University of New England

University of
New England

ABN: 75 792 454 315
Financial Report
for the year ended
31 December 2010

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

University of New England

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of University of New England (the University), which comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2010, and of the financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2010 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 of the University is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

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

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

Steven Martin CA
Director, Financial Audit Services

16 April 2011
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 2010.

Members

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

Mr Kevin Dupe
Mr Robert Finch
Dr James Harris
Professor Eilis Magner
Ms Jan McClelland
Ms Catherine Millis
Ms Gae Raby
The Hon Dr Richard Torbay MP - Chancellor
Mr Scott Williams - Deputy Chancellor

The following persons were appointed members in 2010 and continue in office at the date of this report:

Professor James Barber - Vice Chancellor - appointed February 2010
Mr Archie Campbell - appointed August 2010
Dr Brian Denman - appointed August 2010
Dr Geoffrey Fox - appointed August 2010
Miss Emma Gillogly - appointed September 2010
Dr Jack Hobbs - appointed August 2010
Ms Jennifer Miller - appointed August 2010
Professor Margaret Sims - appointed August 2010

The following persons were members in 2010:

Dr Col Gellatly, AO - term expired July 2010
Ms Kay Hempsall - term expired July 2010
Associate Professor Jeannie Madison - term expired July 2010
Dr Laurie Piper - term expired July 2010
Dr Charles Watson - term expired July 2010
Ms Alicia Zikan - term expired August 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 2010, 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

The competitive landscape in higher education will change dramatically from 2012. Along with all other universities in Australia, UNE has also been working on its strategic directions in the 'demand-driven' higher education policy environment that will apply post-2012 and we will soon release a draft of UNE's Strategic Plan for 2011-2015. Concerted efforts are required to improve performance and cash flow and thus are a major focus for 2011. Robust planning mechanisms and financial management is being undertaken to actively manage business opportunities and performance, with significant emphasis on expenditure control.

The number of students is expected to increase over 2010 as many new courses have been recently introduced and levels of enrolment for 2011 indicate that students have responded very positively to them.

When coupled with the investment necessary to provide infrastructure and facilities introduction of new courses and an escalation in research activity, low levels of operating results in past years have been inadequate to address our significant backlog of deferred maintenance and the pressing need to revitalise and replace ageing infrastructure.

The University has been invited to progress its application for funding under the Structural Adjustment Fund and will make its final application in June 2011, covering both capital and operational funding from the Commonwealth. Our desire to distinguish ourselves as the nation's pre-eminent collegiate university, with the majority of our on-campus students residing in or affiliated with our unique residential college system will see planning pursued to revitalise the college infrastructure and funding has been sought under the National Rental Affordability Scheme.

An extensive capital works program is being undertaken in 2011 and capital expenditure will be significantly higher than in recent years as a number of externally funded projects are undertaken. Several have been funded by the Commonwealth Government's Better Universities Renewal Fund; the Teaching and Learning Capital Fund and Capital Development Pool. Major projects will involve the Tablelands Clinical School and its associated GP Training Practice situated at the Armidale Hospital ; the provision of a second fibre optic connection, the IT network operated by AARNET; construction of teaching and laboratory facilities for the new Pharmacy course; expansion of the animal house facilities; enhancement of fire protection and compliance within the residential college system, as well as further investment to develop the IT network and data facilities.

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
Contaminated Land Management Act 1997
Environmental Planning and Assessment Act 1979
Environmental Planning and Assessment Amendment Act 2008
Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
Heritage Act 1977
Native Vegetation Act 2003
Noxious Weeds Act 1993
Pesticides Act 1999
Protection of the Environment Operations Act 1997
Rural Fires Act 1997
Soil Conservation Act 1938

Environmental Regulation (continued)

Threatened Species Conservation Act 1995
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2008
Water Management Amendment Act 2010

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 $34,000 for Directors and Officers Insurance covered the period 1 November 2009 to 31 October 2010. Insurance has been renewed for the period 1 November 2010 to 31 October 2011 at a cost of $34,000. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representatives of the University and who are not otherwise indemnified.

Proceedings on behalf of the University

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
11 April 2011

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 2010, and the numbers of meetings attended by each Council member were:

Meetings of committees

Council Member	Council Meetings		Standing **		Audit and Risk		Infrastructure		Finance	
	A	B	A	B	A	B	A	B	A	B
Professor James Barber	7	7			7	7	4	4	6	6
Mr Archie Campbell	3	3					1	1		
Dr Brian Denman	3	3			1	1				
Mr Kevin Dupe	7	7								
Mr Robert Finch	7	7			6	7			6	6
Dr Geoffrey Fox	3	3							1	1
Dr Col Gellatly	3	4								
Miss Emma Gillogly	3	3								
Dr James Harris	7	7			7	7			5	6
Ms Kay Hempsall	3	4					1	2		
Dr Jack Hobbs	3	3			1	1				
Associate Professor Jeanne Madison	3	3			3	3				
Professor Eilis Magner	7	7					4	4	5	6
Ms Jan McClelland	7	7			4	7			2	2
Ms Jennifer Miller	3	3							1	1
Ms Catherine Millis	7	7					3	3		
Dr Laurie Piper	4	4					2	2	3	6
Ms Gae Raby	5	7			0	1	0	1		
Professor Margaret Sims	3	3					0	1		
The Hon Dr Richard Torbay, MP	6	7			0 *	7	0 *	4	0 *	6
Dr Charles Watson	4	4								
Mr Scott Williams	7	7			6	7	3	4	6	6
Ms Alicia Zikan	4	4							4	6

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 Risk, Infrastructure and Finance Meetings.

** Standing Committee of Council - No meetings were held during 2010. Issues were dealt with via flying minutes (15).

University of New England

FINANCIAL STATEMENT

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

1 The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2010 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 2010 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
11 April 2011

Income Statement

For the year ended 31 December 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	**3**	106,792	111,114	106,792	111,114
HECS-HELP - Australian Government payments	**3**	37,070	34,560	37,070	34,560
FEE-HELP	**3**	2,890	2,832	2,890	2,832
State and local Government financial assistance	**4**	2,813	2,495	2,813	2,495
HECS-HELP - Student Payments		7,676	7,656	7,676	7,656
Fees and charges	**5**	40,841	39,182	35,064	34,127
Investment revenue	**6**	3,669	3,988	2,746	3,369
Royalties, trademarks and licences	**7**	87	174	82	169
Consultancy and contracts	**8**	380	719	380	719
Other Revenue	**9**	18,662	15,356	7,388	5,156
Total revenue from continuing operations		220,880	218,076	202,901	202,197
Gains on disposal of assets		60	110	60	98
Gains on disposal of financial assets		-	-	4,600	-
Investments accounted for using the equity method	**21**	-	(404)	-	-
Other investment income	**6**	-	678	339	251
Other Income	**9**	39	-	799	701
Total income from continuing operations		220,979	218,460	208,699	203,247
Expenses from continuing operations					
Employee related expenses	**10**	135,145	123,472	125,795	114,519
Depreciation and amortisation	**11**	13,690	13,216	12,861	12,345
Repairs and maintenance	**12**	4,464	6,931	4,234	6,668
Borrowing costs	**13**	31	62	31	57
Impairment of assets	**14**	581	27	510	2
Losses on disposal of financial assets		672	-	-	-
Losses on disposal of assets		-	3	-	-
Investment losses	**6**	210	-	-	-
Deferred Super expense	**10/39**	337	2,845	337	2,845
Other expenses	**15**	68,058	62,141	63,062	58,725
Total expenses from continuing operations		223,188	208,697	206,830	195,161
Operating result before income tax		(2,209)	9,763	1,869	8,086

Income statement (continued)

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Income tax expense		-	-	-	-
Operating result from continuing operations		(2,209)	9,763	1,869	8,086
Operating result from discontinued operations		-	-	-	-
Operating result after income tax for the period		(2,209)	9,763	1,869	8,086
Operating result attributable to non-controlling interest		-	-	-	-
Operating result attributable to members of the University of New England	**29(b)**	(2,209)	9,763	1,869	8,086
Operating result attributable to members from:					
Continuing operations		(2,209)	9,763	1,869	8,086
Discontinued operations		-	-	-	-
Total		(2,209)	9,763	1,869	8,086

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

Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Operating result after income tax for the period		(2,209)	9,763	1,869	8,086
Gain (loss) on revaluation of land and buildings, net of tax		-	(156)	-	(138)
Gain (loss) on revaluation of works of art collection, net of tax		210	-	210	-
Gain (loss) on value of available for sale financial assets, net of tax		37	308	858	291
Share of other comprehensive income of associates and joint venture, net of tax		-	(1,246)	-	-
Transfer from/(to) retained surplus		-	98	-	-
Net Actuarial losses (gains) recognised in respect of Defined Benefit Plans		-	-	-	-
Total comprehensive income		(1,962)	8,767	2,937	8,239
Total comprehensive income attributable to non-controlling interest		-	-	-	-
Total comprehensive income attributable to members of the University of New England		(1,962)	8,767	2,937	8,239

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

Statement of Financial Position
As at 31 December 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
ASSETS					
Current assets					
Cash and cash equivalents	**16**	48,612	58,117	34,634	44,944
Receivables	**17**	7,479	7,940	5,183	4,897
Inventories	**18**	452	479	170	178
Other financial assets	**19**	913	-	43	-
Other non-financial assets	**20**	6,142	6,212	5,699	5,955
Biological assets	**22**	700	694	700	694
Total current assets		64,298	73,442	46,429	56,668
Non-current assets					
Receivables	**17**	161,307	144,051	161,307	144,008
Other financial assets	**19**	3,400	3,527	3,327	2,055
Investments accounted for using the equity method	**21**	-	5,272	-	-
Property, plant and equipment	**23**	229,543	220,819	221,824	214,054
Intangible assets	**24**	5,123	6,292	4,361	5,514
Total non-current assets		399,373	379,961	390,819	365,631
Total assets		463,671	453,403	437,248	422,299
LIABILITIES					
Current liabilities					
Trade and other payables	**25**	760	2,023	38	1,224
Borrowings	**26**	232	403	232	400
Provisions	**27**	32,339	32,269	30,537	30,577
Other liabilities	**28**	15,815	19,983	14,237	17,789
Total current liabilities		49,146	54,678	45,044	49,990
Non-current liabilities					
Borrowings	**26**	1	215	1	215
Provisions	**27**	169,023	151,611	168,853	151,422
Other liabilities	**28**	-	259	-	259
Total non-current liabilities		169,024	152,085	168,854	151,896
Total liabilities		218,170	206,763	213,898	201,886
Net assets		245,501	246,640	223,350	220,413
EQUITY					
Parent entity interest					
Reserves	**29(a)**	22,561	22,415	21,693	20,625
Retained earnings	**29(b)**	222,940	224,225	201,657	199,788
Parent entity interest		245,501	246,640	223,350	220,413
Total equity		245,501	246,640	223,350	220,413

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

Statement of Changes in Equity
For the year ended 31 December 2010

	Consolidated					Parent entity		
	Reserves $'000	Retained earnings $'000	Total: Owners of the parent $'000	Non-controlling Interest $'000	Total $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2009	22,293	216,188	238,481	-	238,481	20,472	191,702	212,174
Retrospective changes	-	-	-	-	-	-	-	-
Balance as restated	22,293	216,188	238,481	-	238,481	20,472	191,702	212,174
Profit or loss	-	9,763	9,763	-	9,763	-	8,086	8,086
Revaluation of buildings	(156)	-	(156)	-	(156)	(138)	-	(138)
Gain on available for sale financial assets	308	-	308	-	308	291	-	291
Joint venture and associated share	-	(1,628)	(1,628)	-	(1,628)	-	-	-
Other comprehensive income	(30)	(98)	(128)	-	(128)	-	-	-
Total comprehensive income	122	8,037	8,159	-	8,159	153	8,086	8,239
Distributions to owners	-	-	-	-	-	-	-	-
Contributions from owners	-	-	-	-	-	-	-	-
Balance at 31 December 2009	22,415	224,225	246,640	-	246,640	20,625	199,788	220,413
Balance at 1 January 2010	22,415	224,225	246,640	-	246,640	20,625	199,788	220,413
Profit or loss	-	(2,209)	(2,209)	-	(2,209)	-	1,869	1,869
Revaluation of buildings	-	-	-	-	-	-	-	-
Revaluation of works of art collection	210	-	210	-	210	210	-	210
Gain on available for sale financial assets	37	-	37	-	37	858	-	858
Transfers to/(from) reserves	(101)	101	-	-	-	-	-	-
Other comprehensive income	-	823	823	-	823	-	-	-
Total comprehensive income	146	(1,285)	(1,139)	-	(1,139)	1,068	1,869	2,937
Distributions to owners	-	-	-	-	-	-	-	-
Contributions from owners	-	-	-	-	-	-	-	-
Balance at 31 December 2010	22,561	222,940	245,501	-	245,501	21,693	201,657	223,350

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

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Cash flows from operating activities					
Australian Government Grants	3i	143,898	148,341	143,898	148,341
OS-Help (net)	3i	5	(4)	5	(4)
Superannuation Supplementation	3i	-	-	-	-
State Government Grants		2,813	2,495	2,813	2,495
HECS-HELP - Student payments		7,676	7,656	7,676	7,656
Receipts from student fees and other customers		66,970	62,889	49,174	48,483
Dividends received		164	1,194	51	1,187
Interest received		3,661	2,671	2,939	2,193
Payments to suppliers and employees (inclusive of GST)		(210,669)	(197,535)	(194,610)	(184,236)
Interest and other costs of finance		(63)	(82)	(30)	(57)
GST recovered/paid		(6,825)	(6,182)	(7,013)	(6,343)
Net cash provided by / (used in) operating activities	**36**	7,630	21,443	4,903	19,715
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		187	384	187	321
Payments for property, plant and equipment		(20,554)	(14,418)	(19,618)	(13,838)
Proceeds from sale of financial assets		4,600	(169)	4,600	-
Payments for financial assets		(973)	268	-	-
Repayment of loans		-	-	-	-
Net cash provided by / (used in) investing activities		(16,740)	(13,935)	(14,831)	(13,517)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		(13)	(86)	-	-
Repayment of finance leases		(382)	(287)	(382)	(257)
Net cash provided by / (used in) financing activities		(395)	(373)	(382)	(257)
Net increase / (decrease) in cash and cash equivalents		(9,505)	7,135	(10,310)	5,941
Cash and cash equivalents at the beginning of the financial year		58,117	46,400	44,944	39,003
Cash and cash equivalent from new control entity		-	4,582	-	-
Cash and cash equivalents at the end of the financial year		48,612	58,117	34,634	44,944

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

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

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements 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.

