April 2010
SYDNEY

Directors' Declaration

The directors declare that:

(1) the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);

(2) the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;

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

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

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

....
Director
8 April 2010

....
Director 8-4-2010

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

In accordance with a resolution of the Directors of UNE Foundation Limited and pursuant to Section 41C (1B) *and 1(C) of the Public Finance and Audit Act 1983 and the Corporations Act 2001*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financia position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005 and the Corporations Act 2001;*

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board in accordance with a resolution of the Directors.

....
Director
8 April 2010

....
Director 8-4-2010.

Income Statement
For the year ended 31 December 2009

	2009 $	2008 $
Revenue from continuing operations	-	-
Expenses from continuing operations	-	-
Operating result from continuing operations	-	-

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

Statement of Comprehensive Income
For the year ended 31 December 2009

	2009 $	2008 $
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position
As at 31 December 2009

	2009 $	2008 $
ASSETS		
Current assets	-	-
Non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
EQUITY	-	-
Total equity	-	-

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

Statement of Changes in Equity
For the year ended 31 December 2009

	Reserves	Retained surplus	Total
Balance as 1 January 2008	-	-	-
Total comprehensive income			
Distributions to owners	-	-	-
Contributions from owners	-	-	-
Balance at 31 December 2008	-	-	-
Balance as 1 January 2009	-	-	-
Total comprehensive income			
Distributions to owners	-	-	-
Contributions from owners	-	-	-
Balance at 31 December 2009	-	-	-

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

Statement of Cash Flows
For the year ended 31 December 2009

	2009 **$**	2008 $
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	-	-

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

1.0 Summary of significant accounting policies

1(a) Reporting Entity

UNE Foundation Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 23 October 2000 and is domiciled in Australia.

The company is deemed to be a controlled entity of the University of New England for the purposes of meeting the requirements of the Australian Accounting Standards, AASB 127 "Consolidated and Separate Financial Statements" and UIG 112 "Special Purpose Entities".

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 8 April 2010.

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.

1(b) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2005.

The Financial Report has been prepared in accordance with the historical cost convention. All amounts are expressed in Australian dollars.

2.0 Auditors remuneration

The audit fee for the Company is paid for by the University of New England and is included with the fees for UNE Foundation.

3.0 Right to indeminify out of the Trust assets

The assets of the Trusts as at 31 December 2009 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trusts, as and when they fall due.

4.0 Directors remuneration

The Directors act in an honorary capacity and do not receive remuneration in connection with the management of the affairs of the Company.

5.0 Employee benefits

The company did not employ any staff during the year. The University of New England provided and paid for all administrative support.

6.0 Related parties

University of New England provided the company with a range of administrative support services. These services have been provided at no charge to the Company and comprised the provision of:

- office accommodation facilities
- accounting and administrative services
- electricity and other utility services
- personnel services

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

7.0 Commitments

The entity has not identified material commitments at 31 December 2009 (2008: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2009 (2008: Nil).

9.0 Post balance date events

There are no post balance date events.

10.0 New standards and interpretations not yet adopted

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

11.0 Economic Dependancy

The Company's operations are dependent upon the ongoing financial and other support of the University of New England.

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation

ABN: 42 536 278 085
Annual Financial Report for the year ended 31 December 2009

AUDITOR-GENERAL NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

Report on the Financial Report

I have audited the accompanying financial report of UNE Foundation (the Foundation), which comprises the statement of financial position as at 31 December 2009, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Chairman's declaration.

Qualified Auditor's Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the completeness of income from voluntary donations, the financial report:

- presents fairly, in all material respects, the financial position of the Foundation as at 31 December 2009, and its 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* (PF&A Act) and the Public Finance and Audit Regulation 2005
- is in accordance with the *Charitable Fundraising Act 1991* (CF Act) and the Charitable Fundraising Regulation 2008 (CF Regulation), including showing a true and fair view, in all material respects, of the Foundation's financial result of fundraising appeals for the year ended 31 December 2009.

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

Basis for Qualified Auditor's Opinion

As is common for entities that have donations and fundraising as sources of revenue, it is impractical for the Foundation to maintain an effective system of internal controls over revenue from voluntary donations it receives until their initial entry in the financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my audit procedures with respect to revenue from voluntary donations were restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion on whether all revenue from voluntary donations received by the Foundation has been recorded in its financial records.

The Trustee's Responsibility for the Financial Report

The Trustee is 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 CF 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 controls relevant to the Foundation'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 Foundation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, 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 Foundation,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- that the Foundation has complied with requirements and conditions of the CF Act, and CF Regulation that do not relate to the preparation and presentation of the financial report.

Report on Other Aspects of the *Charitable Fundraising Act 1991*

In addition, I have audited the Foundation's operations in order to express an opinion on the matters specified at sections 24(2)(b), 24(2)(c) and 24(2)(d) of the CF Act for the year ended 31 December 2009.

Qualified Auditor's Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the completeness of income from voluntary donations:

- the Foundation has properly kept the ledgers and associated records during the year ended 31 December 2009 in accordance with the CF Act and CF Regulation (section 24(2)(b) of the CF Act)
- the Foundation has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 31 December 2009 in accordance with the CF Act and the CF Regulation (section 24(2)(c) of the CF Act)
- there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (section 24(2)(d) of the CF Act).

My opinion should be read in conjunction with the rest of this report, including the inherent limitations.

Basis for Qualified Auditor's Opinion

Refer to the qualification paragraph on the financial report.

The Trustee's Responsibility under the CF Act

The Trustee is responsible for complying with the requirements and conditions of the CF Act and CF Regulation. This responsibility includes establishing and maintaining internal controls over the conduct of all fundraising appeals; ensuring that all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for; and maintaining proper books of account and records.

The Trustee is also responsible for ensuring that the Foundation will be able to pay its debts as and when they fall due.

Auditor's Responsibility

My responsibility is to express an opinion on the matters specified at sections 24 (2)(b), 24 (2)(c), and 24 (2)(d) of the CF Act. I conducted my audit in accordance with applicable Australian Auditing Standards and Standards on Assurance Engagements to obtain reasonable assurance whether the Foundation has, in all material respects, complied with specific requirements of the CF Act and CF Regulation, and whether there are reasonable grounds to believe the Foundation will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (future debts).

This audit involved performing procedures to obtain audit evidence about the Foundation's compliance with the CF Act and CF Regulation and its ability to pay future debts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material breaches of compliance and inability to pay future debts. In making those risk assessments, the auditor considers relevant internal controls 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 Foundation's internal controls.

My procedures included obtaining an understanding of the internal controls structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Foundation's compliance with specific requirements of the CF Act and CF Regulation, and assessing the reasonableness and appropriateness of management's assessment regarding the Foundation's ability to pay future debts.

Inherent Limitations

Because of inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the CF Act may occur and not be detected. My procedures have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered all requirements of the CF Act and CF Regulation.

Any projection of the evaluation of compliance with the CF Act to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Whilst evidence is available to support the Foundation's ability to pay future debts, such evidence is future orientated and speculative in nature. As a consequence, actual results are likely to be different from the information on which the opinion is based, since anticipated events frequently do not occur as expected or assumed and the variations between the prospective opinion and the actual outcome may be significant.

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

Independence

The Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, Standards on Assurance Engagements 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.

Peter Achterstraat
Auditor-General

13 April 2010
SYDNEY

UNE FOUNDATION

TRUSTEE'S REPORT

The Trust was established by deed dated 6 December 2000. Under that deed the UNE Foundation Limited was appointed as Trustee.

Principal Activities

The principal activities of the Trust during the course of the financial year were to provide money, property or benefits to the University of New England towards the provision of scholarships, research and teaching and learning.

Review of Operations

The operating result for the Trust for the year ended 31 December 2009 was a surplus of $959,007 (2008: $1,347,170).

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Trust.

Matters Subsequent to the End of the Financial Year

The Trustee is not aware of any matter or circumstances that have arisen since the end of the financial year and that have significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Trust's operations which have been proposed for the immediate future.

Environmental Regulation

The Trust is subject to various Commonwealth, State and local government statutes and requirements related to environmental matters.

Insurance of Officers

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

Legal proceedings on behalf of the Trust

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

By resolution of the Board of the UNE Foundation Limited, as Trustee of UNE Foundation.

....
Director

8 April 2010

....
Director

8-4-2010.

STATEMENT BY TRUSTEE

In the opinion of the Trustees of UNE Foundation:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Trust at 31 December 2009 and the results of its operations and transactions of the Trust for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*;

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This statement is in accordance with a resolution of the Trustee made on 8 April 2010.

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

....
Director

8 April 2010

....
Director
8-4-2010.

DECLARATION BY CHAIRMAN OF THE TRUSTEE IN RESPECT OF FUNDRAISING APPEALS

I, Geoffrey Fox, being Chair of the UNE Foundation Limited, corporate trustee of UNE Foundation, declare that in my opinion:

(1) The financial statements and notes give a true and fair view of all income and expenditure of the Trust with respect to fundraising apppeals;

(2) The statement of financial position gives a true and fair view of the state of affairs of the Trust with respect to fundraising appeals;

(3) The provision of the *Charitable Fundraising Act 1991* and the Regulations under that Act and the conditions attached to the authority have been complied with, and

(4) The internal controls exercised by the Trust are appropriate and effective in accounting for all income received and applied by the Trust from any of its fundraising appeals, except for voluntary donations. It is impracticable for the Trust to maintain an effective system of internal controls over voluntary donations prior to their initial entry into the accounting records.

....
Geoffrey Fox
Chair of the Trustee
UNE Foundation Limited

8 April 2010

Income Statement
For the year ended 31 December 2009

	Notes	2009 $	2008 $
Revenue from continuing operations			
Donations and fundraising	2	1,476,455	1,775,432
Investment revenue	3	183,243	276,174
Other Revenue	4	67,000	67,000
Total revenue from continuing operations		1,726,698	2,118,606
Expenses from continuing operations			
Administrative expenses	5	67,042	67,042
Impairment of assets	6	-	18,939
Total expenses from continuing operations		67,042	85,981
Operating result from continuing operations before distributions to UNE		1,659,656	2,032,625
Less distribution to UNE	7	700,649	685,455
Operating result for the year after distribution to UNE		959,007	1,347,170

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

Statement of Comprehensive Income
For the year ended 31 December 2009

	Notes	2009 $	2008 $
Operating result for the year after distribution to UNE		959,007	1,347,170
Other comprehensive income			
Gain (Loss) on value of available for sale financial assets	13	17,499	(64,178)
Other comprehensive income for the period		17,499	(64,178)
Total comprehensive income for the period		976,506	1,282,992

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

Statement of Financial Position
As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	5,219,223	4,581,964
Trade and other receivables	**9**	6,200	5,000
Other financial assets	**10**	36,166	16,235
Total current assets		5,261,589	4,603,199
Non-current assets			
Other financial assets	**11**	124,201	96,076
Total non-current assets		124,201	96,076
Total assets		5,385,790	4,699,275
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	91,463	381,454
Total current liabilities		91,463	381,454
Non-current liabilities			
Other liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		91,463	381,454
Net assets		5,294,327	4,317,821
EQUITY			
Reserves	**13 (a)**	17,499	-
Retained surplus	**13 (b)**	5,276,828	4,317,821
Total equity		5,294,327	4,317,821

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

Statement of Changes in Equity

For the year ended 31 December 2009

	Reserves	Retained surplus	Total
Balance as 1 January 2008	64,178	2,970,651	3,034,829
Total comprehensive income	(64,178)	1,347,170	1,282,992
Balance at 31 December 2008	-	4,317,821	4,317,821

	Reserves	Retained surplus	Total
Balance as 1 January 2009	-	4,317,821	4,317,821
Total comprehensive income	17,499	959,007	976,506
Total Equity at 31 December 2009	17,499	5,276,828	5,294,327

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

Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Cash flows from operating activities			
Fundraising		1,475,255	1,770,432
Dividends received		6,950	8,916
Interest received		156,362	269,623
Payments to suppliers		(42)	(42)
Distribution to beneficiary		(990,639)	(304,001)
Net cash provided by / (used in) operating activities	18	647,886	1,744,928
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Purchase of financial assets		(10,627)	(6,400)
Proceeds from sale of financial assets		-	-
Payments for financial assets		-	-
Net cash provided by / (used in) investing activities		(10,627)	(6,400)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		637,259	1,738,528
Cash and cash equivalents at the beginning of the financial year		4,581,964	2,843,436
Cash and cash equivalents at the end of the financial year	8	5,219,223	4,581,964

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

1.0 Summary of significant accounting policies

UNE Foundation, a not for profit entity, was established by deed of settlement on 06/12/2000 and is domiciled in Australia.

UNE Foundation Limited acts as Trustee to the Trust. The Trust is for the benefit of the University of New England. The Trust holds authority CFA 17330 to fund raise under the provision of the Charitable Funraising Act 1991.

The financial report for the year ended 31 December 2009 was authorised for issue by the Trustee on 8 April 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (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* .

The Financial Report has been prepared in accordance with the historical cost convention except for available for sale financial assets which have been measured at fair value. All amounts are in Australian currency.

(b) Revenue recognition

The Trust receives all donations by way of cheques, direct deposits and electronic funds transfer. All donations are recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the Trust.