Date of authorisation for issue
The financial statements were authorised for issues by the members of the University Council on 11 April 2011.

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. The estimates and underlying assumptions are reviewed on an ongoing basis. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2010 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

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

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

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

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

(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.

(b) Basis of consolidation (continued)

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

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

(iii) Joint 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 comprehensive income and the statement of changes in equity. Details relating to the entity are set out in note 21.

(c) Foreign currency translation

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

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

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit and loss, are recognised in profit or loss as part of the fair values gain or loss. Translation differences on non-monetary financial assets are included in the fair value reserve in equity.

(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.

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

(ii) 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) Fee paying student
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'.

(iv) Government funded student
Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method. Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(v) Annual enrolment fees
Fees and charges are recognised as income in the year when the relevant fee becomes payable.

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

(vii) 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 (note 33). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

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

(g) Impairment of assets

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

(h) Cash and cash equivalents

For 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. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 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.

(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

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

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

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

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

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

(k) Investments and other financial assets (continued)

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

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

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

Fair Value
The fair values of 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, 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 for identical assets or liabilities at the balance date (Level 1). 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 which is considered to approximate fair value. 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.

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

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:

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

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

Works of Art were revalued at 31 December 2010 by Hardy Fine Art Pty Limited.

The University's Rare Books Collection were revalued based on current market values at 31 December 2010 by Burnet's Books.

(o) Intangible assets

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

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

(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 measurement by the actuary and treatment of actuarial gains and losses, refer note 39.

Notes to the financial statements
31 December 2010
(continued)

(p) Unfunded superannuation (continued)

An arrangement exist 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 $3.1m 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 and does not expect to settle 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

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

(ii) Annual leave and sick leave

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

(iii) Long service leave

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

(t) Employee benefits (continued)

(iv) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside of the income statement, in the statement of comprehensive income.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund 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.

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) 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.

(v) Key Management Personnel

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

(w) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars.

(x) Comparative amounts

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

(y) New standards and interpretations not yet adopted

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

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102,108, 112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

Note 2. Disaggregated information

Geographical [Consolidated Entity]

	Revenue		Results		Assets	
	2010	2009	**2010**	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	219,549	217,242	(2,244)	9,599	463,613	453,329
Asia	8	84	-	(21)	58	74
US/Canada	706	555	17	94	-	-
Unallocated	716	579	18	91	-	-
	220,979	218,460	(2,209)	9,763	463,671	453,403

Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programs

	Notes	Consolidated		Parent entity	
		2010	2009	**2010**	2009
		$'000	$'000	**$'000**	$'000
(a) Commonwealth Grant Scheme and Other Grants	40.1				
Commonwealth Grant Scheme #1		70,503	62,533	70,503	62,533
Indigenous Support Program		863	791	863	791
Partnership & Participation Program # 2		1,499	624	1,499	518
Disability Support Program		91	-	91	106
Workplace Reform Program		-	861	-	861
Workplace Productivity Program		-	-	-	-
Learning & Teaching Performance Fund		-	1,032	-	1,032
Capital Development Pool		306	5,513	306	5,513
Diversity and Structural Adjustment Fund #3		858	732	858	732
Improving the Practical Component of Teacher Education Initiative		-	475	-	475
Transitional Cost Program		55	479	55	479
Graduate Skills Assessment		-	-	-	-
Other		4,000	-	4,000	-
Total Commonwealth Grant Scheme and Other Grants		78,175	73,040	78,175	73,040
(b) Higher Education Loan Programs	40.2				
HECS-HELP		37,070	34,560	37,070	34,560
FEE-HELP #4		2,890	2,832	2,890	2,832
Total Higher Education Loan Programs		39,960	37,392	39,960	37,392
(c) Scholarships	40.3				
Australian Postgraduate Awards		2,050	1,605	2,050	1,605
International Postgraduate Research Scholarship		224	219	224	219
Commonwealth Education Cost Scholarships #5		(138)	1,088	(138)	1,088
Commonwealth Accommodation Scholarships #5		50	1,408	50	1,408
Indigenous Access Scholarships		98	108	98	108
Total Scholarships		2,284	4,428	2,284	4,428
(d) DIISR - Research	40.4				
Joint Research Engagement Program #6		3,072	3,167	3,072	3,167
Research Training Scheme		7,331	7,560	7,331	7,560
Research Infrastructure Block Grants		1,250	1,466	1,250	1,466
Regional Protection Scheme		-	-	-	-
Implementation Assistance Programme		45	92	45	92
Australian Scheme for Higher Education Repositories		-	203	-	203
Commercialisation Training Scheme		66	71	66	71
Sustainable Research Excellence in Universities		773	-	773	-
Total DIISR - Research Grants		12,537	12,559	12,537	12,559

Notes to the financial statements
31 December 2010
(continued)

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

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
(e) Voluntary Student Unionism	40.5				
VSU Transition Fund		-	200	-	200
Support for Small Businesses		-	-	-	-
Total VSU		-	200	-	200
(f) Other Capital Funding	40.6				
Better Universities Renewal Funding		-	-	-	-
Teaching and Learning Capital Fund		-	7,907	-	7,907
Total Other Capital Funding		-	7,907	-	7,907
(g) Australian Research Council	40.7				
***(i)* Discovery**	40.7(a)				
Project		701	1,098	701	1,098
Total Discovery		701	1,098	701	1,098
***(ii)* Linkages**	40.7(b)				
Projects		319	342	319	342
Total linkages		319	342	319	342
Total ARC		1,020	1,440	1,020	1,440
(h) Other Australian Government financial assistance					
Co-operative Research Centres		4,028	4,032	4,028	4,032
Other Research Financial Assistance		7,937	6,498	7,937	6,498
Non-Research Financial Assistance		811	1,010	811	1,010
Total other Australian Government financial assistance		12,776	11,540	12,776	11,540
Total Australian Government financial assistance		146,752	148,506	146,752	148,506

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

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Reconciliation				
Australian Government grants [a + c + d + e + f +g+h]	106,792	111,114	106,792	111,114
HECS-HELP payments	37,070	34,560	37,070	34,560
FEE-HELP payments	2,890	2,832	2,890	2,832
Total Australian Government financial assistance	146,752	148,506	146,752	148,506
(i) Australian Government Grants received - cash basis				
CGS and Other DEEWR Grants	75,822	72,958	75,822	72,958
Higher Education Loan Programmes	39,459	37,311	39,459	37,311
Scholarships	2,283	4,429	2,283	4,429
DIISR research	12,537	12,559	12,537	12,559
Voluntary Student Unionism	-	200	-	200
Other Capital Funding	-	7,907	-	7,907
ARC grants - Discovery	701	1,098	701	1,098
ARC grants - Linkages	319	342	319	342
Other Australian Government Grants	12,776	11,537	12,776	11,537
Total Australian Government Grants received - cash basis	143,897	148,341	143,897	148,341
OS-HELP (Net)	5	(4)	5	(4)
Superannuation Supplementation	-	-	-	-
Total Australian Government funding received - cash basis	143,902	148,337	143,902	148,337

Notes to the financial statements
31 December 2010
(continued)

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'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		2,813	2,495	2,813	2,495
Note 5. Fees and charges					
Course fees and charges					
Fee-paying overseas students		11,694	10,377	11,694	10,377
Fee-paying domestic postgraduate students		3,021	3,157	3,021	3,157
Fee-paying domestic undergraduate students		255	409	255	409
Fee-paying domestic non-award students		161	214	161	214
Other domestic course fees and charges		7,294	6,488	1,517	1,433
Total course fees and charges		22,425	20,645	16,648	15,590
Other non-course fees and charges					
Amenities and service fees		408	545	408	545
Student service fees		60	63	60	63
Parking fees		226	212	226	212
Conference income		824	772	824	772
College Residential Rental		11,376	11,814	11,376	11,814
Other Fees and Charges		5,522	5,131	5,522	5,131
Total other fees and charges		18,416	18,537	18,416	18,537
Total fees and charges		40,841	39,182	35,064	34,127
Note 6. Investment revenue and income					
Interest		724	384	-	-
Investment Income		2,777	2,314	2,695	2,182
Dividend Income		168	1,290	51	1,187
Total investment revenue		3,669	3,988	2,746	3,369
Change in fair value of financial assets designated as at fair value through profit & loss		-	678	339	251
Change in fair value of financial assets classified as held for trading		-	-	-	-
Total other investment income		-	678	339	251
Change in fair value of financial assets designated as at fair value through profit & loss		210	-	-	-
Change in fair value of financial assets classified as held for trading		-		-	
Total other investment losses		210	-	-	-
Net investment income		(210)	678	339	251
Note 7. Royalties, trademarks and licences					
Royalties		64	113	59	108
Trademarks		-	-	-	-
Licences		1	29	1	29
Commission fees		22	32	22	32
Total royalties, trademarks and licences		87	174	82	169
Note 8. Consultancy and contracts					
Consultancy		160	449	160	449
Contract research		220	270	220	270
Total consultancy and contracts		380	719	380	719

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Note 9. Other revenue and income					
Other revenue					
Donations and bequests		989	1,123	102	274
Scholarships and prizes		45	38	45	38
Non-government grants		4,884	2,670	4,834	2,620
Sundry trading income		12,744	11,525	2,407	2,224
Total other revenue		18,662	15,356	7,388	5,156
Other Income					
Other income		39	-	799	701
Total other income		39	-	799	701
Total other revenue and income		18,701	15,356	8,187	5,857
Note 10. Employee related expenses					
Academic					
Salaries		46,649	42,688	46,648	42,688
Contribution to funded superannuation and pension schemes		8,402	4,875	8,402	4,875
Payroll tax		3,204	3,280	3,204	3,280
Worker's compensation		458	448	458	448
Long service leave expense		1,273	1,250	1,273	1,250
Annual leave		2,855	3,545	2,855	3,545
Total academic		62,841	56,086	62,840	56,086
Non-academic					
Salaries		54,890	50,206	46,780	42,706
Contribution to funded superannuation and pension schemes		8,174	7,521	7,467	6,786
Payroll tax		3,638	3,581	3,246	3,159
Worker's compensation		491	464	469	433
Long service leave expense		1,401	1,230	1,290	1,206
Annual leave		3,516	4,203	3,537	4,001
Other (Allowances, penalties and fringe benefits tax)		194	181	166	142
Total non-academic		72,304	67,386	62,955	58,433
Total employee related expenses		135,145	123,472	125,795	114,519
Deferred superannuation expense	39	337	2,845	337	2,845
Total employee related expenses, including deferred government employee benefits for superannuation		135,482	126,317	126,132	117,364
Note 11. Depreciation and amortisation					
Depreciation					
Buildings		4,776	4,543	4,648	4,431
Infrastructure		606	585	579	558
Furnitures and Fittings		234	232	213	220
Plant and Equipment		1,429	1,425	1,197	1,137
Computer Equipment		1,371	1,254	1,342	1,226
Motor Vehicles		157	135	93	63
Library Collection		3,308	3,154	3,308	3,154
Total depreciation		11,881	11,328	11,380	10,789
Amortisation					
Intangibles		1,461	1,530	1,162	1,222
Leasehold improvements		30	25	-	-
Plant & equipment under finance leases		318	333	319	334
Total amortisation		1,809	1,888	1,481	1,556
Total depreciation and amortisation		13,690	13,216	12,861	12,345

	Notes	Consolidated		Parent entity	
		2010	2009	**2010**	2009
		$'000	$'000	**$'000**	$'000

Note 12. Repairs and maintenance

	2010	2009	2010	2009
Buildings	1,056	722	1,056	722
Heritage Assets	35	26	35	26
Infrastructure	202	676	202	676
Library Collection	33	7	33	7
Plant/furniture/equipment	1,512	1,633	1,388	1,397
Contracts	1,976	1,561	1,976	1,561
Grounds	362	369	257	342
Computer Service Costs	788	437	787	437
Release of prior year repairs and maintenance provision	(1,500)	1,500	(1,500)	1,500
Total repairs and maintenance	4,464	6,931	4,234	6,668

Note 13. Borrowing costs

	2010	2009	2010	2009
Reconciliation of Finance costs				
Finance lease interest	31	62	31	57
Less : amount capitalised	-	-	-	-
Total borrowing costs expensed	31	62	31	57

Note 14. Impairment of assets

	2010	2009	2010	2009
Bad Debts	104	284	48	259
Doubtful debts	466	(257)	462	(257)
Impairment of Investments	11	-	-	-
Total impairment of assets	581	27	510	2

Note 15. Other expenses

	2010	2009	2010	2009
Scholarships, grants and prizes	8,085	7,571	8,138	7,557
Non-capitalised equipment	3,370	3,408	3,263	3,341
Advertising, marketing and promotional expenses	3,855	3,270	3,574	3,016
Utilities	5,125	4,319	4,882	4,109
Inventory Used	5,866	4,862	4,217	3,276
Postal and Telecommunications	2,508	2,337	2,010	1,853
Travel and Entertainment	6,173	5,665	5,735	5,265
Books, Serials and Other Library Media	3,329	3,215	3,304	3,181
Operating Lease Rental Charges	213	215	147	156
Consultants	6,891	4,054	6,401	3,490
External Contributions	2,620	3,562	2,620	4,189
Catering Services	3,346	4,551	3,304	4,551
Fees for Services	11,865	12,041	10,038	10,131
Asset derecognition	126	-	-	-
Loss on revaluation of asset	98	-	98	-
Foreign exchange loss	51	229	51	229
Other Expenditure	4,537	2,842	5,280	4,381
Total other expenses	68,058	62,141	63,062	58,725

		Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Note 16.	**Cash and cash equivalents**	1(h)				
	Cash on hand		15	16	1	2
	Cash at bank		13,230	11,652	6,633	6,115
	At call investments	1(k)	35,367	46,449	28,000	38,827
	Total cash and cash equivalents		48,612	58,117	34,634	44,944

(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:

	Consolidated 2010	Consolidated 2009	Parent entity 2010	Parent entity 2009
Balances as above	48,612	58,117	34,634	44,944
Less: Bank Overdraft	-	-	-	-
Balance per cash flow statement	48,612	58,117	34,634	44,944

(b) Cash at bank and on hand

	Consolidated 2010	Consolidated 2009	Parent entity 2010	Parent entity 2009
These are non-interest bearing.	15	16	1	2

(c) At call investments

The current level of deposits are bearing floating interest rates between 5.81% and 6.18%. These deposits have an average maturity of 78 days.

Deposits throughout the year were bearing floating interest rates between 4.12% and 6.80% (2009 - 1.51% and 8.20%) with an average maturity of 73 days.

		Notes	Consolidated 2010	Consolidated 2009	Parent entity 2010	Parent entity 2009
Note 17.	**Receivables**					
	Current					
	Trade and Other Debtors		8,339	8,254	5,915	5,138
	Less: Provision for impaired receivables	1(i)	(855)	(339)	(727)	(266)
	OS-HELP Asset from Australian Government		(5)	25	(5)	25
	Total current receivables		7,479	7,940	5,183	4,897
	Associated Entity Debtors		-	-	-	-
	Non-current					
	Trade and Other Debtors		-	43	-	-
	Associated Entity Debtors		-	-	-	-
	Deferred government contribution for superannuation					
	* emerging cost of superannuation		161,307	144,008	161,307	144,008
	Total non-current receivables		161,307	144,051	161,307	144,008
	Total receivables		168,786	151,991	166,490	148,905

* 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 2010 current receivables of the group with a nominal value of $1.09m (2009: $1.185m) were impaired. The amount of the provision was $805 (2009: $265,659). 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 2010 or 2009.

The ageing of these receivables is as follows:

	Consolidated 2010	Consolidated 2009
3 to 6 months	1,095	135
Over 6 months	338	202
	1,433	337

As of 31 December 2010, trade receivables of $871,000 (2009: $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 2010	Consolidated 2009
3 to 6 months	871	888
Over 6 months	304	459
	1,175	1,347

Receivables (continued)	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Movements in the provision for impaired receivables are as follows:					
As at 1 January		(339)	(590)	(266)	(523)
Provision for impairment recognised during the year		(716)	(6)	(727)	-
Receivables written off during the year as uncollectible		(16)	257	-	257
Unused amount reversed		266	-	266	-
Total provision		(805)	(339)	(727)	(266)

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 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Inventories	1(j)				
Current					
Printing / binding materials		91	87	91	87
Petrol and oils		5	6	5	6
Motor Pool		6	6	6	6
College ladder		4	7	4	7
Fodder and produce		4	12	4	12
Other stocks		342	361	60	60
Total current inventories		452	479	170	178

Note 19. Other financial assets

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Other financial assets	1(k)				
Loans and receivables		-	-	43	-
Available for sale		913	-	-	-
Total current other financial assets		913	-	43	-
Non-current					
Loans and receivables		-	-	83	-
Shares in Private Companies *		11	11	2,012	870
Available for sale		3,389	3,516	1,232	1,185
Total non-current other financial assets		3,400	3,527	3,327	2,055
Movement of shares in Private Companies are as follows:					
Shares as at 1 January		3,527	2,542	2,055	1,511
Acquired during the year		5	107	83	-
Disposed during the year		-	(86)	-	-
Impairment charged against reserves		(18)	-	-	-
Impairment charged to Income Statement		(2)	-	-	-
Reversing prior year impairment loss on Shares in Private Companies recognised in the Income Statement		-	-	339	251
Revaluation of available for sale		(112)	964	850	293
Fair value of investment at 31 December		3,400	3,527	3,327	2,055

*Shares and units not traded in the market place

Note 20. Other non-financial assets

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Current					
Accrued Income		1,724	1,736	1,417	1,746
Prepaid Expenses		4,418	4,476	4,282	4,209
Total current other non-financial assets		6,142	6,212	5,699	5,955

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Note 21. Investments accounted for using the equity method					
Investments in jointly controlled entities		-	5,272	-	-
Total investments accounted for using the equity method		-	5,272	-	-
Reconciliation					
Balance at 1 January		5,272	6,923	-	-
Share of profit for the year		-	(404)	-	-
Decrement in revaluation reserves		-	(1,247)	-	-
Disposal of investment		(5,272)	-	-	-
Balance at 31 December		-	5,272	-	-

Name of Entity	Description	Ownership Interest % 2010	Ownership Interest % 2009
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. In May 2010, the University sold its interest to Southern Cross University.	0	50

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

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Financial Position				
Current assets	-	2,185	-	-
Non-current assets	-	9,050	-	-
Total assets	-	11,235	-	-
Current liabilities	-	690	-	-
Non-current liabilities	-	-	-	-
Total liabilities	-	690	-	-
Net Assets	-	10,545	-	-
Share of jointly controlled entities' net assets	-	5,272		
Financial Performance				
Income	-	3,409	-	-
Expenses	-	4,218	-	-
Profit/(Loss)	-	(809)	-	-
Share of jointly controlled entity's profit/(loss)	-	(404)		

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Note 22. Biological assets				
Trees	5	5	5	5
Livestock	695	689	695	689
Total biological assets	700	694	700	694
Reconciliation of changes in the carrying amount of biological assets				
Balance as at 1 January	694	461	694	461
Purchases	10	6	10	6
Natural increases	353	176	353	176
Sales	(364)	(182)	(364)	(182)
Increment/(decrement) in fair value of biological assets	7	233	7	233
Balance as at 31 December	700	694	700	694

At 31 December 2010 livestock held for sale comprised 2 cattle and 7,357 sheep (2009: 391 cattle and 8,981 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 2009											
- 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**
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**
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 increment/(decrement)	-	-	(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)

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 2010											
Opening net book amount	19,270	16,931	136,892	5,338	12,139	299	1,262	21,492	1,867	5,329	**220,819**
Depreciation written back on disposal	11	-	-	-	248	-	31	227	-	-	**517**
Transfers	195	-	691	(887)	358	-	-	-	-	(359)	**(2)**
Derecognition	(137)	-	-	-	(28)	-	-	-	-	-	**(165)**
Revaluation increment/(decrement)	-	-	839	-	-	-	-	-	(98)	210	**951**
Additions	242	20	1,471	11,541	5,260	220	33	1,470	-	16	**20,273**
Assets classified as held for sale and other disposals	-	(20)	-	-	(289)	-	(69)	(227)	-	-	**(605)**
Depreciation charge	(606)	-	(4,793)	-	(3,179)	(41)	(318)	(3,308)	-	-	**(12,245)**
Closing net book amount	**18,975**	**16,931**	**135,100**	**15,992**	**14,509**	**478**	**939**	**19,654**	**1,769**	**5,196**	**229,543**
At 31 December 2010											
- Cost	2,829	20	13,504	15,992	41,365	627	4,532	33,733	-	213	**112,815**
- Valuation	18,418	16,911	410,590	-	250	-	-	-	1,769	4,983	**452,921**
Accumulated depreciation	(2,272)	-	(288,994)	-	(27,106)	(149)	(3,593)	(14,079)	-	-	**(336,193)**
Net book amount	**18,975**	**16,931**	**135,100**	**15,992**	**14,509**	**478**	**939**	**19,654**	**1,769**	**5,196**	**229,543**

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										
At 1 January 2009										
- 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**
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 increment/(decrement)	-	-	-	-	-	-	-	-	-	**-**
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**

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 2010										
Opening net book amount	18,164	16,581	132,701	5,338	11,319	1,263	21,492	1,867	5,329	**214,054**
Depreciation written back on disposal	-	-	-	-	220	31	227	-	-	**478**
Transfers	196	-	691	(887)	358	-	-	-	(358)	**-**
Derecognition	-	-	-	-	-	-	-	-	-	**-**
Revaluation increment/(decrement)	-	-	-	-	-	-	-	(98)	210	**112**
Additions	243	-	1,421	11,541	4,761	34	1,469	-	16	**19,485**
Assets classified as held for sale and other disposals	-	(20)	-	-	(289)	(70)	(227)	-	-	**(606)**
Depreciation charge	(579)	-	(4,648)	-	(2,845)	(319)	(3,308)	-	-	**(11,699)**
Closing net book amount	**18,024**	**16,561**	**130,165**	**15,992**	**13,524**	**939**	**19,653**	**1,769**	**5,197**	**221,824**
At 31 December 2010										
- Cost	2,817	-	11,677	15,992	37,621	4,532	33,733	-	214	**106,586**
- Valuation	17,434	16,561	406,990	-	-	-	-	1,769	4,983	**447,737**
Accumulated depreciation	(2,227)	-	(288,502)	-	(24,097)	(3,593)	(14,080)	-	-	**(332,499)**
Net book amount	**18,024**	**16,561**	**130,165**	**15,992**	**13,524**	**939**	**19,653**	**1,769**	**5,197**	**221,824**

* 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: 1(o)

Consolidated	Software Development $'000	License $'000	Course Development $'000	Total $'000
At 1 January 2009				
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 - Internal development	428	-	83	511
Disposals	-	-	-	-
Impairment losses	-	-	-	-
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)
Net book amount	5,627	525	140	6,292
Year ended 31 December 2010				
Opening net book amount	5,627	525	140	6,292
Additions - Internal development	216	-	75	292
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Amortisation charge	(1,371)	-	(89)	(1,461)
Closing net book amount	4,472	525	126	5,123
At 31 December 2010				
Cost	15,335	525	913	16,773
Accumulated amortisation and impairment	(10,863)	-	(787)	(11,650)
Closing Net book amount	4,472	525	126	5,123

Note 25. Trade and other payables

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Current					
Trade Payables		759	1,952	37	1,222
Refundable Receipts		1	71	1	2
Total current trade and other payables		760	2,023	38	1,224

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:

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
US Dollar	-	-	-	-
Australian Dollars	760	2,023	38	1,224
	760	2,023	38	1,224

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

Note 26. Borrowings

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Current				
Commercial Loan				
Other	-	3	-	-
Total commercial loan	-	3	-	-
Finance Lease (i)				
Other	-	-	-	-
National Australia Bank	59	224	59	224
Westpac Banking Corporation (Honeywell)	173	176	173	176
Total finance lease	232	400	232	400
Total current borrowings	232	403	232	400