Interest income is recognised on an accrual basis. Dividends and distributions are recognised as revenue when the Trust 's right to receive payment is established. Refunds of imputation credits arising from investment income received, are recognised as revenue when the application for refund is lodged with the Australian Taxation Office.

Gains and losses on realisation of investments are taken to the income statement when the investment is disposed of. The gain or loss is the difference between the net proceeds of disposal and the carrying value of the investment.

(c) 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 .

(d) Investments and other financial assets

Classification

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

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

Subsequent measurement

Available-for-sale financial assets are carried at fair value.

Fair Value

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

Investments and other financial assets (continued)

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

(e) 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 Trust is the current bid price.

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

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of financial year, which are unpaid.

(g) 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.

(h) Income Tax

The Trust is exempt from Income Tax.

(i) Distributions
In accordance with the Trust Deed, the Trust fully distributes by cash or reinvests its distributable income. Any funds remaining on hand are held available for distribution to the University of New England.

(j) New standards and interpretations not yet adopted

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.*

		Notes	2009 $	2008 $
2.0	**Donation and fundraising**			
	Donations and fundraising		1,476,455	1,775,432
3.0	**Investment revenue and income**			
	Interest		176,293	267,258
	Dividend Income		6,950	8,916
	Total investment revenue		183,243	276,174
4.0	**Other**			
	In-kind contributions from UNE		67,000	67,000
5.0	**Administrative**			
	In-kind contributions from UNE		67,000	67,000
	Bank fees		42	42
	Total administrative expenses		67,042	67,042
6.0	**Impairment of assets**			
	Impairment of Available-for-sale financial assets		-	18,939
7.0	**Distribution to Beneficiary**			
	University of New England	1(i)	700,649	685,455
8.0	**Cash and cash equivalents**			
	Cash at bank		255,267	1,528,964
	At call investments		4,963,956	3,053,000
	Total cash and cash equivalents		5,219,223	4,581,964

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

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

Balances as above		5,219,223	4,581,964
Less: Bank Overdrafs		-	-
Balance per statement of cash flows		5,219,223	4,581,964

		2009 $	2008 $
9.0	**Receivables**		
	Current		
	Trade and Other Debtors	6,200	5,000
	Less: Provision for impaired receivables	-	-
	Total current receivables	6,200	5,000

(a) Impaired receivables

As at 31 December 2009 current receivables of the entity with a nominal value of $6,200 (2008: Nil) were not impaired.

		2009 $	2008 $
10.0	**Other financial assets - current**		
	Accrued Interest	36,166	16,235
	Total Other financial assets - current	36,166	16,235
11.0	**Other financial assets - non-current**		
	Investments on Deposit	-	-
	Available for sale	124,201	96,076
	Total non-current other financial assets	124,201	96,076

Movement of shares are as follows:

Shares as at 1 January	96,076	172,792
Acquired in 2009	10,627	6,400
Disposed in 2009	-	-
Impairment charged against reserves	-	(64,178)
Impairment income/(expense) recognised at 31 December	17,498	(18,939)
Fair value of investment at 31 December	124,201	96,076

		2009 $	2008 $
12.0	**Trade and other payables**		
	Accrued scholarships, prizes payable to UNE	91,463	381,454
	Total trade and other payables	91,463	381,454

a) Foreign currency risk

The carrying amounts of the Trust trade and other payables are denominated in the following currencies:

	2009	2008
US Dollar	-	-
Australian Dollars	91,463	381,454
	91,463	381,454

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

13.0 Reserves and retained surplus

(a) Reserves

	2009	2008
Revaluation Reserve - Investments	17,499	

Movements

	2009	2008
Asset revaluation reserve - Investments		
Balance 1 January 2009	-	64,178
Increment/(decrement) on revaluation	17,499	(64,178)
Balance 31 December 2009	17,499	-

(b) Retained surplus

Movements in retained surplus were as follows:

	2009	2008
Retained surplus at 1 January	4,317,821	2,970,651
Net Operating Result for the year	959,007	1,347,170
Retained Surplus at 31 December	5,276,828	4,317,821

(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.

14.0 Remuneration of auditors

The audit fee payable by the University of New England, in respect of the audit of the financial reports for the Trust to the Audit Office of NSW for the financial year ended 31 December 2009 was $8,000 (2008: Nil). In 2008, audit fees of $4,000 were paid by the University of New England to external audit services providers.

15.0 Contingencies

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

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

16.0 Commitments

The entity has not identified material commitments at 31 December 2009 (2008: Nil).

(a) Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2008: Nil).

17.0 Related parties

(a) Corporate Trustee

Directors of the Corporate Trustee
Directors who held office at any time during the financial year were:-
Dr Geoffrey Fox (Chairman)
Mr Paul Barratt
Dr Laurie Piper
Mr Geoff Gorrie – from 12 May 2009
Mr Matthew Irwin – from 12 May 2009
Professor Deborah Ralston – from 12 May 2009
Mrs Margaret Roberts – from 12 May 2009
Professor James Barber – from 3 February 2010
Ms Gillian Cappelletto – to 25 March 2009
Dr Colin Gellatly – to 25 March 2009
Professor Allan Pettigrew – to 30 October 2009

(b) Controlling entity
For the purposes of meeting the requirements of the Australian Accounting Standards (AAS), the University of New England is deemed to be the controlling entity of the Trust and its Corporate Trustee, UNE Foundation Limited.

(c) Related Party Transactions
University of New England provided the Trust with a range of administrative support services. These services have been provided at no charge to the Trust and comprised the provision of:

- office accommodation facilities
- accounting and administrative services
- electricity and other utility services
- personnel services

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

The following transactions occurred with related parties:

	2009	2008
Transactions during the period	**$**	$
University of New England		
Income received	627,000	1,100,493
Payments made	700,649	685,455
Net	(73,649)	415,038
With other related parties		
Income received	-	-
Payments made	-	-
Net	-	-

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

University of New England		
Receivables	-	-
Payables	91,463	381,454
With other related parties		
Receivables	-	-
Payables	-	-

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

Operating result for the period	959,007	1,347,170
Dividend income	-	-
Impairment of investment	-	18,939
Decrease (increase) in receivables	(21,131)	(2,635)
Increase (decrease) in payables	(289,990)	381,454
Net cash provided by / (used in) operating activities	647,886	1,744,928

	2009 $	2008 $
19.0 Charitable Fundraising Appeals		
Results of Fundraising Appeals		
Donations	1,476,455	1,775,432
Gross Proceeds from Fundraising Appeals	1,476,455	1,775,432
		-
Cost of Fundraising Appeals	42	42
Net Surplus obtained from Fundraising Appeals	1,476,413	1,775,390

Comparisons of certain monetary figures and percentages in accordance with the requirements of the Charitable Fundraising Act, 1991 are set out below with clarifications.

Total cost of services complies with the Charitable Fundraising Regulation 2008.

Ratios

	2009	2008
(a) Total cost of fundraising/gross income from fundraising	42	42
	1,476,455	1,775,432
	0.0028%	0.0024%
(b) Net surplus from fundraising / gross income from fundraising	1,476,413	1,775,390
	1,476,455	1,775,432
	100.00%	100.00%
(c) Total cost of services / total expenditure	700,649	685,455
	767,691	771,436
	91.27%	88.85%
(d) Total cost of services / total income received	700,649	685,455
	1,726,698	2,118,606
	40.58%	32.35%

Statement of how funds were received and applied for charitable purposes:

Funds were received from annual appeals, special appeals, donations, bequests and sponsorships.

The net surplus that has not been applied to charitable purposes during the current year and has been taken to retained profits for future needs. Some scholarships and other activities have been paid out through the University of New England during the current year. These will be reimbursed to the University at a later date.

20.0 Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	9	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	8	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	8	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 3.12% and 4.98%. Average maturity of 71 days.
Listed Shares	11	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	12	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

UNE Foundation Trust recognises all transactions, assets and liabilities in Australian currency only and is not exposed to foreign exchange risk.

(iii) Price risk

The Trust is exposed to Price Risk through is Investments classified as available for sale financial assets. The risk is managed through diversification of the portfolio.

(iv) Cash flow and fair value interest rate risk

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

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates.

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

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

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

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

Financial risk management - continued

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.77%	-	255,267				255,267
Investments-Term Deposits	3.74%		4,963,956				4,963,956
Receivables						42,366	42,366
Listed Shares						124,201	124,201
Total Financial Assets		-	5,219,223			166,567	5,385,790
Financial Liabilities							
Borrowings			-	-			-
Payables						91,463	91,463
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		91,463	91,463
Net Financial Assets(Liabilities)		-	5,219,223	-		75,104	5,294,327

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	6.03%	-	1,528,964				1,528,964
Investments - Term Deposits	6.97%		3,053,000				3,053,000
Receivables	-					21,235	21,235
Listed Shares	-					96,076	96,076
Total Financial Assets		-	4,581,964			117,311	4,699,275
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					381,454	381,454
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		381,454	381,454
Net Financial Assets(Liabilities)		-	4,581,964	-		(264,143)	4,317,821

(d) Net Fair Values of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Trust is the current bid price.

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

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

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	5,219,223	4,581,964	5,219,223	4,581,964
Receivables	42,366	21,235	42,366	21,235
Other financial assets	124,201	96,076	124,201	96,076
Total financial assets	5,385,790	4,699,275	5,385,790	4,699,275
Financial liabilities				
Payables	91,463	381,454	91,463	381,454
Borrowings	-	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	91,463	381,454	91,463	381,454

Financial risk management - continued

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	255,267	(2,553)	(2,553)	2,553	2,553	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposit	4,963,956	(49,639)	(49,639)	49,639	49,639	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	42,366					-	-	-	-				
Listed Shares	124,201		-										
Total Financial Assets	5,385,790												
Financial Liabilities													
Borrowings	-	-	-	-	-								
Payables	91,463	N/A	N/A	N/A	N/A								
Other Amounts Owing	-												
Total Financial Liabilities	91,463												
Total increase / (decrease	5,294,327	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	1,528,964	(15,289)	(15,289)	15,289	15,289	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Depos	3,053,000	(30,530)	(30,530)	30,530	30,530	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	21,235					-	-	-	-				
Listed Shares	96,076												
Total Financial Assets	4,699,275												
Financial Liabilities													
Borrowings	-	-		-	-								
Creditors	381,454	N/A	N/A	N/A	N/A								
Other Amounts Owing	-												
Total Financial Liabilities	381,454												
Total increase / (decrease	4,317,821	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2009

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Ltd

To Members of the New South Wales Parliament and Members of UNE Partnerships Pty Limited

I have audited the accompanying financial statements of UNE Partnerships Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of UNE Partnerships Pty Limited on 17 March 2010, 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

24 March 2010
SYDNEY

UNE Partnerships Pty Limited

Directors Report
The directors of the UNE Partnerships Pty Limited present their report with the financial report for the financial year ended 31 December 2009 and the auditors report thereon.

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

Dr James HARRIS
Prof Alison NETHERY
Garry P SMITH
Richard J DOYLE

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

Christopher M PATTON

The following director held office from the beginning of the year until the date of his resignation:

Dr Phillip W BENNETT

Directors Meetings
The number of directors meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the company during the financial year are:

	Board Meetings *	
Director	**A**	**B**
Dr Phillip W BENNETT	2	2
Dr James HARRIS	6	7
Prof Alison NETHERY	6	7
Garry P SMITH	6	7
Richard J DOYLE	7	7
Christopher M PATTON	5	7

* incl 2 teleconferences

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

Principal Activities
The principal activities of the entity during the course of the financial year were:
(a) the commercialisation and delivery of education and training programs.

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

Review of Operations
The profit of the company for the financial year was $251,434 (2008: $240,890).

The company cannot pay dividends due to its status as a tax-exempt body.

During the year, each of the three major education-delivery segments of the company traded profitably.

Close attention was paid to marketing and various support functions to ensure that they complemented the education delivery in a cost-effective manner.

Significant Changes in the State of Affairs
The company's activities are impacted by general economic conditions and so the early part of 2009 saw subdued trading. Government-funded training places, plus the impact of management decisions, resulted in improved trading for the second half of 2009.

Matters Subsequent to the End of the Financial Year
There has not been any matter or circumstance, subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations
There are no significant developments or changes in the Company's operations which have been proposed for the immediate future.