Notes to the financial statements
31 December 2010
(continued)

	Notes	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Non-current					
Commercial Loan					
Other		-	-	-	-
Total commercial loan		-	-	-	-
Finance Lease					
Other		-	-	-	-
Westpac Banking Corporation (Honeywell)		-	174	-	174
National Australia Bank		1	41	1	41
Total finance lease		1	215	1	215
Total non-current borrowings		1	215	1	215
Total borrowings		233	618	233	615

(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 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual Leave	11,507	11,371	10,616	10,527
Long Service Leave	4,219	4,384	3,352	3,597
Deferred government benefits for superannuation	-	-	-	-
Staffing	2,301	500	2,301	500
Other	912	2,583	898	2,571
Subtotal	18,939	18,838	17,167	17,195
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual Leave	12	15	-	-
Long Service Leave	13,388	13,416	13,370	13,382
Deferred government benefits for superannuation	-	-	-	-
Other	-	-	-	-
Subtotal	13,400	13,431	13,370	13,382
Total current provision	32,339	32,269	30,537	30,577
Summary movements current provisions				
Movements in the Provision Account are:				
Carrying amount at start of year	32,269	31,927	30,577	30,800
Current year movement in provision				
- Annual Leave	134	1,908	89	1,903
- Long Service Leave	(191)	292	(256)	(256)
- Staffing	1,801	(1,865)	1,801	(1,865)
- Other	(1,674)	7	(1,674)	(5)
Carrying amount at end of year	32,339	32,269	30,537	30,577
Non-current provisions				
Employee benefits				
Long Service Leave	3,110	2,814	2,940	2,626
Deferred government benefits for superannuation	164,490	146,854	164,490	146,854
Professorial Superannuation	1,423	1,943	1,423	1,943
Other	-	-	-	-
Total non-current provision	169,023	151,611	168,853	151,422
Total provisions	201,362	183,880	199,390	181,999
Summary movements employee benefits				
Movements in the Provision Account are:				
Carrying amount at start of year	151,611	184,224	151,422	183,339
Current year movement in provision				
- Long Service Leave	296	(5,089)	315	(584)
- Deferred government benefits for superannuation	17,636	(26,243)	17,636	(26,244)
- Professorial Superannuation	(520)	(1,281)	(520)	(5,089)
Carrying amount at end of year	169,023	151,611	168,853	151,422

Notes to the financial statements
31 December 2010
(continued)

Note 28. Other Liabilities

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Current				
(i) Accrued Liabilities				
Salary Related	497	1,311	415	1,273
Other Accrued Expenditure	7,106	5,165	6,972	4,972
	7,603	6,476	7,387	6,245
(ii) Monies Received in Advance				
Financial Assistance in Advance	790	4,247	790	4,247
Fees in Advance	6,068	6,249	4,706	4,286
	6,858	10,496	5,496	8,533
(iii) Trust Funds				
Security Deposits	7	7	7	7
Employee Deduction Clearing Accounts	842	2,045	842	2,045
Associated Entities	12	159	12	159
Other	493	800	493	800
	1,354	3,011	1,354	3,011
Total current other liabilities	15,815	19,983	14,237	17,789
Non Current				
Fees in Advance	-	259	-	259
Total other liabilities	15,815	20,242	14,237	18,048

Note 29. Reserves and retained earnings

(a) Reserves

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent entity 2010 $'000	Parent entity 2009 $'000
Revaluation Reserve - Investments	1,184	1,147	1,988	1,130
Revaluation Reserve - Buildings	4,346	4,346	3,112	3,112
Revaluation Reserve - Land	9,051	9,051	9,051	9,051
Revaluation Reserve - Infrastructure	7,582	7,683	7,144	7,144
Revaluation Reserve - Works of Art	398	188	398	188
Total reserves	22,561	22,415	21,693	20,625

Reserves Continued

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
Movements	**$'000**	$'000	**$'000**	$'000
Asset revaluation reserve - Investments				
Balance 1 January	1,147	839	1,130	839
Increment/(decrement) on revaluation	37	308	858	291
Balance 31 December	1,184	1,147	1,988	1,130
Asset revaluation reserve - Buildings				
Balance 1 January	4,346	4,887	3,112	3,250
Increment/(decrement) on revaluation	-	-	-	-
Transfer to/(from) retained surplus on disposal	-	(541)	-	(138)
Balance 31 December	4,346	4,346	3,112	3,112
Asset revaluation reserve - Land				
Balance 1 January	9,051	9,051	9,051	9,051
Increment/(decrement) on revaluation	-	-	-	-
Balance 31 December	9,051	9,051	9,051	9,051
Asset revaluation reserve - Infrastructure				
Balance 1 January	7,683	7,320	7,144	7,144
Increment/(decrement) on revaluation	(101)	363	-	-
Balance 31 December	7,582	7,683	7,144	7,144
Asset revaluation reserve - Works of art				
Balance 1 January	188	188	188	188
Increment on revaluation	210	-	210	-
Balance 31 December	398	188	398	188

(b) Retained earnings

Movements in retained surplus were as follows:				
Retained earnings at 1 January	224,225	211,870	199,788	191,702
Write off Revaluation Reserve for Demolition of Buildings (AASB 116)	-	-	-	-
Write off Retained surplus for devaluation of holdings in Joint Venture	-	(1,246)	-	-
Transfer from Reserves	101	128	-	-
Retained surplus of newly acquired entity	-	4,318	-	-
Other movements	823	(608)	-	-
Net Operating Result for the year	(2,209)	9,763	1,869	8,086
Retained earnings at 31 December	222,940	224,225	201,657	199,788

(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:

Professor James Barber - Vice Chancellor - appointed February 2010
Mr Archie Campbell - appointed August 2010
Dr Brian Denman - appointed August 2010
Mr Kevin Dupe
Mr Robert Finch
Dr Geoffrey Fox - appointed August 2010
Dr Col Gellatly, AO - term expired July 2010
Miss Emma Gillogly - appointed September 2010
Dr James Harris
Ms Kay Hempsall - term expired July 2010
Dr Jack Hobbs - appointed August 2010
Associate Professor Jeannie Madison - term expired July 2010
Professor Eilis Magner
Ms Jan McClelland
Ms Jennifer Miller - appointed August 2010
Ms Catherine Millis
Dr Laurie Piper - term expired July 2010
Ms Gae Raby
Professor Margaret Sims - appointed August 2010
The Hon Dr Richard Torbay MP - Chancellor
Dr Charles Watson - term expired July 2010
Mr Scott Williams - Deputy Chancellor
Ms Alicia Zikan - term expired August 2010

(b) Remuneration of Council, Board Members and Executives

	Consolidated		Parent entity	
i) Remuneration of Council and Board Members	**2010**	2009	**2010**	2009
	No.	**No.**	**No.**	**No.**
Nil to $9,999	49	37	23	18
	49	37	23	18
	$'000	$'000	**$'000**	$'000
Aggregate Remuneration of Board Members				
Total Aggregate Remuneration	13	12	5	6

ii) Remuneration of executive officers	**No.**	**No.**	**No.**	**No.**
$130,000 to $139,999	-	-	-	-
$140,000 to $149,999	1	-	-	-
$150,000 to $159,999	1	-	1	-
$160,000 to $169,999	2	1	1	-
$170,000 to $179,999	1	1	1	-
$190,000 to $199,999	1	1	-	1
$200,000 to $209,999	-	-	-	-
$210,000 to $219,999	-	1	-	1
$230,000 to $239,999	-	-	-	-
$240,000 to $249,999	-	1	-	1
$250,000 to $259,999	1	-	1	-
$260,000 to $269,999	1	1	1	1
$270,000 to $279,999	-	2	-	2
$280,000 to $289,999	-	1	-	1
$290,000 to $299,999	2	1	2	1
$300,000 to $309,999	-	-	-	-
$320,000 to $329,999	1	-	1	-
$330,000 to $339,999	-	1	-	1
$350,000 to $359,999	-	-	-	-
$360,000 to $369,999	1	-	1	-
$470,000 to $479,999	1	-	1	-
$550,000 to $559,999	-	-	-	-
$970,000 to $979,999*	-	1	-	1
	13	12	10	10

* Includes termination payments

(c) Key management personnel compensation

	$'000	$'000	**$'000**	$'000
Aggregate Remuneration of executive officers	3,575	3,822	2,945	3,346

(d) Related party transactions

The University had no material related party transactions for the year ended 31 December, 2010. 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 2010, the University paid sitting fees to University Council Members totalling $4,500.

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	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'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.*	348	346	246	245
Total remuneration for audit services	348	346	246	245
2. Non-audit services				
Audit-related services				
External Audit Services Providers	6	49	-	45
Quality assurance	-	92	-	92
Total remuneration for audit-related services	6	141	-	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	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Property, plant and equipment payable:				
Within one year	3,515	11,556	3,515	11,556
Later than one year but not later than five years	-	-	-	-
Later than five years				
	3,515	11,556	3,515	11,556
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

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
(i) Operating Leases				
Within one year	152	167	-	-
Later than one year but not later than five years	352	653	-	-
Later than five years	-	27	-	-
Total operating leases	504	847	-	-
(ii) Finance Leases				
Within one year	240	430	240	430
Later than one year but not later than five years	1	222	1	222
Later than five years	-	-	-	-
Total finance leases	241	652	241	652
Total lease commitments	745	1,499	241	652

No lease arrangements, existing as at 31 December 2010, 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 2010 Commitments

The value of orders, for goods and services placed, but not filled, as at 31 December 2010, total$3,925,769.
(2009: $6,707,733). Expenditure for these orders is expected to occur in 2011.

In addition, during 2010, the University entered into contracts for the following operating expenditures:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Within one year	14,122	11,359	13,212	10,315
Later than one year but not later than five years	28,298	22,717	28,296	22,717
Later than five years	-	-	-	-
Total other expenditure commitments	42,420	34,076	41,508	33,032

Value of commitments for building works not yet contracted or no orders raised - $6.5million.
Within one year $3million; $3.5million Later than one year but not later than five years.

(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.

	2010	2009
The following transactions occurred with related parties	$'000	$'000
Sale of goods and services	1,863	3,695
Purchase of goods and services	516	2,658

Outstanding balances

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

Receivables	394	177
Payables	78	29

(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 2010 %	Equity Holding 2009 %
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

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

	Consolidated		Parent entity	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Operating result for the period	(2,209)	9,763	1,869	8,086
Depreciation and amortisation	13,690	13,216	12,861	12,345
Impairment of investment	-	-	(339)	(251)
Provision for impaired receivables	515	(255)	462	(257)
Share in Operating Result of Joint Venture	-	404	-	-
Loss on revaluation/derecognition	342	(678)	-	-
Net (gain) / loss on sale of non-current assets	710	(113)	(4,562)	(98)
Increase/(Decrease) in Payables and Prepaid Income	(3,694)	221	(3,082)	(112)
Increase/(Decrease) in Provision for Employee Entitlements	17,269	(32,226)	17,174	(32,175)
Increase/(Decrease) in Provision for Annual Leave	84	1,882	88	1,903
Increase/(Decrease) in Other Provisions	128	(1,855)	128	(1,870)
Increase/(Decrease) in Trust Funds	(1,916)	367	(1,915)	369
(Increase)/Decrease in Receivables and Prepaid Expenses	(17,316)	30,631	(17,789)	31,707
(Increase)/Decrease in Inventories	27	86	8	68
Net cash provided by / (used in) operating activities	7,630	21,443	4,903	19,715

Note 37. Events occurring after the balance date

There are no reportable events occurring after balance date.

Note 38. Financial risk management

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

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 4.12% and 6.8%. Average maturity of 73 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 2010.	
Finance Leasing	26	The lease liability is accounted for in accordance with AASB 117.	Interest rates per market and schedules. Between 5.64% and 7.89%.
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 University uses derivative financial instruments such as foreign exchange contracts.

Foreign currency deposits are recorded at cost and revalued at balance date.

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

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 University 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 University 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 University's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation there under. The University'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 University on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the University as they fall due.

Financial risk management - continued

31 December 2010	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	3.81	13,245					13,245
Investments-Term Deposits	5.48		35,366				35,366
Receivables						13,620	13,620
Receivable - Commonwealth debtor						161,307	161,307
Receivables - non-current						-	0
Listed Shares						4,302	4,302
National Marine Science Centre						-	0
Unlisted Shares						11	11
Total Financial Assets		13,245	35,366			179,240	227,851
Financial Liabilities							
Borrowings			233	-			233
Payables						760	760
Other Amounts Owing						15,815	15,815
Total Financial Liabilities			233	-		16,575	16,808
Net Financial Assets(Liabilities)		13,245	35,133	-		162,665	211,043

Comparative figures for the previous year are as follows:

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 and 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 - non-current						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

(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 rates 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.

Notes to the financial statements
31 December 2010
(continued)

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	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	48,612	58,117	48,612	58,117
Receivables	13,620	14,152	13,620	14,152
Investments using the equity method	0	5,272	0	5,272
Other financial assets	4,313	3,527	4,313	3,527
Total financial assets	66,545	81,068	66,545	81,068
Financial liabilities				
Payables	760	2,023	760	2,023
Borrowings	233	618	233	618
Other financial liabilities	15,815	19,983	15,815	19,983
Total financial liabilities	16,808	22,624	16,808	22,624

Financial risk management - (continued)

Summarised sensitivity analysis

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

31 December 2010	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	13,245	(132)	(132)	132	132	0	0	0	0	N/A	N/A	N/A	N/A
Investments-Term Deposits	35,366	(354)	(354)	354	354	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	13,620												
Receivable - Commonwealth debtor	161,307												
Receivables - Related Entities	-												
Listed Shares	4,302												
National Marine Science Centre	-												
Unlisted Shares	11												
Total Financial Assets	227,851												
Financial Liabilities													
Borrowings	233	-	-	-	-								
Payables	760												
Other Amounts Owing	15,815												
Total Financial Liabilities	16,808												
Total increase / (decrease)	211,043	-	-	-	-	-	-	-	-	-	-	-	-

Financial risk management (continued)

Comparative figures for the previous year are as follows:

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	N/A	N/A	N/A	N/A	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	-	-	-	-								
Creditors	2,023												
Other Amounts Owing	19,983												
Total Financial Liabilities	22,624												
Total increase / (decrease)	202,495	-	-	-	-	-	-	-	-	-	-	-	-

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 and 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 managed fund accounts maintained with investment managers. These benefits are fully funded by contributions from Fund members and the University.

The University made a contribution of $1.6 million in 2010, (2009: $2.9 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)	**2010 (%)**	**2009 (%)**
Discount rate(s)		
Expected return on plan assets	8.3	8.3
Expected rate(s) of salary increase	4.0	4.0
Expected return on reimbursement rights	7.3	7.3
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate (s) (gross of tax)	5.6	5.7
Discount rate (s) (net of tax)	4.8	4.8
Expected return on fund assets	8.3	8.4
Expected rate (s) of salary increase	4.0	4.0

Notes to the financial statements
31 December 2010
(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 2010 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)	**2010 (%)**	**2009 (%)**
Australian equities	33.7	33.1
Overseas equities	29.3	26.8
Australian fixed interest securities	5.7	5.8
Overseas fixed interest securities	2.9	4.1
Property	9.5	9.2
Cash	6.1	7.8
Other	12.8	13.2
Weighted average expected return	8.3	8.3
Professorial Superannuation Fund		
Australian equities	38.0	41.1
Overseas equities	34.0	36.2
Australian fixed interest securities	4.0	2.0
Overseas fixed interest securities	4.0	6.9
Property	5.0	9.8
Cash	8.0	4.0
Alternative (Growth)	7.0	0.0

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 actuarial predictions of the market for the asset in the next twelve months.

The history of experience adjustments is a follows:

	2010	2009	2008	2007	2006
State schemes (SASS, SANCS & SSS)	**$'000**	$'000	$'000	$'000	$'000
Fair value of plan assets	88,278	100,156	104,041	143,688	135,026
Present value of defined benefit obligation	(252,768)	(247,009)	(277,137)	(218,590)	(231,627)
Surplus/(deficit)	(164,490)	(146,853)	(173,096)	(74,902)	(96,601)
Experience adjustments on plan liabilities	(7,129)	(27,665)	62,612	(21,285)	(20,764)
Experience adjustments on plan assets	4,703	(1,581)	33,193	(3,614)	(9,396)
Professorial Superannuation Fund					
Fair value of plan assets	(8,471)	(8,004)	(5,119)	(6,365)	(4,403)
Present value of defined benefit obligation	9,894	9,947	12,151	9,973	11,213
Liability (asset) recognised in balance sheet	1,423	1,943	7,032	3,608	6,810
Actuarial liability (gain) loss due to experience adjustments	533	(131)	920	(220)	437
Actuarial asset (gain) loss due to experience adjustments	351	(1,090)	3,258	(313)	(125)

b) Financial impact for funds guaranteed by Commonwealth Government

Present value obligations - 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening defined benefit obligation	24,748	5,264	216,999	247,011
Current service cost	889	240	382	1,511
Interest cost	1,369	286	12,191	13,846
Contributions from plan participants	437	0	498	935
Actuarial losses/(gains)	(436)	257	7,308	7,129
Exchange differences on foreign plans	-	-	-	-
Benefits paid	(3,909)	(1,115)	(12,640)	(17,664)
Past service costs	-	-	-	-
Liabilities from business combinations	-	-	-	-
Loss/(gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Closing defined benefit obligation	**23,098**	**4,932**	**224,738**	**252,768**

Notes to the financial statements
31 December 2010
(continued)

Defined Benefit Plans (continued)

Present value of plan assets - 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening fair value of plan assets	24,281	2,418	73,457	100,156
Expected return on plan assets	1,986	255	5,695	7,936
Actuarial gains/(losses)	(1,814)	(184)	(2,705)	(4,703)
Exchange differences on foreign plans	-	-	-	-
Contributions from the employer	851	375	392	1,618
Contributions from plan participants	437	0	498	935
Benefits paid	(3,909)	(1,115)	(12,640)	(17,664)
Assets acquired in a business combination	-	-	-	-
Assets distributed on settlements	-	-	-	-
Closing fair value of plans assets	**21,832**	**1,749**	**64,697**	**88,278**

Reimbursement rights - 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening value of reimbursement right	-	-	-	-
Expected return on reimbursement rights	-	-	-	-
Actuarial gains/(losses)	-	-	-	-
Closing value of reimbursement right	**-**	**-**	**-**	**-**

Net liability- 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Defined benefit obligation	23,098	4,932	224,738	252,768
Fair value of plan assets	(21,832)	(1,749)	(64,697)	(88,278)
Net liability	1,266	3,183	160,041	164,490
Reimbursement right	-	-	-	-
Total liability /(asset) in balance sheet	**1,266**	**3,183**	**160,041**	**164,490**

Expense recognised - 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Current service cost	889	240	382	1,511
Interest on obligation	1,369	286	12,191	13,846
Expected return on plan assets	(1,986)	(255)	(5,695)	(7,936)
Expected return on reimbursement rights	-	-	-	-
Past service costs	-	66	-	66
Loss/(gain) from curtailments/settlements	-	-	-	-
Limit on the defined benefit asset	-	-	-	-
Expense/(income)	272	337	6,878	7,487

Actual returns - 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Actual return on plan assets	982	71	3,069	4,122
Actual return on reimbursement right	-	-	-	-

Other comprehensive income - 2010	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Actuarial losses/(gains) on defined benefit	1,378	441	10,013	11,832
Actuarial (losses)/gains on plan assets	-	-	-	-
Actuarial (losses)/gains on reimbursement rights	-	-	-	-
Recognised in other comprehensive income	-	-	-	-
Cumulative total net actuarial (loses)/gains	**1,378**	**441**	**10,013**	**11,832**

Present value obligations - 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening defined benefit obligation	25,735	6,074	245,328	277,137
Current service cost	1,031	290	603	1,924
Interest cost	1,012	234	9,748	10,994
Contributions from plan participants	449	0	659	1,108
Actuarial losses/(gains)	(1,268)	(574)	(25,823)	(27,665)
Exchange differences on foreign plans	-	-	-	-
Benefits paid	(2,212)	(761)	(13,516)	(16,489)
Past service costs	-	-	-	-
Liabilities from business combinations	-	-	-	-
Loss/(gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Closing defined benefit obligation	**24,747**	**5,263**	**216,999**	**247,009**

Notes to the financial statements
31 December 2010
(continued)

Defined Benefit Plans (continued)

Present value of plan assets - 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening fair value of plan assets	22,959	2,575	78,507	104,041
Expected return on plan assets	1,823	266	5,929	8,018
Actuarial gains/(losses)	246	15	1,319	1,580
Exchange differences on foreign plans	-	-	-	-
Contributions from the employer	1,016	323	559	1,898
Contributions from plan participants	449	0	659	1,108
Benefits paid	(2,212)	(761)	(13,516)	(16,489)
Assets acquired in a business combination	-	-	-	-
Assets distributed on settlements	-	-	-	-
Closing fair value of plans assets	**24,281**	**2,418**	**73,457**	**100,156**

Reimbursement rights - 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Opening value of reimbursement right	-	-	-	-
Expected return on reimbursement rights	-	-	-	-
Actuarial gains/(losses)	-	-	-	-
Closing value of reimbursement right	**-**	**-**	**-**	**-**

Net liability- 2009	**SASS**	**SANCS**	**SSS**	**Total**
	$'000	$'000	$'000	$'000
Defined benefit obligation	24,747	5,263	216,999	247,009
Fair value of plan assets	(24,281)	(2,418)	(73,457)	(100,156)
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	-	-	-	-
Actuarial (losses)/gains on reimbursement rights	-	-	-	-
Recognised in other comprehensive income	-	-	-	-
Cumulative total net actuarial (loses)/gains				

Notes to the financial statements
31 December 2010
(continued)

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 Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2010 the assets of the DBD in aggregate were estimated to be $1,217 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 institution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2010 the assets of the DBD in aggregate were estimated to be $312 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 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 investment 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 2010 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 2010, 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 2010 $'000	Commonw'lth Grant Scheme #1 2009 $'000	Indigenous Support Program 2010 $'000	Indigenous Support Program 2009 $'000	Partnership & Participation Program #2 2010 $'000	Partnership & Participation Program #2 2009 $'000	Disability Support Program 2010 $'000	Disability Support Program 2009 $'000	Workplace Reform Program 2010 $'000	Workplace Reform Program 2009 $'000	Workplace Productivity Program 2010 $'000	Workplace Productivity Program 2009 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		68,118	62,542	863	791	1,499	519	91	106	-	861	-	-
Net accrual adjustments		2,386	(9)	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(a)	70,504	62,533	863	791	1,499	519	91	106	-	861	-	-
Surplus / (deficit) from the previous year		2,414	2,405	182	89	949	700	97	109	-	-	-	1,222
Total revenue including accrued revenue		72,918	64,938	1,045	880	2,448	1,219	188	215	-	861	-	1,222
Less expenses including accrued expenses		72,889	62,524	857	699	1,598	270	30	118	-	861	-	1,222
Surplus / (deficit) for reporting period		29	2,414	188	181	850	949	158	97	-	-	-	-

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

 # 2 Includes Equity Support Program

DEEWR - CGS and Other DEEWR Grants (continued)

	Note	Learning & Teaching Performance Fund 2010 $'000	Learning & Teaching Performance Fund 2009 $'000	Capital Development Pool 2010 $'000	Capital Development Pool 2009 $'000	Diversity and Structural Adjustment Fund #3 2010 $'000	Diversity and Structural Adjustment Fund #3 2009 $'000	Improving Practical Comp of Teach Ed 2010 $'000	Improving Practical Comp of Teach Ed 2009 $'000	Transitional Cost Program 2010 $'000	Transitional Cost Program 2009 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	1,032	306	5,513	858	732	-	475	88	386
Net accrual adjustments		-	-	-	-	-	-	-	-	(32)	93
Revenue for the period	3(a)	-	1,032	306	5,513	858	732	-	475	56	479
Surplus / (deficit) from the previous year		2,150	1,141	2,280	856	1,212	1,085	-	-	(7)	86
Total revenue including accrued revenue		2,150	2,173	2,586	6,369	2,070	1,817	-	475	49	565
Less expenses including accrued expenses		1,518	22	1,249	4,089	987	605	-	475	23	572
Surplus / (deficit) for reporting period		632	2,151	1,337	2,280	1,083	1,212	-	-	26	(7)

 # 3 Includes Collaboration and Structural Adjustment Program.

DEEWR - CGS and Other DEEWR Grants (continued)

	Note	Graduate Skills Assessment 2010 $'000	Graduate Skills Assessment 2009 $'000	Other 2010 $'000	Other 2009 $'000	Total 2010 $'000	Total 2009 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	-	4,000	-	75,823	72,957
Net accrual adjustments		-	-	-	-	2,354	84
Revenue for the period	3(a)	-	-	4,000	-	78,177	73,041
Surplus / (deficit) from the previous year		-	-	-	-	9,277	7,693
Total revenue including accrued revenue		-	-	4,000	-	87,454	80,734
Less expenses including accrued expenses		-	-	141	-	79,292	71,457
Surplus / (deficit) for reporting period		-	-	3,859	-	8,162	9,277

40.2 Higher Education Loan Programmes

Parent entity (University) Only

	Note	HECS-HELP (Australian Government payments only)		FEE-HELP #4		Total	
		2010	2009	**2010**	2009	**2010**	2009
		$'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)		36,102	34,759	3,332	2,555	39,434	37,314
Net accrual adjustments		967	(199)	(442)	277	525	78
Revenue for the period	3(b)	37,069	34,560	2,890	2,832	39,959	37,392
Surplus / (deficit) from the previous year		1,074	875	(348)	(70)	726	805
Total revenue including accrued revenue		38,143	35,435	2,542	2,762	40,685	38,197
Less expenses including accrued expenses		38,037	34,361	2,448	3,110	40,485	37,471
Surplus / (deficit) for reporting period		106	1,074	94	(348)	200	726