Environmental Regulation

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

Insurance of Officers

The University obtains commercial insurance to indeminify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

....	....
Dr J Harris, Chairman	Mr Richard J Doyle
Director	Director

22 March 2010

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 2009, 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

17 March 2010
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;

3. the financial statements and notes are in accordance with the Corporations Act 2001; and

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

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

Dr J Harris, Chairman
Director

Mr Richard J Doyle
Director

22 March 2010

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005;

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Dr J Harris, Chairman
Director

Mr Richard J Doyle
Director

22 March 2010

Income Statement

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Revenue from continuing operations			
Sales revenue	**3**	5,054,481	5,202,191
Investment revenue	**4**	41,605	70,732
Total revenue from continuing operations		5,096,086	5,272,923
Expenses from continuing operations			
Employee related expenses	**5**	1,986,836	2,005,439
Depreciation and amortisation	**6**	166,413	148,279
Repairs and maintenance	**7**	613	3,466
Impairment of assets	**8**	9,392	22,951
Losses on disposal of assets		219	-
Other expenses	**9**	2,681,179	2,851,899
Total expenses from continuing operations		4,844,652	5,032,033
Operating surplus for the year before income tax		251,434	240,890
Income tax expense		-	-
Operating surplus from continuing operations		251,434	240,890
Operating surplus from discontinued operations		-	-
Operating surplus after income tax for the period		251,434	240,890
Operating surplus attributable to minority interest		-	-
Operating surplus attributable to UNE Partnerships Pty Limited	**20(b)**	251,434	240,890

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	**2009** **$**	2008 $
Operating suplus after income tax for the period		251,434	240,890
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		-	-
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		251,434	240,890
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		251,434	240,890

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

Statement of Financial Position

As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	936,679	1,072,769
Receivables	**11**	1,776,763	421,341
Inventories	**12**	34,613	56,112
Other non-financial assets	**13**	52,608	61,820
Total current assets		2,800,663	1,612,042
Non-current assets			
Receivables	**11**	42,828	170,144
Property, plant and equipment	**14**	96,649	119,716
Intangible assets	**15**	140,054	186,235
Total non-current assets		279,531	476,095
Total assets		3,080,194	2,088,137
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	148,035	106,238
Borrowings	**17**	2,560	23,880
Provisions	**18**	191,130	219,441
Other liabilities	**19**	1,856,487	1,106,449
Total current liabilities		2,198,212	1,456,008
Non-current liabilities			
Borrowings	**17**	-	2,560
Provisions	**18**	22,023	21,044
Total non-current liabilities		22,023	23,604
Total liabilities		2,220,235	1,479,612
Net assets		859,959	608,525
EQUITY			
Issued capital	**20(a)**	1,198,937	1,198,937
Retained surplus	**20(b)**	(338,978)	(590,412)
Total equity attributable to equity holders of the company		859,959	608,525
Minority interest		-	-
Total equity		859,959	608,525

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

Statement of Changes in Equity

For the year ended 31 December 2009

	Issued capital	Reserves	Retained surplus	Minority interest	Total
Balance as 1 January 2008	1,198,937	-	(831,302)	-	367,635
Retrospective application/restatement	-	-	-	-	-
Balance as restated	1,198,937	-	(831,302)	-	367,635
Total comprehensive income					
Parent Entity	-	-	240,890	-	240,890
Minority interest	-	-	-	-	-
Total	-	-	240,890	-	240,890
Distributions to owners	-	-	-	-	-
Contributions from owners	-	-	-	-	-
Balance at 31 December 2008	1,198,937	-	(590,412)	-	608,525
Balance as 1 January 2009	1,198,937	-	(590,412)	-	608,525
Total comprehensive income					
Parent Entity	-	-	251,434	-	251,434
Minority Interest	-	-	-	-	-
Total	-	-	251,434	-	251,434
Distributions to owners	-	-	-	-	-
Contributions from owners	-	-	-	-	-
Balance at 31 December 2009	1,198,937	-	(338,978)	-	859,959

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

Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Cash flows from operating activities			
Receipts from student fees and other customers		4,108,714	5,946,467
Dividends received		-	-
Interest received		41,604	70,732
Payments to suppliers and employees (inclusive of GST)		(4,325,994)	(5,501,092)
Interest and other costs of finance		-	-
GST recovered/paid		160,851	163,417
Net cash provided by / (used in) operating activities	**26**	(14,825)	679,524
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		285	-
Payments for property, plant, equipment & intangibles		(98,800)	(122,872)
Proceeds from sale of financial assets		1,130	-
Payments for financial assets		-	-
Net cash provided by / (used in) investing activities		(97,385)	(122,872)
Cash flows from financing activities			
Proceeds from borrowings		(23,880)	(23,880)
Repayment of borrowings		-	-
Repayment of finance leases		-	-
Net cash provided by / (used in) financing activities		(23,880)	(23,880)
Net increase / (decrease) in cash and cash equivalents		(136,090)	532,772
Cash and cash equivalents at the beginning of the financial year		1,072,769	539,997
Cash and cash equivalents at the end of the financial year	**10**	936,679	1,072,769

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Partnerships Pty Limited, a not for profit entity, was incorporated in Australia as a company limited by shares on 15 May 1986 and is domiciled in Australia.

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

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 22 March 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (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 and the Corporations Act 2001.

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

(b) Foreign currency translation

(i) Functional and presentation currency
The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

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'.

(iii) Investment income
Interest income is recognised as it accrues.

(iv) Other revenue
Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(d) Income tax

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

(e) Leases

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

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

(f) Impairment of assets

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

(g) *Cash and cash equivalents*

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six 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) *Receivables*

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

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

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

(i) Inventories

Raw materials and stores, work in progress and finished goods
Raw materials and stores, work in progress and finished goods are stated at the lower of cost and current replacement cost. Cost comprises direct materials, 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) Investments and other financial assets

Classification

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

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

(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 Entity's management has the positive intention and ability to hold to maturity. At balance date, the Entity held no assets in this category.

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

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

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

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

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

Investments and other financial assets (continued)

Impairment

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

(k) Fair value estimation

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

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

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

(l) Property, infrastructure, plant and equipment

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

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

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

Land, 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:

Furniture and Fittings: 3 - 20 yrs,
Other Plant and Equipment: 3 - 10 yrs,
Computing Equipment / Software: 3 - 5 yrs,
Intangibles: 3 - 5 years

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(f)).

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

(m) Intangible assets

(i) Research and development

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

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

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

(n) Trade and other payables

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

(o) 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.

(p) Provisions

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

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

(q) 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.

Employee benefits (continued)

(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.

(r) 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.

(s) 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.

(t) New Accounting Standards and Interpretations

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, *recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.*

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Australia	5,049,621	5,227,094	251,434	240,890	3,080,194	2,088,138
Asia	7,227	16,810	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	39,238	29,019	-	-	-	-
	5,096,086	5,272,923	251,434	240,890	3,080,194	2,088,138

		Notes	**2009**	2008
			$	$
Note 3.	**Sales revenue**			
	Education services		4,553,176	4,525,291
	Workshops		239,167	229,000
	Consultancy		208,459	368,217
	Product sales		53,679	79,683
	Total sales revenue		5,054,481	5,202,191
Note 4.	**Investment revenue and income**			
	Interest		-	-
	Investment Income		41,605	70,732
	Total investment revenue		41,605	70,732
Note 5.	**Employee related expenses**			
	Salaries		1,471,788	1,541,097
	Contribution to funded superannuation and pension schemes		156,101	167,734
	Payroll tax		114,156	109,705
	Worker's compensation		4,175	3,261
	Long service leave expense		13,358	31,534
	Annual leave		214,976	139,667
	Other (Allowances, penalties and fringe benefits tax)		12,282	12,441
	Total employee related expenses		1,986,836	2,005,439
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Furniture and Fittings		12,940	13,075
	Computer Equipment		24,814	25,689
	Total depreciation		37,754	38,764
	Amortisation			
	Intangibles		128,659	109,515
	Total amortisation		128,659	109,515
	Total depreciation and amortisation		166,413	148,279
Note 7.	**Repairs and maintenance**			
	Buildings		195	580
	Plant/furniture/equipment		418	2,886
	Total repairs and maintenance		613	3,466
Note 8.	**Impairment of assets**			
	Bad Debts		9,392	22,951
	Total impairment of assets		9,392	22,951

		Notes	2009 $	2008 $
Note 9.	**Other expenses**			
	Non-capitalised equipment		16,939	25,721
	Advertising, marketing and promotional expenses		172,816	239,781
	Utilities		51,449	57,294
	Inventory Used		33,962	42,199
	Postal and Telecommunications		65,660	80,285
	Travel and Entertainment		257,417	338,075
	Books, Serials and Other Library Media		29,625	19,199
	Consultants		251,159	255,552
	Fees for Services		1,775,470	1,769,467
	Other Expenditure		26,682	24,326
	Total other expenses		2,681,179	2,851,899
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash on hand		400	400
	Cash at bank		33,953	71,036
	At call investments	1(k)	902,326	1,001,333
	Total cash and cash equivalents		936,679	1,072,769

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

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

	2009 $	2008 $
Balances as above	936,679	1,072,769
Less: Bank Overdrafts	-	-
Balance per cash flow statement	936,679	1,072,769

(b) Cash at bank and on hand

Cash at bank (credit funds) is interest-generating; cash on hand is non interest-bearing.

(c) Deposits as call

The deposits are bearing floating interest rates between 4.39% and 5.60% (2008 - 8%). These deposits have an average maturity of 118 days.

		Notes	2009 $	2008 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,794,673	439,148
	Less: Provision for impaired receivables	1(h)	(17,910)	(17,807)
	Total current receivables		1,776,763	421,341
	Non-current			
	Trade and Other Debtors		42,828	170,144
	Total non-current receivables		42,828	170,144
	Total receivables		1,819,591	591,485

(a) Impaired receivables

As at 31 December 2009 current receivables of the entity with a nominal value of $25,760 (2008: $45,029) were impaired. The amount of the provision was $17,910 (2008: $17,807). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	2009 $	2008 $
3 to 6 months	-	-
Over 6 months	25,760	45,029
	25,760	45,029

As of 31 December 2009, trade receivables of $274,716 (2008: $143,518) were past due but not impaired. These relate to a numbe of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2009 $	2008 $
3 to 6 months	174,948	-
Over 6 months	99,768	143,518
	274,716	143,518

	Notes	2009 $	2008 $
Movements in the provision for impaired receivables are as follows:			
As at 1 January		17,807	7,098
Provision for impairment recognised during the year		8,628	33,660
Receivables written off during the year as uncollectible		(8,525)	(22,951)
		17,910	17,807

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

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

Note 12. Inventories

	Notes	2009 $	2008 $
Inventories	1(i)		
Current			
Other stocks		34,613	56,112
Total current inventories		34,613	56,112

Note 13. Other non-financial assets

	2009 $	2008 $
Current		
Accrued Income	32,593	34,032
Prepaid Expenses	20,015	27,788
Total current other non-financial assets	52,608	61,820

Note 14. Plant and equipment:

	2009 $	2008 $
Plant and equipment:		
At cost	36,572	36,572
Accumulated depreciation	(32,466)	(30,926)
	4,106	5,646
Computer cost		
At cost	163,370	192,098
Accumulated depreciation	(131,658)	(150,259)
	31,712	41,839
Leasehold Improvements		
At cost	114,000	114,000
Accumulated depreciation	(53,169)	(41,769)
	60,831	72,231
Total Plant & equipment	96,649	119,716

Movements in Carrying Amounts

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

	Plant & Equip	Computer Equip	Lease Hold Improv.	Total
Balance at 1 January 2008	7,321	40,890	83,631	131,842
Depreciation expense	(1,675)	(25,689)	(11,400)	(38,764)
Additions		26,638		26,638
Balance at 31 December 2008	5,646	41,839	72,231	119,716
Balance 1 Jan 09	5,646	41,839	72,231	119,716
Additions		15189		15,189
Depreciation expense	(1,540)	(24,814)	(11,400)	(37,754)
Derecognition		(44,097)		(44,097)
Depreciation written back on disposal		43595		43,595
Carrying amount at 31 December 2009	4,106	31,712	60,831	96,649

		Notes	2009 $	2008 $
Note 15.	**Intangible assets**			
	Course Development Expenses			
	Cost		839,985	1,432,061
	Accumulated impairment losses		(699,931)	(1,245,826)
	Net carrying value		140,054	186,235
	Reconciliation of course development expenses			
	Balance at the beginning of year		186,235	199,509
	Additions		82,478	96,241
	Amortisation charge		(128,659)	(109,515)
	Closing carrying value at 31 December 2009		140,054	186,235
Note 16.	**Trade and other payables**			
	Current			
	Trade Payables		148,035	106,238
	Total current trade and other payables		148,035	106,238

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 27.

			2009 $	2008 $
Note 17.	**Borrowings**			
	Current			
	Commercial Loan			
	Inter Entity Loan		2,560	23,880
	Total commercial loan		2,560	23,880
	Total current borrowings		2,560	23,880
	Non-current			
	Commercial Loan			
	Inter Entity Loan		-	2,560
	Total commercial loan		-	2,560
	Total non-current borrowings		-	2,560
	Total borrowings		2,560	26,440

The following facility is available as at balance date:
Credit card facilities - $45,000

Notes to the financial statements
31 December 2009
(continued)

		Notes	2009 $	2008 $
Note 18.	**Provisions**	1(q)		
	Current			
	Annual leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		103,658	101,800
	Add : Current Year Provision		214,976	63,549
	Less : Payments from Fund		(218,767)	(61,691)
	Balance as at 31 December		99,867	103,658
	Long service leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		115,784	-
	Add : Current Year Provision		13,358	31,534
	Less : Payments from Fund		(37,879)	84,249
	Balance as at 31 December		91,263	115,783
	Other		-	-
	Total Current Provision		191,130	219,441
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual Leave		99,867	103,658
	Long service leave		91,263	115,783
	Staffing		-	-
	Other		-	-
	Subtotal		191,130	219,441
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual Leave		-	-
	Long service leave		-	-
	Subtotal		-	-
	Total current provisions		191,130	219,441
	Summary movements current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		219,442	204,983
	Current year movement in provision			
	- Annual Leave		(3,791)	1,858
	- Long Service Leave		(24,521)	12,601
	- Other		-	-
	Carrying amount at end of year		191,130	219,442
	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		21,044	19,751
	Add : Current Year Provision		-	-
	Less : Payments from Fund		979	1,293
	Balance as at 31 December		22,023	21,044
	Total Non-current provisions		22,023	21,044
	Summary movements employee benefits			
	Movements in the Provision Account are:			
	Carrying amount at start of year		21,044	19,751
	Current year movement in provision			
	- Long Service Leave		979	1,293
	Carrying amount at end of year		22,023	21,044

		2009 $	2008 $
Note 19.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Salary Related	38,852	67,027
	Other Accrued Expenditure	122,144	94,478
	Income received in advance	1,695,491	944,944
	Total current other liabilities	1,856,487	1,106,449
Note 20.	**Reserves and retained surplus**		
(a)	**Issued Capital**		
	1,198,937 ordinary shares @ $1.00 each fully paid	(1,198,937)	(1,198,937)
(b)	**Retained surplus**		
	Movements in retained surplus were as follows:		
	Retained surplus at 1 January	(590,412)	(831,302)
	Net Operating Result for the year	251,434	240,890
	Retained Surplus at 31 December	(338,978)	(590,412)

(d) 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(l).