#4 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		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships #5		Commonwealth Accommodation Scholarships #5		Indigenous Access Scholarships		Total	
		2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
		$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		2,050	1,605	224	219	(138)	1,088	50	1,408	98	108	2,284	4,428
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(c)	2,050	1,605	224	219	(138)	1,088	50	1,408	98	108	2,284	4,428
Surplus / (deficit) from the previous year		609	463	25	35	1,408	870	1,349	855	37	16	3,428	2,239
Total revenue including accrued revenue		2,659	2,068	249	254	1,270	1,958	1,399	2,263	135	124	5,712	6,667
Less expenses including accrued expenses		1,950	1,459	181	228	407	549	741	914	74	87	3,353	3,237
Surplus / (deficit) for reporting period		709	609	68	26	863	1,409	658	1,349	61	37	2,359	3,430

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

40.4 DIISR Research

Parent entity (University) Only

	Note	Joint Research Engagement #6		Research Training Scheme		Research Infrastructure Block Grants		Regional Protection Scheme		Implementation Assistance Programme	
		2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
		$'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)		3,072	3,167	7,331	7,560	1,250	1,466	-	-	45	92
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,072	3,167	7,331	7,560	1,250	1,466	-	-	45	92
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	78	160	62
Total revenue including accrued revenue		3,072	3,167	7,331	7,560	1,250	1,466	-	78	205	154
Less expenses including accrued expenses		3,072	3,167	7,331	7,560	1,250	1,466	-	78	205	(6)
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	-	160

#6 Includes Institutional Grants Scheme

DIISR Research (continued)

	Note	Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total	
		2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
		$'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)		-	203	66	71	773	-	12,537	12,559
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	-	203	66	71	773	-	12,537	12,559
Surplus / (deficit) from the previous year		-	3	211	139	-	-	371	282
Total revenue including accrued revenue		-	206	277	210	773	-	12,908	12,841
Less expenses including accrued expenses		-	206	210	-	773	-	12,841	12,471
Surplus / (deficit) for reporting period		-	-	67	210	-	-	67	370

40.5 Voluntary Student Unionism

Parent entity (University) Only

	Note	VSU Transition Fund		Support for Small Businesses		Total	
		2010	2009	**2010**	2009	**2010**	2009
		$'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	-	-	-	200
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)	-	200	-	-	-	200
Surplus / (deficit) from the previous year		3,330	5,225	-	346	3,330	5,571
Total revenue including accrued revenue		3,330	5,425	-	346	3,330	5,771
Less expenses including accrued expenses		3,330	2,095	-	346	3,330	2,441
Surplus / (deficit) for reporting period		-	3,330	-	-	-	3,330

40.6 Other Capital Funding

Parent entity (University) Only

	Note	Better Universities Renewal Fund		Teaching and Learning Capital Fund		Total	
		2010	2009	**2010**	2009	**2010**	2009
		$'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)		-	-	-	7,907	-	7,907
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(f)	-	-	-	7,907	-	7,907
Surplus / (deficit) from the previous year		3,881	7,255	7,816	-	11,697	7,255
Total revenue including accrued revenue		3,881	7,255	7,816	7,907	11,697	15,162
Less expenses including accrued expenses		2,979	3,374	1,995	91	4,974	3,465
Surplus / (deficit) for reporting period		902	3,881	5,821	7,816	6,723	11,697

40.7 Australian Research Council Grants

Parent entity (University) Only

(a) Discovery

	Note	Projects		Total	
		2010	2009	**2010**	2009
		$'000	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		701	1,098	701	1,098
Net accrual adjustments		-	-	-	-
Revenue for the period	3(g)(i)	701	1,098	701	1,098
Surplus / (deficit) from the previous year		293	359	293	359
Total revenue including accrued revenue		994	1,457	994	1,457
Less expenses including accrued expenses		733	1,164	733	1,164
Surplus / (deficit) for reporting period		261	293	261	293

Parent entity (University) Only

(b) Linkages

	Note	Projects		Total	
		2010	2009	**2010**	2009
		$'000	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		319	342	319	342
Net accrual adjustments		-	-	-	-
Revenue for the period	3(g)(ii)	319	342	319	342
Surplus / (deficit) from the previous year		65	136	65	136
Total revenue including accrued revenue		384	478	384	478
Less expenses including accrued expenses		328	414	328	414
Surplus / (deficit) for reporting period		56	64	56	64

Parent entity (University) Only

40.8 OS-HELP

		2010 $'000	2009 $'000
Cash Received during the reporting period		125	145
Cash Spent during the reporting period		(120)	(149)
Net Cash received	3(i)	5	(4)
Cash Surplus / (deficit) from the previous period		-	(21)
Cash Surplus / (deficit) for the reporting period	20/30	5	(25)

" End of Audited Financial Statements "

Agricultural Business Research Institute

Agricultural Business Research Institute

ABN: 30 058 555 632
Annual Financial Report for the year ended 31 December 2010

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

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

I have audited the accompanying financial statements of Agricultural Business Research Institute (the Company), which comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

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

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Agricultural Business Research Institute on 23 March 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

30 March 2011
SYDNEY

Agricultural Business Research Institute

Directors Report

Your directors submit their report, together with the financial statements of the company for the year ended 31 December, 2010.

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)	Ian Michael LOCKE
Anthony John Traherne COATES (AM)	Keith William ENTWISTLE (AM)
Laurie Robert PIPER	Barry John PAFF
Robert Anthony BARWELL	Charles Alexander MCDONALD
Morris George MCINNES	

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

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

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

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

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

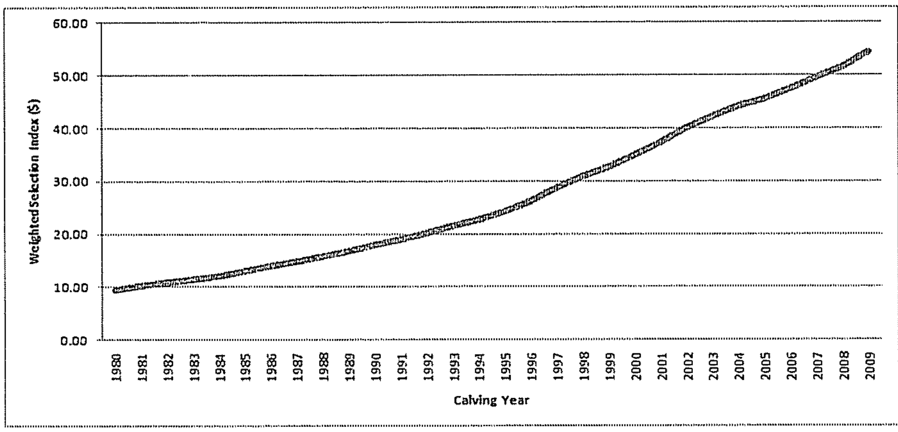
(a) To promote Australian primary production industries.
(b) To conduct research into Australian primary production industries.
(c) To provide genetic evaluation services aimed at improving the productivity of Australian livestock industries.
(d) To develop software beneficial to members of Australian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

Strategy for achieving these objectives

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

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

Object (c) - ABRI provides the BREEDPLAN® genetic evaluation to the beef cattle industry nationally. Figure 1 shoes the average weighted production index of cows recorded by ABRI in southern Australia. It has improved from an index of $10/cow to $55/cow in the time ABRI has been offering a selection system.



Object (d) – ABRI has developed a range of software products to help Australia's primary producers:
ILR2 – new generation breed register software for all species.
BREEDPLAN – beef cattle genetic evaluation system.
Dairy Express – a comprehensive herd recording system for the dairy industry.
HerdMASTER – a PC-based herd management system for beef cattle breeders.
RaceMATE – an advanced PC software system for commercial producers.
FeedMania – advanced software for formulating feeds for cattle, sheep, pigs, horses, chickens and fish.
EquiMASTER – advanced software for horse breeders.

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

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

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

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

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 2010.

Review of Operations

The operating surplus of the company was: $387,678 (2009 = $663,155) and the surplus after fair value adjustments on the financial assets was $177,891 (2009 = $1,317,251)

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

Significant Changes in the State of Affairs

The value of ABRI's share investments depreciated by $(209,787) (2009 = $654,096), this being in line with the all ordinaries index during 2010.

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.

Likely Developments and Expected Results of Operations

The company will continue to pursue its principal activities during the year 2011.

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.

Insursnce 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 $34,000 for Directors and Officers Insurance covered the period 1 November 2009 to 31 October 2010. Insurance has been renewed for the Group for the period 1 November 2010 to 31 October 2011 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.

DIRECTORS' PARTICULARS

a) Qualifications and Experience

Name and Occupation:	**Philip Arthur RICKARDS (OAM)**
Qualifications:	Honours degree in Agricultural Science and post graduate qualifications in Agricultural Economics and Honorary Doctorate of the University of New England
Experience:	Foundation director of the Agricultural Business Research Institute with over 35 years of experience in managing agribusiness information projects. Board member since 11th January, 1993.
Name and Occupation:	**Anthony John Traherne COATES (AM) (Grazier)**
Qualifications:	Bachelor of Rural Science
Experience:	Involvement in the beef cattle industry since 1962 as owner/manager of a cattle station. Councillor and Treasurer of Santa Gertrudis Breeders (Australia) Association and Chairman of Beef Genetics and Improvement Steering Committee of the Queensland Department of Primary Industries. Previously Deputy Chairman of South Burnett Meatworks Co-op Association. Board member since 11th January, 1993.
Name and Occupation:	**Laurie Robert PIPER**
Qualifications:	BRurSc PhD FTSE FAICD
Experience:	Laurie Piper is an animal breeding consultant, Honorary Research Fellow at CSIRO Livestock Industries and Adjunct Professor of Animal Science at the University of New England. He is a Fellow of the Australian Institute of Company Directors and of the Australian Academy of Technological Sciences and Engineering. His training and expertise is in genetics and animal breeding. He has worked as a research scientist/research manager in the wool and beef industries for 45 years and in more recent times has become involved in aquaculture genetics. Board Member since November 2007

Name and Occupation:	**Charles Alexander McDonald**
Qualifications:	Bachelor of Agricultural Science
Experience:	Mr McDonald worked in research and extension with the Victorian Department of Agriculture for 12 years. He then took up the role of National Coordinator of field services for the National Beef Recording Scheme for three years before coordinating the National Carcase Evaluation Project for three years. Since 1992, Mr McDonald has been General Manager of the Australian Limousin Breeders' Society Ltd. He is a director of the Performance Beef Breeders Association and Chairman of the PBBA's Technical Committee. Board member since April 15, 2008.

Name and Occupation:	**Robert Anthony Barwell (Grazier)**
Experience:	Mr Barwell is a sheep and cattle producer who is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Previously he was the National Co-ordinator of CATTLECARE and Flock care. He has also been the General Manager of a diverse agricultural company with properties throughout rural New South Wales. Board member since 28th May 2004.

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

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

Name and Occupation:	**Barry John Paff (Dairy/Lucerne Farmer)**
Experience:	Previous experience as a dairy farmer at Raleigh, milking 300 cows for many years and on the Board of Norco Co-operative and Norco Pauls JV Board, prior involvement in NSW Dairy Farmer's Association Dairy Committee, currently a lucerne farmer outside Tamworth. Board member since 5th October 2005.

Name and Occupation:	**Morris George McInnes (Dairy Farmer)**
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council. Board member from 30/11/2009.

b) Directors' Meetings

During the financial year ended 31 December, 2010 four directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Philip Arthur RICKARDS (OAM)	4	4
Anthony John Traherne COATES (AM)	4	4
Laurie Robert PIPER	4	3
Charles Alexander MCDONALD	4	4
Robert Anthony BARWELL	4	4
Ian Michael LOCKE	4	4
Keith William ENTWISTLE (AM)	4	4
Barry John PAFF	4	4
Morris George McInnes	4	4

Legal proceedings on behalf of the Company

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2010.

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

R A Barwell
Director

Dr A. Rickards
Director

25-March-2011

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 statements of Agricultural Business Research Institute for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

23 March 2011
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2010;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

R A Barwell
Director

Dr A. Rickards
Director

25-March-2011

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

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

Signed in accordance with a resolution of the Directors.

R A Barwell
Director

Dr A. Rickards
Director

25-March-2011

Income Statement
For the year ended 31 December 2010

	Notes	**2010** **$**	2009 $
Revenue from continuing operations			
Investment revenue	**3**	366,314	275,740
Other Revenue	**4**	6,868,959	6,805,011
Total revenue from continuing operations		7,235,273	7,080,751
Gains on disposal of assets	**4**	-	24,253
Other investment income	**3**	(209,787)	654,096
Total revenue and income from continuing operations		7,025,486	7,759,100
Expenses from continuing operations			
Employee related expenses	**5**	4,635,305	4,332,998
Depreciation and amortisation	**6**	362,988	348,113
Repairs and maintenance	**7**	28,388	37,535
Impairment of assets	**8**	40,507	16,171
Investment losses	**3**	-	-
Other expenses	**9**	1,780,407	1,707,032
Total expenses from continuing operations		6,847,595	6,441,849
Operating Surplus/(Deficit) before income tax		177,891	1,317,251
Income tax expense		-	-
Operating Surplus/(Deficit) from continuing operations		177,891	1,317,251
Operating Surplus/(Deficit) from discontinued operations		-	-
Operating Surplus/(Deficit) after income tax for the period		177,891	1,317,251
Operating Surplus/(Deficit) attributable to minority interest		-	-
Operating Surplus/(Deficit) attributable to the ABRI	**19**	177,891	1,317,251

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

Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	**2010** **$**	2009 $
Operating Surplus/(Deficit) after income tax for the period		177,891	1,317,251
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		177,891	1,317,251
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		177,891	1,317,251

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

Statement of Financial Position

As at 31 December 2010

	Notes	2010 $	2009 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	4,848,440	4,483,374
Receivables	**11**	1,171,700	1,105,225
Inventories	**16**	-	-
Other assets	**13**	234,542	118,551
Total current assets		6,254,682	5,707,150
Non-current assets			
Receivables	**11**	-	-
Other financial assets	**12**	2,047,694	2,207,301
Property, plant and equipment	**14**	2,128,304	2,138,379
Intangible assets	**15**	611,250	612,642
Total non-current assets		4,787,248	4,958,322
Total assets		11,041,930	10,665,472
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	539,320	373,565
Provisions	**17**	1,448,053	1,333,060
Other liabilities	**18**	309,203	348,385
Total current liabilities		2,296,576	2,055,010
Non-current liabilities			
Provisions	**17**	114,471	157,469
Total non-current liabilities		114,471	157,469
Total liabilities		2,411,047	2,212,479
Net assets		8,630,883	8,452,993
EQUITY			
Retained earnings	**19**	7,807,738	7,629,847
Asset revaluation reserve		823,145	823,145
Total equity	**19**	8,630,883	8,452,992

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

Statement of Changes in Equity

For the year ended 31 December 2010

	Reserves	Retained Earnings	Total: Owners of the parent	Non-controlling Interest	Total
Balance at 1 January 2009	823,145	6,312,596	7,135,741	-	7,135,741
Retrospective changes	-	-	-	-	-
Balance as restated	823,145	6,312,596	7,135,741	-	7,135,741
Profit or loss	-	1,317,251	1,317,251	-	1,317,251
Revaluation of Buildings	-	-	-	-	-
Total comprehensive income	-	1,317,251	1,317,251	-	1,317,251
Distribution to owners	-	-	-	-	-
Contribution from owners	-	-	-	-	-
Balance at 31 December 2009	823,145	7,629,847	8,452,992	-	8,452,992
Balance at 1 January 2010	823,145	7,629,847	8,452,992	-	8,452,992
Profit or loss	-	177,891	177,891	-	177,891
Revaluation of Buildings	-	-	-	-	-
Total comprehensive income	-	177,891	177,891	-	177,891
Distribution to owners	-	-	-	-	-
Contribution from owners	-	-	-	-	-
Balance at 31 December 2010	823,145	7,807,738	8,630,883	-	8,630,883

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

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	2010 $	2009 $
Cash flows from operating activities			
Receipts from customers		6,762,970	6,889,626
Dividends received		97,169	96,492
Interest received		269,826	160,345
Payments to suppliers and employees (inclusive of GST)		(6,363,198)	(6,078,174)
Net cash provided by / (used in) operating activities	**25**	766,767	1,068,289
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	(29,876)
Payments for property, plant and equipment		(351,521)	(357,802)
Proceeds from sale of financial assets		-	(170,251)
Payments for financial assets		(50,181)	278,826
Net cash provided by / (used in) investing activities		(401,702)	(279,103)
Net increase / (decrease) in cash and cash equivalents		365,065	789,186
Cash and cash equivalents at the beginning of the financial year		4,483,374	3,694,188
Cash and cash equivalents at the end of the financial year	**10**	4,848,439	4,483,374

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, 2010 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 principle address of ABRI is: C/o UNE, The Short Run, Armidale, NSW 2351

The financial report for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of the Board on 24 March 2011.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards (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 Regulations 2010, 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 statements are presented in Australian dollars which is the Entity's functional and presentation currency.

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) 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 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.

Note 1. Summary of significant accounting policies (continued)

(e) 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 statement of financial position.

(h) Receivables

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

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

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

(i) Investments and other financial assets

Classification

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

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

(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)

(i) 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.

Note 1. Summary of significant accounting policies (Continued)

(k) 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 method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

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

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 Knight Davidson.

(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.

(n) Provisions

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

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

Note 1. Summary of significant accounting policies (continued)

(o) Employee benefits

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

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

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

(p) Goods and Services Tax (GST)

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

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

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

(q) Comparative amounts

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

(r) New standards and interpretations not yet adopted

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

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

Note 1. Summary of significant accounting policies (continued)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102,108, 112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Australia	5,813,635	6,664,929	142,938	1,131,495	11,041,930	10,665,471
Asia	-	-	-	-	-	-
US/Canada	706,055	554,726	17,360	94,175	-	-
Unallocated	715,583	539,445	17,593	91,581	-	-
	7,235,273	7,759,100	177,891	1,317,251	11,041,930	10,665,471

		Notes	2010 $	2009 $
Note 3.	**Investment revenue and income**			
	Interest		269,145	179,248
	Investment Income		-	-
	Dividend Income		97,169	96,492
	Total investment revenue		366,314	275,740
	Change in fair value of financial assets designated as at fair value through profit & loss		(209,787)	654,096
	Profit on sale of Assets held for trading		-	-
	Net investment income		(209,787)	654,096
Note 4.	**Other revenue and income**			
	Fees and charges		6,868,959	6,805,011
	Gains on sale of assets		-	24,253
	Total other revenue		6,868,959	6,829,264
Note 5.	**Employee related expenses**			
	Salaries		3,979,330	3,694,600
	Contribution to funded superannuation and pension schemes		350,412	356,486
	Payroll tax		212,691	215,395
	Worker's compensation		5,044	8,948
	Long service leave expense		71,995	39,343
	Other (Allowances, penalties and fringe benefits tax)		15,833	18,226
	Total employee related expenses		4,635,305	4,332,998
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Buildings		37,850	37,850
	Furniture and Fittings		7,669	7,583
	Plant and Equipment		57,729	67,772
	Motor Vehicles		50,000	56,262
	Total depreciation		153,248	169,467
	Amortisation			
	Intangibles		209,740	178,646
	Plant & equipment under finance leases		-	-
	Total amortisation		209,740	178,646
	Total depreciation and amortisation		362,988	348,113
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		28,388	37,535
	Total repairs and maintenance		28,388	37,535

		Notes	2010 $	2009 $
Note 8.	**Impairment of assets**			
	Bad Debts		40,507	16,171
	Total impairment of assets		40,507	16,171
Note 9.	**Other expenses**			
	Non-capitalised equipment		6,052	7,319
	Advertising, marketing and promotional expenses		27,800	50,571
	Utilities		41,340	36,932
	Postal and Telecommunications		421,302	406,896
	Travel and Entertainment		131,097	118,086
	Operating Lease Rental Charges		59,917	49,929
	Consultants		360,502	258,813
	Other Expenditure		732,397	778,486
	Total other expenses		1,780,407	1,707,032
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash at bank		404,373	290,178
	At call investments		4,444,066	4,193,196
	Total cash and cash equivalents		4,848,439	4,483,374

(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	4,848,439	4,483,374
Less: Bank Overdrafts	-	-
Balance per cash flow statement	4,848,439	4,483,374

(b) Cash at bank and on hand
These are non-interest bearing. - -

(c) Deposits as call
The deposits are bearing floating interest rates between **5.8% and 6.8%** (2009 - 4% and 7%). These deposits have an average maturity of **270** days.

		Notes	2010 $	2009 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,224,166	1,152,327
	Less: Provision for impaired receivables	1(h)	(52,466)	(47,102)
	Total receivables		1,171,700	1,105,225

(a) Impaired receivables

As at 31 December 2010 current receivables of the entity with a nominal value of **$52,466 (2009: $47,102)** were impaired. The amount of the provision was **$52,466 (2009: $47,102).**

The ageing of these receivables is as follows:

Over 6 months	52,466	47,102
	52,466	47,102

	Notes	2010 $	2009 $
Receivables (continued)			
Movements in the provision for impaired receivables are as follows:			
As at 1 January		47,102	47,703
Provision for impairment recognised during the year		5,364	(601)
Receivables provided for during the year as uncollectible		-	-
		52,466	47,102

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	2010 $	2009 $
Note 12.	**Other financial assets**	1(i)		
	Non-current			
	Summary of portfolio as at 31 December:			
	Fair value through profit and loss		2,047,694	2,207,301
	Total non-current other financial assets		2,047,694	2,207,301
Note 13.	**Other assets**			
	Current			
	Accrued Income		170,174	99,530
	Prepaid Expenses		64,368	19,021
	Total current other non-financial assets		234,542	118,551

Note 14. Property, plant and equipment

	Freehold land $	Freehold buildings $	Plant and equipment $	Motor vehicle $	Furniture & fittings $	Total $
At 1 January 2009						
- 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**
Revaluation surplus	-	-	-	-	-	-
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**
Year ended 31 December 2010						
Opening net book amount	350,000	1,505,354	102,990	156,676	23,359	2,138,379
Additions	20,000	42,168	79,020	-	1,986	**143,174**
Assets classified as held for sale and other disposals	-	-	-	-	-	-
Depreciation charge	-	(37,850)	(57,729)	(50,000)	(7,669)	**(153,248)**
Closing net book amount	**370,000**	**1,509,672**	**124,281**	**106,676**	**17,676**	**2,128,304**
At 31 December 2010						
- Cost	370,000	1,820,234	1,254,807	500,669	133,356	**4,079,066**
- Valuation	-	-	-		-	-
Accumulated depreciation	-	(310,562)	(1,130,526)	(393,993)	(115,680)	**(1,950,761)**
Net book amount	**370,000**	**1,509,672**	**124,281**	**106,676**	**17,676**	**2,128,304**

Notes to the financial statements
(continued)
31 December 2010

Note 15. Intangible assets

	Notes	Software Development
Intangible assets	1(l)	$
At 1 January 2009		
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
Impairment charge		-
Additions		357,803
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)
Net book amount		612,642
Year ended 31 December 2010		
Opening net book amount		612,642
Additions		208,347
Impairment charge		-
Amortisation charge		(209,739)
Closing net book amount		611,250
At 31 December 2010		
Cost		2,003,896
Accumulated amortisation and impairment		(1,392,646)
Closing Net book amount		611,250

Note 16. Trade and other payables

	2010 $	2009 $
Current		
Trade Payables	539,320	373,565
Total current trade and other payables	539,320	373,565

a) Foreign currency risk

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

	2010 $	2009 $
Australian Dollars	539,320	373,565
	539,320	373,565

Note 17. Provisions 1(n)

	2010 $	2009 $
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	700,559	668,667
Long service leave	743,894	660,793
Other	3,600	3,600
Total Current Provision	1,448,053	1,333,060
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Annual leave	-	-
Long service leave	-	-
Subtotal	-	-
Total Current Provision	1,448,053	1,333,060

Provisions (continued)

	2010	2009
	$	$
Non-current provisions		
Employee benefits		
Long service leave	114,471	157,469
Other	-	-
Total non-current provision	114,471	157,469
Total provisions	1,562,524	1,490,529

Summary movements in provisions
Movements in the Provision Account are:

Carrying amount at start of year	1,490,529	860,592
Current year movement in provision		
- Annual Leave	31,891	44,562
- Long Service Leave	40,104	581,775
- Other	-	3,600
Carrying amount at end of year	1,562,524	1,490,529

Note 18. Other Liabilities

Current

Accrued Liabilities

Fees in Advance	309,203	348,385
Total current other liabilities	309,203	348,385

Note 19. Reserves and retained earnings

Retained earnings
Movements in retained earnings were as follows:

Retained earnings at 1 January	7,629,847	6,312,596
Net Operating Result for the year	177,891	1,317,251
Retained Earnings at 31 December	7,807,738	7,629,847
Asset Revaluation of Land and Buildings	823,145	823,145
Total Equity	8,630,883	8,452,992

	2010	2009
	$	$

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 Director of ABRI.

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

Key management personnel disclosures - continued

Aggregate Remuneration of Board Members	**$**	**$**
Total Aggregate Remuneration	8,000	5,500

Remuneration of executive officers	**No.**	**No.**
$100,000 to $119,999	4	3
$120,000 to $139,999	-	-
$140,000 to $169,999	1	1
	5	4

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	618,993	514,472

Note 21. Remuneration of auditors

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

Audit 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 legal proceeding had been identified as being progressed against or on behalf of the company.