Note 21. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Partnerships Pty Limited from the beginning of the year to the reporting dates:

Directors

Dr Phillip W BENNETT (Chairman; resigned 19 May 2009)
Dr James HARRIS (Chairman from 26 August 2009)
Prof Alison NETHERY
Garry P SMITH
Richard J DOYLE
Christopher M PATTON

Executive Officers

Richard J DOYLE

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of UNE Partnerships Pty Limited during the financial year:

Mr RJ Doyle
Mr I Brown
Ms M Michell
Ms K Hogan
Ms S Rudaz
Ms D Swanson
Ms D Yeomans

Key management personnel disclosures (continued)

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receive no benefits or fees for their services as Directors.

	2009	2008
	No.	**No.**
Nil to $9,999	6	6
	6	6
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$150,000 to $159,999	-	1
$160,000 to $174,999	-	-
$175,000 to $189,999	1	-
	1	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	179,612	150,032

Note 22. Remuneration of auditors

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

	2009	2008
	$	$
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.*	30,000	15,000
Total remuneration for audit services	30,000	15,000
2. Non-audit services		
Internal Audit Services Providers	4,000	4,000
Quality assurance	-	-
Total remuneration for non-audit services	4,000	4,000

Note 23. Contingencies

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

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

Note 24. Commitments

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

	2009	2008
	$	$
Intangible assets Payable:		
Within one year	29,678	-
Later than one year but not later than five years	-	-
Later than five years	-	-
	29,678	-

(b) Lease Commitments

Operating Leases		
Within one year	62,657	63,809
Later than one year but not later than five years	236,425	37,203
Later than five years	18,608	-
Total operating leases	317,690	101,012
Total lease commitments	317,690	101,012

No lease arrangements, existing as at 31 December 2009, 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 2009 Commitments
The value of orders for goods and services placed, but not filled, as at 31 December 2009 total $Nil. (2008: $Nil).

In addition, during 2009, the Entity entered into contracts for the following operating expenditures:

	2009	2008
	$	$
Within one year	1,043,843	423,916
Later than one year but not later than five years	-	-
Later than five years	-	-
Total other expenditure commitments	1,043,843	423,916

(d) Remuneration commitments

The Managing Director is entitled to a sliding scale bonus payable on achievement of revenue and/or profit growth.
The estimated liability for 2009 has been accrued to wages expense and other creditors.

Note 25. Related parties

(a) Parent entities
The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries
The entity does not have any interest in a subsidiary.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 21.

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

The following transactions occurred with related parties:

	2009	2008
Transactions during the period	**$**	$
University of New England		
Income received	$44,091	$16,039
Payments made	$325,027	$306,051
Net	(280,936)	(290,012)

With other related parties: A company controlled by Mr GP Smith, a director of UNE Partnerships Pty Limited.

Income received	-	-
Payments made	$54,821	$70,459
Net	(54,821)	(70,459)

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

University of New England		
Receivables	22,669	
Payables	26,256	40,871
With other related parties		
Receivables	-	-
Payables	-	-

(e) Guarantees
There have been no guarantees given.

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

Note 26. Reconciliation of operating result after income tax to net cash flows from operating activities

	2009	2008
	$	$
Operating result for the period	251,434	240,890
Depreciation and amortisation	166,413	148,279
Provision for impaired receivables	104	-
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	219	-
Increase/(Decrease) in Payables and Prepaid Income	768,263	(396,552)
Increase/(Decrease) in Provision for Employee Entitlements	(55,507)	15,753
Increase/(Decrease) in Provision for Annual Leave	-	-
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(1,167,250)	641,163
(Increase)/Decrease in Inventories	21,499	29,991
Net cash provided by / (used in) operating activities	(14,825)	679,524

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	11	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	10	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 4.39% and 5.60%. Average maturity of 118 days.
Financial Liabilities			
Borrowings	17	Borrowings are stated at historic cost.	No new borrowingws were taken up in 2009.
Creditors and Accruals	16 & 19	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

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

As UNE Partnerships Pty Limited recognises all transactions, assets and liabilities in Australian dollars only, it has only minimal exposure to foreign exchange risk.

(iii) Price risk

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

(iv) Cash flow and fair value interest rate risk

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, UNE Partnerships Pty Limited:
- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The finance personnel monitor 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.

Financial risk management (continued)

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	4.24	34,353					34,353
Investments-Term Deposits	4.24		902,326				902,326
Receivables						1,829,370	1,829,370
Total Financial Assets		34,353	902,326			1,829,370	2,766,049
Financial Liabilities							
Borrowings			-	-		2,560	2,560
Payables						148,035	148,035
Other Amounts Owing						1,856,487	1,856,487
Total Financial Liabilities			-	-		2,007,082	2,007,082
Net Financial Assets(Liabilities)		34,353	902,326	-		(177,712)	758,967

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	8.78	71,436					71,436
Investments - Term Deposits	8.78		1,001,333				1,001,333
Receivables	-					483,161	483,161
Total Financial Assets		71,436	1,001,333			483,161	1,555,930
Financial Liabilities							
Borrowings	-		23,880	-			23,880
Payables	-					106,238	106,238
Other Amounts Owing	-					1,106,449	1,106,449
Total Financial Liabilities			23,880	-		1,212,687	1,236,567
Net Financial Assets(Liabilities)		71,436	977,453	-		(729,526)	319,363

(d) Net Fair Values of Financial Assets and Liabilities

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

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

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

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

Financial risk management (continued)

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	936,679	1,072,769	936,679	1,072,769
Receivables	1,829,370	483,161	1,829,370	483,161
Total financial assets	2,766,049	1,555,930	2,766,049	1,555,930
Financial liabilities				
Payables	148,035	106,238	148,035	106,238
Borrowings	2,560	23,880	2,560	23,880
Other financial liabilities	1,856,487	1,106,449	1,856,487	1,106,449
Total financial liabilities	2,007,082	1,236,567	2,007,082	1,236,567

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	34,353	(344)	(344)	344	344	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	902,326	(9,023)	(9,023)	9,023	9,023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	1,829,370					-	-	-	-				
Total Financial Assets	2,766,049												
Financial Liabilities													
Borrowings	2,560	-		-	-								
Payables	148,035												
Other Amounts Owing	1,856,487												
Total Financial Liabilities	2,007,082												
Total increase / (decrease)	758,967	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	71,536	(715)	(715)	715	715	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,001,333	(10,013)	(10,013)	10,013	10,013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	625,517					-	-	-	-				
Total Financial Assets	1,698,386												
Financial Liabilities													
Borrowings	26,440	-		-	-								
Creditors	106,238												
Other Amounts Owing	913,660												
Total Financial Liabilities	1,046,338												
Total increase / (decrease)	652,048	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

University of New England Sports Association

ABN: 82 129 428 454
Annual Financial Report for the year ended 31 December 2009

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 statement of financial position as at 31 December 2009, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 the Association as at 31 December 2009, and its 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.

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

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. 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.

Steven Martin
Director, Financial Audit Services

7 April 2010
SYDNEY

Management Report

The management committee of the University of New England Sports Association present their report with the financial report for the financial year ended 31 December 2009 and the auditors report thereon.

Management Committee

The following persons were members of the management committee during the whole of the year and up to the date of this report:

Mr Gerard Stephen	President
Mr Martin Collins	Vice-President
Dr John (Jack) Hobbs	
Mr Michael Quinlan	Vice-Chancellor Appointee
Ms Kay Hempsall	UNE Council Representative
Mr David Schmude	Executive Officer

The following person was appointed a member of the management committee during 2009 and continues in office at the date of this report.

Mr Kevin Dupe` - President (appointed 22 September 2009)

The following person was a member of the management committee during the year until the date of resignation.

Mr Gerard Charbel Stephen (resigned 22 September 2009)

Committee Meetings

The number of committee meetings attended by each of the management committee of the entity during the financial year are:

	Committee Meetings	
Director	**A**	**B**
Mr Gerard Stephen	4	4
Mr Martin Collins	4	4
Dr John (Jack) Hobbs	4	4
Mr Michael Quinlan	3	4
Ms Kay Hempsall	2	4
Mr David Schmude	4	4
Mr Kevin Dupe`	1	1

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

Principal Activities

The principal activities of the entity during the course of the financial year were:
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

Review of Operations

The University of New England Sports Association continued to provide high quality sporting, fitness and recreational facilities to its members and the community. Operationally a surplus of $8,423 resulted from the years trading, (2008 Deficit $176,297).

It should be noted however that employee provisions totalling $55,259 were reversed in 2009 due to the University of New England recognising all entitled staff as their employees.
Without this accounting treatment the trading result for the year would be a deficit of ($46,836).

Matters Subsequent to the End of the Financial Year

It is likely that in the year 2010 the association shall commence trading as Sport UNE Limited.

Environmental Regulation

The significant environmental regulations to which the Entity 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
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 14
Heritage Act 1977 No 136
Heritage Amendment Act 2009 No 34

Environmental Regulation (continued)
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 Man. No 92
Water Management Amendment Act 2008 No 73
Water Management Amendment Act 2009 No 110

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2008

Insurance of Officers

The University obtains commercial insurance to indeminify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

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.

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 when they fall due noting the factors outlined in Note 1(s) 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.

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

Mr Kevin Dupe	David Schmude
President	Executive Director

31 March 2010

Income Statement

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Revenue from continuing operations			
Trading Income	**3**	1,759,780	1,730,236
Investment revenue	**4**	22,792	37,091
Other Revenue	**5**	50,000	50,000
Total revenue from continuing operations		1,832,572	1,817,327
Gains on disposal of assets		36	9,310
Total revenue and income from continuing operations		1,832,608	1,826,637
Expenses from continuing operations			
Employee related expenses	**6**	843,643	882,417
Depreciation and amortisation	**7**	153,837	217,046
Repairs and maintenance	**8**	81,852	62,266
Impairement of assets	**9**	-	3,606
Losses on disposal of assets		2,526	22,414
Other expenses	**10**	742,327	815,185
Total expenses from continuing operations		1,824,185	2,002,934
Operating surplus/(deficit) before income tax		8,423	(176,297)
Income tax expense		-	-
Operating surplus/(deficit) attributable to the University of New England Sports Association	**19(b)**	8,423	(176,297)

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Operating surplus/(deficit) after income tax for the period		8,423	(176,297)
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		(18,000)	409,627
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		(18,000)	409,627
Total comprehensive income for the period		(9,577)	233,330
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the entity		(9,577)	233,330

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

Statement of Financial Position

As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**11**	470,970	642,508
Receivables	**12**	116,843	56,820
Inventories	**13**	10,714	15,123
Other non-financial assets	**14**	13,109	19,610
Total current assets		611,636	734,061
Non-current assets			
Property, plant and equipment	**15**	4,888,588	5,024,023
Total non-current assets		4,888,588	5,024,023
Total assets		5,500,224	5,758,084
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	126,935	218,722
Provisions	**17**	10,540	38,523
Other liabilities	**18**	70,902	182,677
Total current liabilities		208,377	439,922
Non-current liabilities			
Provisions	**17**	-	16,738
Total non-current liabilities		-	16,738
Total liabilities		208,377	456,660
Net assets		5,291,847	5,301,424
EQUITY			
Reserves	**19(a)**	949,877	1,095,877
Retained surplus	**19(b)**	4,341,970	4,205,547
Total equity attributable to equity holders of the entity		5,291,847	5,301,424
Minority interest		-	-
Total equity		5,291,847	5,301,424

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

Statement of Cash Flows
For the year ended 31 December 2009

	Notes	**2009**	2008
		$	$
Cash flows from operating activities			
Receipts from student fees and other customers		1,930,825	1,967,375
Interest received		24,053	37,091
Payments to suppliers and employees (inclusive of GST)		(2,087,526)	(1,757,930)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	**26**	(132,648)	246,536
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		25,094	22,427
Payments for property, plant and equipment		(63,984)	(49,415)
Proceeds from sale of financial assets		-	-
Payments for financial assets		-	-
Net cash provided by / (used in) investing activities		(38,890)	(26,988)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Repayment of finance leases		-	-
Repayment of loans		-	7,420
Net cash provided by / (used in) financing activities		-	7,420
Net increase / (decrease) in cash and cash equivalents		(171,538)	226,968
Cash and cash equivalents at the beginning of the financial year		642,508	415,540
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year		470,970	642,508

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

Statement of Changes in Equity
For the year ended 31 December 2009

	Reserves	Retained surplus	Minority interest	Total
Balance as 1 January 2008	686,250	4,381,844	-	5,068,094
Retrospective application/restatement	-	-	-	-
Balance as restated	686,250	4,381,844	-	5,068,094
Total comprehensive income				
Parent Entity	409,627	(176,297)	-	233,330
Minority interest	-	-	-	-
Total	409,627	(176,297)	-	233,330
Distributions to owners	-	-	-	-
Contributions from owners	-	-	-	-
Balance at 31 December 2008	1,095,877	4,205,547	-	5,301,424
Balance as 1 January 2009	1,095,877	4,205,547	-	5,301,424
Total comprehensive income				
Parent Entity	(18,000)	8,423	-	(9,577)
Transfers to retained surplus	(128,000)	128,000	-	-
Total	(146,000)	136,423	-	(9,577)
Distributions to owners	-	-	-	-
Contributions from owners	-	-	-	-
Balance at 31 December 2009	949,877	4,341,970	-	5,291,847

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

University of New England Sports Association, a not for profit entity, is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "*Consolidated and Separate Financial Statements".*

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 31 March 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (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.

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

(b) Foreign currency translation

(i) Functional and presentation currency
The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Trading income
Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of services is recognised upon the delivery of the service to customers.

(ii) Investment income
Interest income is recognised when the Entity's right to receive payment has been established.

(iii) Other revenue
Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned or received.

(d) Income tax

University of New England Sports Association has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997.

(e) Leases

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

Leases (continued)

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

(f) Impairment of assets

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

(g) *Cash and cash equivalents*

For 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.

(h) *Receivables*

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

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 Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 9 . When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

(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.

(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.

(j) Fair value estimation

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

Fair value estimation (continued)

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

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

(k) Property, infrastructure, plant and equipment

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

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

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

Land and buildings under construction 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 40 yrs,
Infrastructure 10 - 40 yrs,
Computing Implementation Costs & Software - 10 yrs,
Motor Vehicles - 5 - 7 yrs,
Furniture and Fittings -10 yrs,
Other Plant and Equipment - 10 yrs,
Computing Equipment / Software - 5 yrs,

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(f)).

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

Buildings controlled by the Entity were revalued as at 31 December 2008, by Knight Davidson Property Advisory.

Plant & Equipment assets, existing at 31 December 2009, were revalued by Rushton Valuers as at 20 December 2008 or are carried at cost if purchased subsequent to the revaluation.

(l) Trade and other payables

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

(m) 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 (continued)

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.

(n) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance 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.

(o) Employee benefits

Wages and salaries, and other employee entitlements

All liabilities for employee entitlements are recognised by the University of New England as it is held that all entitled employees are employees of the University of New England.

(p) Goods and Services Tax (GST)

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

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

(q) Comparative amounts

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

(r) New Accounting Standards and Interpretations

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, *recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.*

(s) 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 presently has no external borrowings;

- University of New England has undertaken to support the Association to ensure it can operate as a "going concern".

University of New England Sports Association will commence trading as Sport UNE Limited from 1 January 2010.

Notes to the financial statements
31 December 2009
(continued)

	2009	2008
	$	$

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Australia	1,832,248	1,826,637	(69,471)	(176,297)	5,231,953	5,301,424
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
	1,832,248	1,826,637	(69,471)	(176,297)	5,231,953	5,301,424

Note 3. Trading Income

	2009 $	2008 $
University contribution	464,949	421,650
Membership fees	195,844	211,418
Facility fees & equipment hire	628,765	549,257
Vacation care	51,803	77,971
Scholarship, sponsrship & donations	58,533	21,584
Shop sales	71,702	82,169
Sports camps	85,297	137,686
University sporting programs	142,754	109,848
Commercial programs & events	50,018	70,031
University VSU Contribution	-	33,725
Sundry	10,115	14,897
Total trading income	1,759,780	1,730,236

Note 4. Investment revenue and income

	2009 $	2008 $
Interest	22,792	37,091
Total investment revenue	22,792	37,091

Note 5. Other revenue

	2009 $	2008 $
Grant Income	50,000	50,000
Total other revenue	50,000	50,000

Note 6. Employee related expenses

	2009 $	2008 $
Salaries	798,675	797,905
Contribution to funded superannuation and pension schemes	84,242	63,059
Payroll tax	15,986	19,006
Worker's compensation	-	-
Long service leave expense	(28,859)	8,477
Annual leave	(26,401)	(6,030)
Other (Allowances, penalties and fringe benefits tax)	-	-
Total employee related expenses	843,643	882,417

Note 7. Depreciation

	2009 $	2008 $
Buildings	90,000	118,333
Infrastructure	27,111	24,644
Furnitures and Fittings	2,912	2,185
Plant and Equipment	25,207	37,551
Computer Equipment	2,860	27,332
Motor Vehicles	5,747	7,001
Total depreciation	153,837	217,046

Note 8. Repairs and maintenance

	2009 $	2008 $
Plant/furniture/equipment	54,286	62,266
Grounds	27,566	-
Total repairs and maintenance	81,852	62,266

Notes to the financial statements
31 December 2009
(continued)

		Notes	2009 $	2008 $
Note 9	**Impairment of assets**			
	Bad Debts		-	-
	Doubtful debts		-	3,606
	Total impairment of assets		-	3,606
Note 10.	**Other expenses**			
	Non-capitalised equipment		42,430	19,436
	Advertising, marketing and promotional expenses		30,320	24,363
	Utilities		122,257	158,651
	Inventory Used		59,845	77,942
	Postal and Telecommunications		11,777	11,490
	Travel and Entertainment		24,785	24,926
	Operating Lease Rental Charges		8,260	8,260
	Consultants		18,810	8,215
	Fees for Services		133,860	112,452
	Net Losses on derecognition of assets		-	22,331
	Books & Subsciptions		5,269	4,446
	Scholarships & Donations		14,153	11,755
	Other Expenditure		270,561	330,918
	Total other expenses		742,327	815,185
Note 11.	**Cash and cash equivalents**	1(g)		
	Cash on hand		1,550	1,550
	Cash at bank		469,420	640,958
	Total cash and cash equivalents		470,970	642,508

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

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

Balances as above	470,970	642,508
Less: Bank Overdraft	-	-
Balance per cash flow statement	470,970	642,508

(b) Cash on hand

These are non-interest bearing.	1,550	1,550

Note 12.	**Receivables**			
	Current			
	Trade and Other Debtors		120,080	60,426
	Less: Provision for impaired receivables	1(h)	(3,237)	(3,606)
	Total current receivables		116,843	56,820
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		116,843	56,820

(a) Impaired receivables

As at 31 December 2009 the entity held provisions of $3,237 (2008: $3,606) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

		Notes	2009 $	2008 $
	Receivables (continued)			
	Movements in the provision for impaired receivables are as follows:			
	As at 1 January		3,606	-
	Provision for impairment recognised during the year		-	3,606
	Receivables written off during the year as uncollectible		(369)	-
			3,237	3,606

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

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

		Notes	2009 $	2008 $
Note 13.	**Inventories**	1(i)		
	Other stocks		10,714	15,123
	Total current inventories		10,714	15,123
Note 14.	**Other non-financial assets**			
	GST Refundable		13,109	19,610
	Total current other non-financial assets		13,109	19,610

Note 15. Property, plant and equipment

	Infrastructure $	Freehold buildings $	Plant and equipment $	Motor vehicle $	Computer cost $	Furniture & fittings $	Leased plant & equipment $	Total $
At 1 January 2008								
- Cost	-	-	468,251	64,923	153,564	43,742	8,246	**738,726**
- Valuation	1,055,000	3,550,000	-	-	-	-	-	**4,605,000**
Accumulated depreciation	-	-	(337,495)	(27,353)	(102,899)	(34,854)	(1,236)	**(503,837)**
Net book amount	**1,055,000**	**3,550,000**	**130,756**	**37,570**	**50,665**	**8,888**	**7,010**	**4,839,889**
Year ended 31 December 2008								
Opening net book amount	1,055,000	3,550,000	130,756	37,570	50,665	8,888	7,010	**4,839,889**
Accummulated depreciation change on revaluation	24,644	118,333	321,740	9,544	124,186	36,979	-	**635,426**
Depreciation written back on disposal	-	-	(22,413)	(13,117)	-	-	-	**(35,530)**
Transfers	-	-	-	-	250	(250)	-	**-**
Derecognition	-	-	-	-	-	-	-	**-**
Revaluation surplus	62,950	50,000	(181,697)	(9,896)	(146,164)	(23,323)	-	**(248,130)**
Additions	3,050	-	26,365	20,000	-	-	-	**49,415**
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	**-**
Depreciation charge	(24,644)	(118,333)	(42,725)	(7,001)	(21,332)	(2,186)	(826)	**(217,047)**
Closing net book amount	**1,121,000**	**3,600,000**	**232,026**	**37,100**	**7,605**	**20,108**	**6,184**	**5,024,023**
At 31 December 2008								
- Cost	-	-	-	-	-	-	8,246	**8,246**
- Valuation	1,121,000	3,600,000	232,680	37,268	7,650	20,170	-	**5,018,768**
Accumulated depreciation	-	-	(654)	(168)	(45)	(62)	(2,062)	**(2,991)**
Net book amount	**1,121,000**	**3,600,000**	**232,026**	**37,100**	**7,605**	**20,108**	**6,184**	**5,024,023**

Note 15. Property, plant and equipment (continued)

	Infrastructure $	Freehold buildings $	Plant and equipment $	Motor vehicle $	Computer cost $	Furniture & fittings $	Leased plant & equipment $	Total $
Year ended 31 December 2009								
Opening net book amount	1,121,000	3,600,000	232,026	37,100	7,605	20,108	6,184	**5,024,023**
Depreciation written back on disposal	-	-	388	1,941	-	-	-	**2,329**
Transfers	6,184	-	-	-	-	-	(6,184)	**-**
Derecognition	-	-	-	-	-	-	-	**-**
Revaluation surplus *	-	-	(18,000)	-	-	-	-	**(18,000)**
Additions	4,681	-	12,870	39,418	6,120	895	-	**63,984**
Assets classified as held for sale and other disposals	-	-	(12,911)	(17,000)	-	-	-	**(29,911)**
Depreciation charge	(27,111)	(90,000)	(25,207)	(5,747)	(2,860)	(2,912)	-	**(153,837)**
Closing net book amount	**1,104,754**	**3,510,000**	**189,166**	**55,712**	**10,865**	**18,091**	-	**4,888,588**
At 31 December 2009								
- Cost	12,926	-	12,873	39,418	6,121	895	-	**72,233**
- Valuation	1,121,001	3,600,000	201,804	20,268	7,650	20,170	-	**4,970,893**
Accumulated depreciation	(29,173)	(90,000)	(25,511)	(3,974)	(2,906)	(2,974)	-	**(154,538)**
Net book amount	**1,104,754**	**3,510,000**	**189,166**	**55,712**	**10,865**	**18,091**	-	**4,888,588**

* The $18,000 write off in Plant and Equipment relates to Spin Cycles already reported in the University of New England.

Notes to the financial statements
31 December 2009
(continued)

		Notes	2009 $	2008 $
Note 16.	**Trade and other payables**			
	Trade Payables		58,386	157,527
	Refundable Receipts		68,549	61,195
	Total current trade and other payables		126,935	218,722
	Refer note 24 for disclosure of amount owing to the University of New England			
Note 17.	**Provisions**	1(n)		
	Current			
	Annual leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		26,401	32,431
	Add : Current Year Provision		1,417	41,410
	Less : Payments from Fund		(27,818)	(47,440)
	Balance as at 31 December		-	26,401
	Long service leave			
	The estimated liability, as at 31 December, is fully provided. Movements in the provision are :			
	Balance brought forward from prior year		12,121	-
	Add : Current Year Provision		(31,636)	12,152
	Less : Payments from Fund		19,515	-
	Balance as at 31 December		-	12,152
	Other		10,540	-
	Total Current Provision		10,540	38,553
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual Leave		-	26,401
	Long service leave		-	12,152
	Staffing		-	-
	Other		10,540	-
	Subtotal		10,540	38,553
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual Leave		-	-
	Long service leave		-	-
	Subtotal		-	-
	Total current provisions		10,540	38,553
	Summary movements current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		38,523	32,432
	Current year movement in provision			
	- Annual Leave		(26,401)	(6,030)
	- Long Service Leave		(12,122)	12,121
	- Other		10,540	-
	Carrying amount at end of year		10,540	38,523
	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		16,738	16,738
	Add : Current Year Provision		2,777	-
	Less : Payments from Fund		(19,515)	-
	Balance as at 31 December		-	16,738
	Total Non-current provisions		-	16,738
	Summary movements employee benefits			
	Movements in the Provision Account are:			
	Carrying amount at start of year		16,738	20,412
	Current year movement in provision			
	- Long Service Leave		(16,738)	(3,674)
	Carrying amount at end of year		-	16,738

		2009 $	2008 $
Note 18.	**Other Liabilities**		
	Other Accrued Expenditure	70,902	175,387
	Payroll Tax payable	-	7,290
	Total current other liabilities	70,902	182,677
Note 19.	**Reserves and retained surplus**		
(a)	**Reserves**		
	Revaluation Reserve - Buildings	410,858	410,858
	Revaluation Reserve - Infrastructure	539,019	557,019
	Soccer scholarship fund reserve	-	128,000
	Total reserves	949,877	1,095,877
	Movements		
	Asset revaluation reserve - Buildings		
	Balance 1 January 2009	410,858	410,858
	Increment/(decrement) on revaluation	-	-
	Transfer to/(from) retained surplus on disposal	-	-
	Balance 31 December 2009	410,858	410,858
	Soccer scholarship fund reserve		
	Balance 1 January 2009	128,000	128,000
	Transfer to retained surplus	(128,000)	-
	Balance 31 December 2009	-	128,000
	Asset revaluation reserve - Infrastructure		
	Balance 1 January 2009	557,019	557,019
	Increment/(decrement) on revaluation	(18,000)	-
	Balance 31 December 2009	539,019	557,019
(b)	**Retained surplus**		
	Movements in retained surplus were as follows:		
	Retained surplus at 1 January	4,205,547	4,381,844
	Transfer from Reserves	128,000	-
	Net operating surplus/(deficit) for the year	8,423	(176,297)
	Retained Surplus at 31 December	4,341,970	4,205,547

(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(k).

Note 20. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of the University of New England Sports Association from the beginning of the year to the reporting dates:

Management Committee
Mr Gerard Stephen
Mr Kevin Dupe`
Mr Martin Collins
Dr John (Jack) Hobbs
Mr Michael Quinlan
Ms Kay Hempsall

Executive Officers
Mr David Schmude

Other Key Management Personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of the University of New England Sports Association during the financial year:

Mr David Schmude
Mrs Kathie Hunt

(b) Remuneration of Management Committee and Executives

Remuneration of the Management Committee
The Management Committee of the entity act in an honorary capacity and receives no benefits or fees for their services.
The Management Committee did not receive benefits and fees from a related body corporate except for
Mr D Schmude in his capacity as Executive Officer of University of New England Sports Association

	2009	2008
Remuneration of executive officers	**No.**	**No.**
$110,000 to $119,999	1	1
	1	1

No other benefits were received during the year.

Note 21. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the University of New England Sports Association, its related practices and non-related audit firms:

	2009 **$**	2008 $
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.*	26,000	28,000
Total remuneration for audit services	26,000	28,000
2. Non-audit services		
Audit-related services		
Fees paid to The Audit Office of NSW:		
External Audit Services Providers	-	-
Quality assurance	-	-
Total remuneration for audit-related services	-	-

Note 22. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of University of New England Sports Association.

At balance date, no contingent liabilities or contingent assets of a material nature to the University of New England Sports Association. had been identified.

Note 23. Commitments

(a) Capital Commitments

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

	2009 **$**	2008 $
Property, Plant and Equipment:		
Within one year	20,000	-
Later than one year but not later than five years	-	-
Later than five years	-	-
	20,000	-
(b) Lease Commitments		
(i) Operating Leases		
Within one year	9,574	9,574
Later than one year but not later than five years	23,934	33,508
Later than five years	-	-
Total operating leases	33,508	43,082
Total lease commitments	33,508	43,082

The operating lease commitments relates to a photocopier.

No lease arrangements existing as at 31 December 2009 that contains contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

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

Note 24. Related parties

(a) Parent entities
The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries
The entity does not have any interest in a subsidiary.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 20.

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

The following transactions occurred with related parties:

	2009	2008
Transactions during the period	**$**	$
University of New England		
Income received	568,520	502,046
Payments made	1,607,932	1,317,895
Net	(1,039,412)	(815,849)

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

University of New England		
Receivables	103,571	
Payables	45,015	200,811

(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 25. Events subsequent to reporting period

It is likely that in 2010, the Associaiton shall commence trading as Sport UNE Limited. All activities curretly provided by the Association will be conducted under the new structure.

Note 26. Reconciliation of operating result after income tax to net cash flows from operating activities

	2009	2008
	$	$
Operating surplus/(deficit) for the period	8,422	(176,297)
Depreciation and amortisation	153,837	217,046
Provision for impaired receivables	(369)	3,606
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	2,490	35,435
Increase/(Decrease) in Payables and Prepaid Income	(196,274)	76,594
Increase/(Decrease) in Provision for Employee Entitlements	(55,260)	2,417
Increase/(Decrease) in Other Provisions	3,250	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(53,153)	82,080
(Increase)/Decrease in Inventories	4,409	5,655
Net cash provided by / (used in) operating activities	(132,648)	246,536

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	12	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	11	Deposits are stated at cost	Bank Call Deposits interest
Financial Liabilities			
Borrowings		No borrowings were taken up in 2009.	
Creditors and Accruals	16 & 18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

As University of New England Sports Association recognises all transactions, assets and liabilities in Australian dollars only, it has minimal exposure to foreign exchange risk.

(iii) Price risk

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

(iv) Cash flow and fair value interest rate risk

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, University of New England Sports Association:
- 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.

Financial risk management (continued)

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	4%		470,970				470,970
Receivables			-			129,952	129,952
Total Financial Assets		-	470,970			129,952	600,922
Financial Liabilities							
Payables						-	0
Other Amounts Owing	N/A					70,901	70,901
Total Financial Liabilities			-	-		70,901	70,901
Net Financial Assets(Liabilities)		-	470,970	-		59,051	530,021

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	6%		642,508				642,508
Receivables	-					76,429	76,429
Total Financial Assets		-	642,508			76,429	718,937
Financial Liabilities							
Payables	-					-	0
Other Amounts Owing	-					175,386	175,386
Total Financial Liabilities			-	-		175,386	175,386
Net Financial Assets(Liabilities)		-	642,508	-		(98,957)	543,551

(d) Fair Values of Financial Assets and Liabilities

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

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

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

Financial risk management (continued)

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	470,970	642,508	470,970	642,508
Receivables	129,952	76,429	129,952	76,429
Other financial assets	0	0	0	0
Total financial assets	600,922	718,937	600,922	718,937
Financial liabilities				
Payables	0	0	0	0
Borrowings	0	0	0	0
Other financial liabilities	70,901	175,386	70,901	175,386
Total financial liabilities	70,901	175,386	70,901	175,386

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	470,970	(4,710)	(4,710)	4,710	4,710	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	129,952					N/A	N/A	N/A	N/A				
Total Financial Assets	600,922												
Financial Liabilities													
Borrowings	-	N/A	N/A	N/A	N/A								
Payables	126,935												
Other Amounts Owing	82,394												
Total Financial Liabilities	209,329												
Total increase / (decrease)	391,593	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	642,508	(6,425)	(6,425)	6,425	6,425	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	76,430					N/A	N/A	N/A	N/A				
Total Financial Assets	718,938												
Financial Liabilities													
Borrowings	-	N/A	N/A	N/A	N/A								
Creditors	218,722												
Other Amounts Owing	182,676												
Total Financial Liabilities	401,398												
Total increase / (decrease)	317,540	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

SPORTUNE Limited

sportUNE

ABN: 73 138 308 899
Annual Financial Report for the year ended 31 December 2009

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Sport UNE Limited

To Members of the New South Wales Parliament and Members of Sport UNE Limited

I have audited the accompanying financial statements of Sport UNE Limited (the Company), which comprises the statement of financial position as at 31 December 2009, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
    - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Sport UNE Limited on 26 March 2010, 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

7 April 2010
SYDNEY

Directors Report

The directors of Sport UNE Limited present their report with the financial report for the financial period ended 31 December 2009 and the auditors report thereon.

Directors

The following directors were appointed during the year or prior to the date of this report and continue in office at the date of this report:

Michael Quinlan	(appointed 15 July 2009)
David Anton Schmude	(appointed 15 July 2009)
John (Jack) Hobbs	(appointed 1 January 2010)
Norma Abeyasekera	(appointed 1 January 2010)
Claire Parker	(appointed 1 January 2010)
Kay Hempsall	(appointed 1 January 2010)
Kevin Dupe`	(appointed 1 January 2010)
David Munday	(appointed 1 January 2010)

The following director held office during the year until the date of his resignation:

Gerard Charbel Stephen (resigned 1 January 2010)

Directors Meetings

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

	Ordinary Meetings	
Director	**A**	**B**
Michael Quinlan	3	3
David Anton Schmude	3	3
Gerard Charbel Stephen	1	3

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

Principal Activities

The principal activities of the entity during the course of the financial year were:

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

Review of Operations

The entity did not conduct business operations during the year.

Matters Subsequent to the End of the Financial Year

It is likely that in the year 2010 the company shall commence trading as Sport UNE, and offer all facilities currently conducted by the University of New England Sports Association.

Environmental Regulation

The significant environmental regulations to which the Entity 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
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 14
Heritage Act 1977 No 136
Heritage Amendment Act 2009 No 34
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 Man No 92
Water Management Amendment Act 2008 No 73
Water Management Amendment Act 2009 No 110

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2008

Insurance of Officers

The University obtains commercial insurance to indeminify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

....	....
Kevin Dupe`	David Anton Schmude
Director	Director

31 March 2010

GPO BOX 12
Sydney NSW 2001

To the Directors
Sport UNE Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of Sport UNE Limited for the year ended 31 December 2009, 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

26 March 2010
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;

3. the financial statements and notes are in accordance with the Corporations Act 2001; and

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

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

Kevin Dupe`
Director

David Anton Schmude
Director

31 March 2010

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983,* Public Finance and Audit Regulation 2005;

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Kevin Dupe`
Director

David Anton Schmude
Director

31 March 2010

Income Statement

For the year ended 31 December 2009

	Notes	**2009**	2008
		$	$
Revenue from continuing operations			
Other Revenue	**2**	-	-
Total revenue from continuing operations		-	-
Expenses from continuing operations			
Other expenses	**3**	-	-
Total expenses from continuing operations		-	-
Operating result before income tax		-	-
Income tax expense		-	-
Operating result from continuing operations		-	-
Operating result from discontinued operations		-	-
Operating result after income tax for the period		-	-
Operating result attributable to minority interest		-	-
Operating result attributable to the Sport UNE Limited		-	-

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

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	**2009**	2008
	Notes	**2009**	2008
		$	$
Operating result after income tax for the period		-	-
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		-	-
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		-	-
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		-	-

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

Statement of Financial Position

As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Other financial assets	**4**	-	-
Total current assets		-	-
Non-current assets			
Other financial assets	**5**	-	-
Total non-current assets		-	-
Total assets		-	-
LIABILITIES			
Current liabilities			
Other liabilities	**6**	-	-
Total current liabilities		-	-
Non-current liabilities			
Other liabilities	**7**	-	-
Total non-current liabilities		-	-
Total liabilities		-	-
Net assets		-	-
EQUITY			
Retained surplus	**8**	-	-
Total equity		-	-

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

Statement of Changes in Equity

For the year ended 31 December 2009

	Notes	Reserves	Retained surplus	Minority interest	Total
Total comprehensive income					
Balance as 1 January 2009		-	-	-	-
Total comprehensive income					
Parent Entity		-	-	-	-
Minority Interest		-	-	-	-
Total		-	-	-	-
Balance at 31 December 2009	**8**	-	-	-	-

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

Statement of Cash Flows

Operating result attributable to the Sport UNE Limited

	Notes	**2009 $**	2008 $
Cash flows from operating activities		-	-
Net cash provided by / (used in) operating activities		-	-
Cash flows from investing activities		-	-
Net cash provided by / (used in) investing activities		-	-
Cash flows from financing activities		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year		-	-

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

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

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

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 31 March 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 , the Public Finance and Audit Act Regulations 2005 and Corporations Act 2001.

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

(b) Revenue recognition

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

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

(c) Income tax

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

(d) New Accounting Standards and Interpretations

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

Notes to the financial statements
31 December 2009
(continued)

		Notes	2009 $	2008 $
Note 2.	**Other Revenue**			
	other		-	-
	Total Other Revenue		-	-
Note 3.	**Other Expenses**			
	other		-	-
	Total Other Expenses		-	-
Note 4.	**Current Assets**			
	Other		-	-
	Total Current Assets		-	-
Note 5.	**Non Current Assets**			
	Other		-	-
	Total Non Current Assets		-	-
Note 6.	**Current Liabilities**			
	Other		-	-
	Total Current Liabilities		-	-
Note 7.	**Non Current Liabilities**			
	Other		-	-
	Total Non Current Liabilities		-	-
Note 8.	**Retained Surplus**			
	Movements in retained surplus were as follows:			
	Retained surplus at 1 January		-	-
	Net Operating Result for the year		-	-
	Reatined Surplus at 31 December		-	-

Note 9. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of the Sport UNE Limited from the incoporation of the entity to the reporting dates:

Directors	
Michael Quinlan	Director
David Anton Schmude	Director / Company Secretary
Gerard Charbel Stephen	Director (resigned 1 January 2010)
Kevin Dupe`	Director (appointed 1 January 2010)

(b) Remuneration of Board Members and Executives

Remuneration of Board Members
The Directors of the company act in an honorary capacity and receive no benefits or fees for their services as Directors.

Note 10. Remuneration of auditors
During the year, the Company did not trade. Audit fees relating to 31 December 2009 reporting, will be met by the University of New England Sports Association.

Note 11. Contingencies
At balance date, no proceeding had been identified as being progressed on behalf of Sport UNE Limited.

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

Note 12. Commitments
At balance date, no financial commitments for Sport UNE Limited have been entered into.

End of Audited Financial Statements

National Marine Science Centre Pty Ltd

ABN: 35 092 754 222
Annual Financial Report for the year ended 31 December 2009

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 statements of National Marine Science Centre Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2009, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 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
- are in accordance with *section* 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, 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 roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of National Marine Science Centre Pty Ltd on 9 April 2010, 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

15 April 2010
SYDNEY

National Marine Science Centre Pty Ltd

Directors Report

The directors of the National Marine Science Centre Pty Ltd present their report with the financial report for the financial year ended 31 December 2009 and the auditors report thereon.

Directors

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

Professor J. Graham
Professor B. Thom
Councillor I. Ovens
Professor P. Harrison
Mr W. Grimshaw

The following directors were appointed during the year and continue in office at the date of this report:

Professor P. Lee (appointed 31/08/2009)
Professor H. Daniel (appointed 18/02/2010)
Professor I. Young (appointed - 12/03/2009)

The following directors held office from the beginning of the year until the date of their resignation:

Professor P. Clark (resigned - 28/08/2009)
Professor A. Pettigrew (resigned - 31/10/2009)
Professor M. Sedgley (resigned - 8/02/2010)
Professor J. Gibson (resigned - 12/03/2009)

The following director was appointed after year end and continues in office to the date of this report:
Professor J. Barber (appointed 26/03/2010)

The Company Secretary is Ms M. Love.

Directors Meetings

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

	Board Meetings	
Director	**A**	**B**
Professor P. Clark - Chair	3	4
Professor A. Pettigrew	2	4
Professor P. Lee	1	1
Professor J. Graham	4	4
Professor M. Sedgley	4	4
Professor J. Gibson	1	1
Professor I. Young	3	3
Professor P. Harrison	3	4
Professor B. Thom	3	4
Mr W. Grimshaw	3	4
Councillor I. Ovens	4	4

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

Principal Activities

The principal activities of the entity during the course of the financial year were:

To establish and operate a Marine Centre that will integrate education, environmental research, fisheries research, management, ecotourism, and public interpretative facilities.

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

Review of Operations

The Company incurred an operating deficit of $808,794. This includes $864,792 being that part of the deficit on revaluation of Land, Building and Infrastructure that was not covered by existing reserves.

The operating surplus excluding the revaluation impact was $55,998.

Significant Changes in the State of Affairs

National Marine Science Centre Pty Ltd is a joint venture between Southern Cross University and the University of New England. The University of New England is in the process of selling its interest in the joint venture to Southern Cross University.

In anticipation of the sale, the Fixed Assets and Investment Units of the company were revalued to reflect the sale price.

The valuation of the company was determined by mutual agreement between the two universities in conjunction with independent valuers.

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 entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Company's operations which have been proposed for the immediate future.

Environmental Regulation

The company is subject to various Commonwealth, State and local government statutes and requirements related to environmental matters.

Insurance of Officers

The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $40,000 for Directors and Officers Insurance covered the period 1 November 2008 to 31 October 2009. Insurance has been renewed for the Group for the period 1 November 2009 to 31 October 2010 at a cost of $34,000. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representatives of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2009.

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

Director

Director

14 April 2010

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 statements of National Marine Science Centre Pty Ltd for the year ended 31 December 2009, 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 2010
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2009;

3. the financial statements and notes are in accordance with the Corporations Act 2001; and

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

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

Director | Director

14 April 2010

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2009 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005;*

3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Director | Director

14 April 2010

Income Statement

For the year ended 31 December 2009

	Notes	2009 $	2008 $
Revenue from continuing operations			
Other grant income	3	150,215	208,669
Fees and charges	4	2,648,205	2,574,211
Investment revenue	5	33,726	67,365
Consultancy and contracts	6	366,701	106,186
Other Revenue	7	73,069	61,034
Total revenue from continuing operations		3,271,916	3,017,465
Gains on disposal of assets		2,367	-
Other Income	7	135,000	-
Total revenue and income from continuing operations		3,409,283	3,017,465
Expenses from continuing operations			
Contracted salaries	8	1,066,469	887,789
Depreciation	9	278,900	295,993
Repairs and maintenance	10	132,561	123,221
Impairment of assets	11	864,792	185,000
Losses on disposal of assets		-	6,069
Contracted teaching		1,217,704	1,193,486
Other expenses	12	657,651	571,900
Total expenses from continuing operations		4,218,077	3,263,458
Operating result before income tax		(808,794)	(245,993)
Income tax expense		-	-
Operating deficit from continuing operations		(808,794)	(245,993)
Operating deficit from discontinued operations		-	-
Operating deficit after income tax for the period		(808,794)	(245,993)
Operating deficit attributable to minority interest		-	-
Operating deficit attributable to National Marine Science Centre Pty Ltd	20(b)	(808,794)	(245,993)

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

Statement of Comprehensive Income
For the year ended 31 December 2009

	Notes	2009 $	2008 $
Operating deficit after income tax for the period		(808,794)	(245,993)
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		(2,491,398)	-
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		(2,491,398)	-
Total comprehensive income for the period		(3,300,192)	(245,993)
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		(3,300,192)	(245,993)

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

Statement of Financial Position
As at 31 December 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	13	1,169,163	877,959
Receivables	14	269,185	397,797
Other non-financial assets	15	496,256	371,616
Non-current assets classified as held for sale	16	250,370	220,000
Total current assets		2,184,974	1,867,372
Non-current assets			
Investment properties	17	1,049,630	945,000
Property, plant and equipment	18	8,000,000	11,494,602
Total non-current assets		9,049,630	12,439,602
Total assets		11,234,604	14,306,974
LIABILITIES			
Current liabilities			
Trade and other payables	19	689,707	461,885
Total current liabilities		689,707	461,885
Non-current liabilities			
Other liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		689,707	461,885
Net assets		10,544,897	13,845,089
EQUITY			
Reserves	20(a)	545,000	3,036,398
Retained surplus	20(b)	9,999,893	10,808,687
Issued capital		4	4
Total equity attributable to equity holders of the company		10,544,897	13,845,089
Minority interest		-	-
Total equity		10,544,897	13,845,089

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

Statement of Changes in Equity
For the year ended 31 December 2009

	Issued Capital	Reserves	Retained surplus	Minority interest	Total
Balance as 1 January 2008	4	3,036,398	11,054,680	-	14,091,082
Total comprehensive income					
Parent Entity	-	-	(245,993)	-	(245,993)
Minority interest	-	-	-	-	-
Total	-	-	(245,993)	-	(245,993)
Distributions to owners	-	-	-	-	-
Contributions from owners	-	-	-	-	-
Balance at 31 December 2008	4	3,036,398	10,808,687	-	13,845,089
Balance as 1 January 2009	4	3,036,398	10,808,687	-	13,845,089
Total comprehensive income					
Parent Entity	-	(2,491,398)	(808,794)	-	(3,300,192)
Minority Interest	-	-	-	-	-
Total	-	(2,491,398)	(808,794)	-	(3,300,192)
Distributions to owners	-	-	-	-	-
Contributions from owners	-	-	-	-	-
Balance at 31 December 2009	4	545,000	9,999,893	-	10,544,897

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

Statement of Cash Flows
For the year ended 31 December 2009

	Notes	2009 $	2008 $
Cash flows from operating activities			
Receipts from student fees and other customers		5,154,268	3,109,302
Interest received		41,233	67,239
Payments to suppliers and employees (inclusive of GST)		(4,773,500)	(3,629,638)
GST recovered/paid		7,322	88,471
Net cash provided by / (used in) operating activities	**26**	429,323	(364,626)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		6,000	26,550
Payments for property, plant and equipment		(144,119)	(193,832)
Net cash provided by / (used in) investing activities		(138,119)	(167,282)
Cash flows from financing activities			
Repayment of borrowings		-	-
Repayment of finance leases		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		291,204	(531,908)
Cash and cash equivalents at the beginning of the financial year		877,959	1,409,867
Cash and cash equivalents at the end of the financial year	**13**	1,169,163	877,959

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

1 Summary of significant accounting policies

The National Marine Science Centre Pty Ltd, a not for profit entity, was incorporated in Australia as a Proprietary Company on 23 June 2000 and is domiciled in Australia.

The company is a joint venture bewteen the University of New England and Southern Cross University and as such is considered to be a reporting entity.

The financial report for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Board on 14 April 2010.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards (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 and the Corporations Act 2001.

The Financial Report has been prepared in accordance with the historical cost convention, as modified by the revaluation of Investment Units at fair value through the Income Statement and the valuation of property, buildings and infrastructure.

(b) Foreign currency translation

(i) Functional and presentation currency
The financial reports are presented in Australian dollars which is the Entity's functional and presentation currency.

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Government grants
The Entity generally treats operating grants received from Australian Government entities as income in the year of receipt.

(ii) Other revenue
Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(iii) Fees and charges
Relate to income received from the University of New England and Southern Cross University for teaching students from those institutions.

(d) Income tax

National Marine Science Centre Pty Ltd was granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997.

(e) Leases

Leases of property, plant and equipment where the Entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost.

Leases (continued)

The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

(f) Impairment of assets

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

(g) ***Cash and cash equivalents***

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

(h) ***Receivables***

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

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 Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 11. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

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

Classification

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

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

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

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

Investments and other financial assets (continued)

(iv) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

Fair Value

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

Impairment

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

(j) Fair value estimation

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

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

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

(k) Property, infrastructure, plant and equipment

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

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

Property, infrastructure, plant and equipment (continued)

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

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

Buildings - 60 yrs,
Infrastructure - 30 yrs,
Library collection - 10 yrs,
Motor Vehicles - 5 yrs
Furniture and Fittings - 1 0 yrs,
Other Plant and Equipment - 6.67yrs,
Computing Equipment / Software - 5 yrs,

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

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

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

Buildings, Land and Infrastructures existing at 31 December 2009 were revalued by directors' valuation.

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 2009 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.

(l) Trade and other payables

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

(m) Provisions

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

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

(n) 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 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, 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.

(o) 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.

(p) New Accounting Standards and Interpretations

The following standard, amendment to standards and interpretation has been identified as that which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report.

AASB 2009-5 Further amendments to *Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

2 Disaggregated information

Geographical

	Revenue		Results		Assets	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Australia	3,409,283	3,017,465	(808,794)	(245,993)	11,234,604	14,306,974
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
	3,409,283	3,017,465	(808,794)	(245,993)	11,234,604	14,306,974

	2009	2008
	$	$
3 Other grant income		
Total other grant income	150,215	208,669
4 Fees and charges		
Contracted teaching	2,436,351	2,416,898
Total contracted teaching	2,436,351	2,416,898
Other non-course fees and charges		
Rental	105,071	98,781
Conference income	24,582	28,461
Amenities & service fees	10,125	9,405
Other Fees and Charges	72,076	20,666
Total other fees and charges	211,854	157,313
Total fees and charges	2,648,205	2,574,211
5 Investment revenue		
Interest	33,726	67,365
Total investment revenue	33,726	67,365
6 Consultancy and contracts		
Consultancy	-	-
Contract research	366,701	106,186
Total consultancy and contracts	366,701	106,186
7 Other revenue and income		
Reimbursements	50,004	55,868
Prizes	-	3,000
Other income	23,065	2,166
Total other revenue	73,069	61,034
Other Income		
Revaluation increment on Investment Properties	135,000	-
Total other income	135,000	-
8 Contracted salaries		
Contracted salaries	1,066,469	887,789
Total contracted salaries	1,066,469	887,789
9 Depreciation		
Buildings	162,144	161,661
Infrastructure	9,309	8,359
Furnitures and Fittings	19,075	17,687
Plant and Equipment	55,056	66,802
Computer Equipment	22,329	30,188
Motor Vehicles	10,154	10,463
Library Collection	833	833
Total depreciation	278,900	295,993

Notes to the financial reports
31 December 2009
(continued)

		2009 $	2008 $
10	**Repairs and maintenance**		
	Buildings	49,379	27,974
	Infrastructure	18,921	22,616
	Plant/furniture/equipment	16,321	28,190
	Contracts	28,790	28,963
	Grounds	19,037	15,478
	Library collection	113	-
	Total repairs and maintenance	132,561	123,221
11	**Impairment of assets**		
	Bad debts	-	-
	Doubtful debts	-	-
	Impairment of investment units	-	185,000
	Impairment of other fixed assets	864,792	-
	Total impairment of assets	864,792	185,000
12	**Other expenses**		
	Non-capitalised equipment	35,195	45,930
	Advertising, marketing and promotional expenses	24,196	13,833
	Utilities	109,339	78,306
	Computer service	66,702	70,296
	Postal and Telecommunications	36,640	31,250
	Travel and Entertainment	121,482	106,598
	Consultants	58,827	29,121
	Minor consumables	19,132	27,417
	Catering Services	25,828	20,861
	Fees for Services	139,502	125,409
	Prizes	244	6,132
	Stationery	4,843	4,579
	External contributions	3,800	-
	Other Expenditure	11,921	12,168
	Total other expenses	657,651	571,900
13	**Cash and cash equivalents**		
	Cash on hand	461	415
	Cash at bank	1,168,702	877,544
	Total cash and cash equivalents	1,169,163	877,959

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

	2009 $	2008 $
Balances as above	1,169,163	877,959
Less: Bank Overdraft	-	-
Balance per cash flow statement	1,169,163	877,959

		2009 $	2008 $
14	**Receivables**		
	Current		
	Trade and Other Debtors	269,185	397,797
	Less: Provision for impaired receivables	-	-
	Total current receivables	269,185	397,797
	Total receivables	269,185	397,797

Receivables (continued)

(a) Impaired receivables

As at 31 December 2009 current receivables of the entity with a nominal value of $269,185 (2008: $397,797) were not impaired.

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

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

		2009 $	2008 $
15	**Other non-financial assets**		
	Current		
	Accrued Income	423,628	327,844
	Prepaid Expenses	1,665	1,299
	GST receivables	70,963	42,473
	Total current other non-financial assets	496,256	371,616
16	**Non-current assets classified as held for sale**		
	Fair value of 1 Unit	250,370	220,000
17	**Investment properties**		
	At Fair value		
	Opening balance at 1 January	1,165,000	1,350,000
	Increase/(decrease) in fair value	135,000	(185,000)
	Closing balance at 31 December	1,300,000	1,165,000
	Recognised as Non-current assets available for sale	250,370	220,000
	Recognised in statement of financial position	1,049,630	945,000
	Total	1,300,000	1,165,000

(a) Amounts recognised in profit and loss for investment properties

	2009 $	2008 $
Rental income	60,911	54,949
Direct operating expenses (rent generating properties)	(24,296)	(2,391)
Other direct operating expenses	(40,295)	(23,719)
Total recognised in profit and loss	(3,680)	28,839

(b) Basis of valuation

The value of the Units at 31 December 2009 is the current fair market value of the individual Condominiums identified with vacant possession.

The valuation was determined by mutual agreement between the University of New England and Southern Cross University in conjunction with Independent Valuers.

18 Property, plant and equipment

	Infrastructure	Freehold land	Freehold buildings	Plant and equipment	Motor vehicle	Computer cost	Furniture & fittings	Library & Art Valuation	Total
	$	$	$	$	$	$	$	$	$
At 1 January 2008									
- Cost	-	-	58,615	436,010	83,052	236,744	173,807	14,695	**1,002,923**
- Valuation	254,942	1,500,000	9,639,000	-	-	-	-	-	**11,393,942**
Accumulated depreciation	(8,316)	-	(160,980)	(287,020)	(30,459)	(186,884)	(90,117)	(3,706)	**(767,482)**
Net book amount	**246,626**	**1,500,000**	**9,536,635**	**148,990**	**52,593**	**49,860**	**83,690**	**10,989**	**11,629,383**
Year ended 31 December 2008									
Opening net book amount	246,626	1,500,000	9,536,635	148,990	52,593	49,860	83,690	10,989	**11,629,383**
Accummulated depreciation change on revaluation	-	-	-	-	-	-	-	-	**-**
Depreciation written back on disposal	-	-	-	4,733	15,389	59,487	-	-	**79,609**
Transfers	-	-	-	-	-	-	-	-	**-**
Derecognition	-	-	-	-	-	-	-	-	**-**
Revaluation surplus	-	-	-	-	-	-	-	-	**-**
Additions	2,859	-	25,700	81,114	52,087	21,397	10,674	-	**193,831**
Assets included in a disposal group classified as held for sale and other [illegible]	-	-	-	(5,600)	(45,389)	(61,239)	-	-	**(112,228)**
Depreciation charge	(8,359)	-	(161,661)	(66,802)	(10,463)	(30,188)	(17,687)	(833)	**(295,993)**
Closing net book amount	**241,126**	**1,500,000**	**9,400,674**	**162,435**	**64,217**	**39,317**	**76,677**	**10,156**	**11,494,602**
At 31 December 2008									
- Cost	-	-	84,315	511,524	89,750	196,902	184,481	14,696	**1,081,668**
- Valuation	257,801	1,500,000	9,639,000	-	-	-	-	-	**11,396,801**
Accumulated depreciation	(16,675)	-	(322,641)	(349,089)	(25,533)	(157,585)	(107,804)	(4,540)	**(983,867)**
Net book amount	**241,126**	**1,500,000**	**9,400,674**	**162,435**	**64,217**	**39,317**	**76,677**	**10,156**	**11,494,602**

18 Property, plant and equipment (continued)

	Infrastructure	Freehold land	Freehold buildings	Plant and equipment	Motor vehicle	Computer cost	Furniture & fittings	Library & Art Valuation	Total
	$	$	$	$	$	$	$	$	$
Year ended 31 December 2009									
Opening net book amount	241,126	1,500,000	9,400,674	162,435	64,217	39,317	76,677	10,156	**11,494,602**
Depreciation written back on disposal	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Derecognition	-	-	-	-	-	-	-	-	-
Revaluation decrement	(80,476)	-	(3,275,779)	-	-	-	-	-	**(3,356,255)**
Additions	32,000	-	-	65,462	14,323	21,266	5,282	2,220	**140,553**
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-	-
Depreciation charge	(9,309)	-	(162,144)	(55,056)	(10,154)	(22,329)	(19,075)	(833)	**(278,900)**
Closing net book amount	**183,341**	**1,500,000**	**5,962,751**	**172,841**	**68,386**	**38,254**	**62,884**	**11,543**	**8,000,000**
At 31 December 2009									
- Cost	-	-	-	574,647	93,514	218,168	189,625	16,916	**1,092,870**
- Valuation	183,341	1,500,000	5,962,751	-	-	-	-	-	**7,646,092**
Accumulated depreciation	-	-	-	(401,806)	(25,128)	(179,914)	(126,741)	(5,373)	**(738,962)**
Net book amount	**183,341**	**1,500,000**	**5,962,751**	**172,841**	**68,386**	**38,254**	**62,884**	**11,543**	**8,000,000**

		2009 $	2008 $
19	**Trade and other payables**		
	Current		
	Trade Payables	184,317	134,292
	Other Accrued Expenditure	504,068	323,568
	Fees in Advance	-	3,333
	Other payables	1,322	692
	Total current trade and other payables	689,707	461,885

a) Foreign currency risk

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

US Dollar	-	-
Australian Dollars	689,707	461,885
	689,707	461,885

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 27

		2009 $	2008 $
20	**Reserves and retained surplus**		
(a)	**Reserves**		
	Revaluation Reserve - Buildings	-	2,429,872
	Revaluation Reserve - Land	545,000	545,000
	Revaluation Reserve - Infrastructure	-	61,526
	Total reserves	545,000	3,036,398
	Movements		
	Asset revaluation reserve - Buildings		
	Balance 1 January	2,429,872	2,429,872
	Decrement on revaluation	(2,429,872)	-
	Balance 31 December	-	2,429,872
	Asset revaluation reserve - Land		
	Balance 1 January	545,000	545,000
	Decrement on revaluation	-	-
	Balance 31 December	545,000	545,000
	Asset revaluation reserve - Infrastructure		
	Balance 1 January	61,526	61,526
	Decrement on revaluation	(61,526)	-
	Balance 31 December	-	61,526
(b)	**Retained surplus**		
	Movements in retained surplus were as follows:		
	Retained surplus at 1 January	10,808,687	11,054,680
	Net Operating Result for the year	(808,794)	(245,993)
	Retained Surplus at 31 December	9,999,893	10,808,687

(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(k).

21 Key management personnel disclosures
(a) Names of responsible persons

The following were responsible persons and executive officers in 2009 and up to the date of this report.

Directors
Professor P. Clark - Chair (resigned - 28/08/2009)
Professor A. Pettigrew (resigned - 31/10/2009)
Professor P. Lee (appointed 31/08/2009)
Professor J. Barber (appointed 26/03/2010)
Professor J. Graham
Professor M. Sedgley (resigned 8/02/2010)
Professor H. Daniel (appointed 18/02/2010)
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

(b) Executive Officers
Professor Alistair McIlgorm - Centre Director (retired 05/02/2010)

Company Secretary
Ms M. Love

Remuneration of Board Members and Executives

Remuneration of Board Members
The Directors of the company act in an honorary capacity and receives no benefits or fees for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for their position as Executives of the University of New England and Southern Cross University.

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

	2009	2008
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*.	12,500	12,500
Total remuneration for audit services	12,500	12,500

23 Contingencies
At balance date, no proceeding had been identified as being progressed on behalf of the company and no contingent liabilities of a material nature to the National Marine Science Centre Pty Ltd had been identified.

24 Commitments
(a) Capital Commitments
The Entity had no capital expenditure contracted for at the reporting date.

(b) Other expenditure commitments

Other 2009 Commitments

The Entity had no outstanding orders relating to teaching commitments. An amount of $63,791 was accrued at 31 December 2009 representing teaching fees owed to the two universities. During 2009, the Entity did not enter into significant contracts.

(c) Remuneration commitments

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

25 Related parties

(a) Parent entities
The Entity is a joint venture between the University of New England and Southern Cross University and is incorporated in Australia.

(b) Subsidiaries
The entity does not have any interest in a subsidiary.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 21.

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

The following transactions occurred with related parties:

	2009	2008
Transaction during the period	$	$
University of New England		
Income received	808,482	797,279
Expenditures	384,874	405,686
Net	423,608	391,593
Southern Cross University		
Income received	1,665,511	2,056,324
Expenditures	1,927,942	2,255,118
Net	(262,431)	(198,794)

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

University of New England		
Receivables	166,526	14,846
Payables	37,110	1,282
Southern Cross University		
Receivables	461,020	365,572
Payables	515,695	261,829

(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.

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

	2009 $	2008 $
Operating deficit for the period	(808,794)	(245,993)
Depreciation and amortisation	278,900	295,993
Impairment of investment	864,792	-
Provision for impaired receivables	-	-
(Gain)/loss on Disposal of fixed assets	(2,367)	6,069
(Gain)/loss on Fair value of Investment Units	(135,000)	185,000
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables	47,321	(639,558)
Increase/(Decrease) in Accrued Expenses	180,499	(236,021)
(Increase)/Decrease in Receivables and Prepaid Expenses	128,612	163,272
(Increase)/Decrease in Accrued Income	(124,640)	106,612
Net cash provided by / (used in) operating activities	429,323	(364,626)

27 Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	14	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Term Deposits	13	Term Deposits are stated at cost	Term deposits are for a period of one month. Average maturity of 30 days.
Financial Liabilities			
Creditors and Accruals	19	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

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

(iii) Price risk

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

(iv) Cash flow and fair value interest rate risk

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, National Marine Science Centre Pty Ltd:
- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The entity 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.

Financial risk management (continued)

31 December 2009	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.77	-	1,169,163				1,169,163
Investments-Term Deposits			-				0
Receivables						765,441	765,441
Total Financial Assets		-	1,169,163			765,441	1,934,604
Financial Liabilities							
Payables						689,707	689,707
Other Amounts Owing						-	0
Total Financial Liabilities			-	-		689,707	689,707
Net Financial Assets(Liabilities)		-	1,169,163	-		75,734	1,244,897

Comparative figures for the previous year are as follows:

31 December 2008	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	6.25	-	877,959				877,959
Investments - Term Deposits			-				0
Receivables	-					769,413	769,413
Total Financial Assets		-	877,959			769,413	1,647,372
Financial Liabilities							
Payables	-					458,552	458,552
Other Amounts Owing	-					3,333	3,333
Total Financial Liabilities			-	-		461,885	461,885
Net Financial Assets(Liabilities)		-	877,959	-		307,528	1,185,487

(d) Net Fair Values of Financial Assets and Liabilities

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

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

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

Financial risk management (continued)

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

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,169,163	877,959	1,169,163	877,959
Receivables	765,442	769,412	765,441	769,413
Other financial assets	0	0	0	0
Total financial assets	1,934,605	1,647,371	1,934,604	1,647,372
Financial liabilities				
Payables	689,707	458,552	689,707	458,552
Borrowings	0	0	0	0
Other financial liabilities	0	3,333	0	3,333
Total financial liabilities	689,707	461,885	689,707	461,885

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2009	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	1,169,163	(11,692)	(11,692)	11,692	11,692	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	765,441					-	-	-	-				
Total Financial Assets	1,934,604												
Financial Liabilities													
Payables	689,707												
Other Amounts Owing	-												
Total Financial Liabilities	689,707												
Total increase / (decrease)	1,244,897	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	877,959	(8,780)	(8,780)	8,780	87,795	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	769,413					-	-	-	-				
Total Financial Assets	1,647,372												
Financial Liabilities													
Creditors	458,552												
Other Amounts Owing	3,333												
Total Financial Liabilities	461,885												
Total increase / (decrease)	1,185,487	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

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