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

Note 23. Commitments

	2010 $	2009 $
(i) Operating Leases		
Within one year	-	-
Later than one year but not later than five years	44,940	68,387
Later than five years	-	-
Total operating leases	44,940	68,387

No lease arrangements, existing as at 31 December 2010, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

	2010 $	2009 $
(ii) Building Extension		
ABRI have engaged contractors to building an extension to the Saltbush building to be completed by the end of July 2011	729,798	-
	729,798	-

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:

	2010 $	2009 $
Transactions during the period		
University of New England		
Income received	-	-
Payments made	414,410	311,643
Net	(414,410)	(311,643)

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

	2010 $	2009 $
University of New England		
Payables	70,488	49,191

(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

	2010	2009
	$	$
Operating result for the period	177,891	1,317,251
Depreciation and amortisation	362,988	263,514
Impairment of investment	-	-
Provision for impaired receivables	5,363	(601)
Loss on revaluation	209,787	(678,348)
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables and Prepaid Income	114,696	38,181
Increase/(Decrease) in Provision for Employee Entitlements	71,995	39,342
Increase/(Decrease) in Provision for Annual Leave	-	-
Increase/(Decrease) in Other Provisions	-	3,600
(Increase)/Decrease in Receivables and Prepaid Expenses	(175,953)	85,350
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	766,767	1,068,289

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 and Accrued Income	11 & 13	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 270 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.

Financial risk management (continued)

31 December 2010	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	6.19	404,373					404,373
Investments-Term Deposits	0.00		4,444,066				4,444,066
Receivables						1,171,700	1,171,700
Listed Shares						2,047,694	2,047,694
Accrued Income						170,174	170,174
Total Financial Assets		404,373	4,444,066			3,389,568	8,238,007
Financial Liabilities							
Borrowings			-	-			0
Payables						539,320	539,320
Other Amounts Owing						309,203	309,203
Total Financial Liabilities			-	-		848,523	848,523
Net Financial Assets(Liabilities)		404,373	4,444,066	-		2,541,045	7,389,484

Comparative figures for the previous year are as follows:

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 and cash equivalents	5.05	290,178					290,178
Investments - Term Deposits	5.05		4,193,196				4,193,196
Receivables	-					1,105,225	1,105,225
Listed Shares	-					2,207,301	2,207,301
Accrued Income	-					99,530	99,530
Total Financial Assets		290,178	4,193,196			3,412,056	7,895,430
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					373,565	373,565
Other Amounts Owing	-					348,385	348,385
Total Financial Liabilities			-	-		721,950	721,950
Net Financial Assets(Liabilities)		290,178	4,193,196	-		2,690,106	7,173,480

(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	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Cash and cash equivalents	4,848,439	4,483,374	4,848,439	4,483,374
Receivables	1,341,874	1,204,755	1,341,874	1,204,755
Other financial assets	2,047,694	2,207,300	2,047,694	2,207,300
Total financial assets	8,238,007	7,895,429	8,238,007	7,895,429
Financial liabilities				
Payables	539,320	373,565	539,320	373,565
Borrowings	0	0	0	0
Other financial liabilities	309,203	348,385	309,203	348,385
Total financial liabilities	848,523	721,950	848,523	721,950

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 2010	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	404,373	(4,044)	(4,044)	4,044	4,044	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,444,066	(44,441)		44,441	44,441	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	1,171,700					-	-	-	-				
Listed Shares	2,047,694												
Accrued Income	170,174												
Total Financial Assets	8,238,007												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	539,320												
Other Amounts Owing	309,203												
Total Financial Liabilities	848,523												
Total increase / (decrease)	7,389,484	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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	290,178	(2,902)	(2,902)	2,902	2,902	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	4,193,196	(41,932)		41,932	41,932	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	1,105,225					-	-	-	-				
Listed Shares	2,207,301												
Accrued Income	99,530												
Total Financial Assets	7,895,430												
Financial Liabilities													
Borrowings	-	-		-	-								
Creditors	373,565												
Other Amounts Owing	348,385												
Total Financial Liabilities	721,950												
Total increase / (decrease)	7,173,480	-	-	-	-	-	-	-	-	-	-	-	-

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 2010

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 comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

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

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of International Livestock Resources and Information Centre Ltd on 23 March 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

1 April 2011
SYDNEY

Directors Report

The directors of International Livestock Resources and Information Centre Ltd present their report with the financial statements for the financial year ended 31 December 2010 and the auditors report thereon.

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

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

Company Objectives

The objectives of ILRIC are to (a) to promote the development of Australia's pastoral resources, and (b) to promote the development of Australia's information and communications technology resources, and to do the forgoing by (c) undertaking certification of beef breeding cattle based on the Australia Cattle Genetics Export Agency (ACGEA) - ILRIC has been endorsed as the ACGEA by both peak industry bodies; the Australia Registered Cattle Breeders Association (ARCBA) and The Cattle Council of Australia (CCA) and (e) promoting the ACGEA standards and Australian beef breeding cattle in general in conjunction with Industry.

Members

All members of ILRIC are the one class being ordinary members. Each Member undertakes to contribute to the property of the Company, in the event of the Company being wound up while the person is a Member, or within one year after the person ceases to be a Member, for the payment of the debts and liabilities of the Company, and of the costs, charges and expenses of the winding up, such amount as may be required, not exceeding two dollars. Based on the six current ILRIC members, the total liability, if the company wound up, is twelve dollars.

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
Charles Alexander McDonald
Christopher McKay PATTON
Ian Kemball MCIVOR (AM)

The following director held office during the year until the day of his resignation:

Scott Malcolm WILLIAMS - resigned 21/12/2010

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 - Resigned 22/12/2010

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

Directors Report (Continued)

b) Directors' Meetings

During the period ended 31 December, 2010 two directors' meetings were held. Attendance at the meetings was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Attended
Bruce James STANDEN	2	2
Charles Alexander McDONALD	2	2
Ian Kemball MCIVOR (AM)	2	2
Philip Arthur RICKARDS (OAM)	2	2
Christopher McKay PATTON	2	2
Scott Malcolm WILLIAMS	2	2

Principal Activities

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

Review of Operations

The operating surplus/(deficit) of the company was $17,695: (2009 - ($112,962)).

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, 2010.

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 2011.

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

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 $34,000 for Directors and Officers Insurance covered the period 1 November 2009 to 31 October 2010. Insurance has been renewed for the Group for the period 1 November 2010 to 31 October 2011 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.

Directors Report (Continued)

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2010.

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

....
Philip Arthur RICKARDS (OAM)

....
Christopher McKay PATTON

25-March-2011

AUDITOR-GENERAL
NEW SOUTH WALES

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 statements of International Livestock Resources and Information Centre Ltd for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

23 March 2011
SYDNEY

Directors' Declaration

The directors declare that:

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

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2010;

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

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

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

Philip Arthur RICKARDS (OAM) Christopher McKay PATTON

25-March-2011

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

In accordance with a resolution of the directors 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 2010 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010;*

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

25-March-2011

Income Statement
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Revenue from continuing operations			
Investment revenue	3	8,670	5,249
Royalties, trademarks and licences	4	5,074	5,048
Other Revenue	5	146,048	131,690
Total revenue and income from continuing operations		159,792	141,987
Expenses from continuing operations			
Employee related expenses	6	-	71,994
Depreciation and amortisation	7	621	12,416
Other expenses	8	141,476	170,539
Total expenses from continuing operations		142,097	254,949
Operating Surplus/(Deficit) before income tax		17,695	(112,962)
Income tax expense		-	-
Operating surplus/(deficit) from continuing operations		17,695	(112,962)
Operating surplus/(deficit) from discontinued operations		-	-
Operating surplus/(deficit) after income tax for the period		17,695	(112,962)
Operating surplus/(deficit) attributable to minority interest		-	-
Operating surplus/(deficit) attributable to the Entity	13	17,695	(112,962)

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

Statement of Comprehensive Income
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Operating surplus/(deficit) after income tax for the period		17,695	(112,962)
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		17,695	(112,962)
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		17,695	(112,962)

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

Statement of Financial Position

As at 31 December 2010

	Notes	2010 $	2009 $
ASSETS			
Current assets			
Cash and cash equivalents	9	166,680	171,675
Receivables	10	56,431	3,155
Total current assets		223,111	174,830
Non-current assets			
Property, plant and equipment	11	1,010	1,631
Total non-current assets		1,010	1,631
Total assets		224,121	176,461
LIABILITIES			
Current liabilities			
Trade and other payables	12	37,056	7,091
Total current liabilities		37,056	7,091
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		37,056	7,091
Net assets		187,065	169,370
EQUITY			
Retained surplus	13	187,065	169,370
Total equity		187,065	169,370

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

Statement of Changes in Equity
For the year ended 31 December 2010

	Reserves	Retained Earnings	Total
Balance at 1 January 2009	-	282,332	282,332
Retrospective changes	-	-	-
Balance as restated	-	282,332	282,332
Profit or loss	-	(112,962)	(112,962)
Balance at 31 December 2009	-	169,370	169,370
Balance at 1 January 2010	-	169,370	169,370
Profit or loss	-	17,695	17,695
Total comprehensive income	-	17,695	17,695
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2010	-	187,065	187,065

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

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	**2010** **$**	2009 $
Cash flows from operating activities			
Receipts from customers		100,345	357,922
Dividends received		-	-
Interest received		8,670	5,249
Payments to suppliers and employees (inclusive of GST)		(114,010)	(289,343)
Interest and other costs of finance		-	-
GST recovered/paid		-	-
Net cash provided by / (used in) operating activities	**19**	(4,995)	73,828
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	55,300
Payments for property, plant and equipment		-	-
Proceeds from sale of financial assets		-	-
Repayment of loans		-	-
Net cash provided by / (used in) investing activities		-	55,300
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(62,595)
Net cash provided by / (used in) financing activities		-	(62,595)
Net increase / (decrease) in cash and cash equivalents		(4,995)	66,533
Cash and cash equivalents at the beginning of the financial year		171,675	105,142
Cash and cash equivalents at the end of the financial year	**9**	166,680	171,675

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, 2010 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 principal address of ILRIC is: C/o UNE, The Short Run, Armidale NSW 2351

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board on 25th March, 2011.

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

(a) Basis of preparation

The Financial statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards (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 Regulations 2010 and the Corporations Act 2001.

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

(b) 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.

(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 .

Note 1. Summary of significant accounting policies (continued)

(f) Receivables (continued)

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) 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.

(h) Trade and other payables

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

(i) 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 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.

Note 1. Summary of significant accounting policies (continued)

(k) Goods and Services Tax (GST) (continued)

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 2010, but have not been applied in preparing this financial report.

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133,134,137,139, 140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102,108,112,118, 121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

Note 2. Disaggregated Information

Geographical

	Revenue		Results		Assets	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Australia	159,792	141,987	17,695	(112,962)	224,121	176,461
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
	159,792	141,987	17,695	(112,962)	224,121	176,461

		Notes	2010 $	2009 $
Note 3.	**Investment revenue and income**			
	Interest		8,670	5,249
	Total investment revenue		8,670	5,249
Note 4.	**Royalties, trademarks and licences**			
	Royalties		5,074	5,048
	Total royalties, trademarks and licences		5,074	5,048
Note 5.	**Other revenue and income**			
	Other revenue			
	Sundry trading income		146,048	131,690
	Total other revenue		146,048	131,690
Note 6.	**Employee related expenses**			
	Salaries		-	69,095
	Contribution to funded superannuation and pension schemes		-	2,122
	Payroll tax		-	-
	Worker's compensation		-	777
	Long service leave expense		-	-
	Annual leave		-	-
	Other (Allowances, penalties and fringe benefits tax)		-	-
	Total employee related expenses		-	71,994
Note 7.	**Depreciation**			
	Plant and Equipment		621	12,416
	Total depreciation		621	12,416
Note 8.	**Other expenses**			
	Postal and Telecommunications		1,040	529
	Consultants		29,862	34,713
	Catering Services		-	-
	Other Expenditure		110,574	135,297
	Total other expenses		141,476	170,539
Note 9.	**Cash and cash equivalents**	1(e)		
	Cash at bank		166,680	171,675
	Total cash and cash equivalents		166,680	171,675

(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:

	2010	2009
Balances as above	166,680	171,675
Less: Bank Overdrafs	-	-
Balance per cash flow statement	166,680	171,675

Notes to the financial statements
31 December 2010
(continued)

		Notes	2010 $	2009 $
Note 10.	**Receivables**			
	Current			
	Trade and Other Debtors		56,431	3,155
	Less: Provision for impaired receivables	1(f)	-	-
	Total current receivables		56,431	3,155

(a) Impaired receivables

As at 31 December 2010 current receivables of the entity with a nominal value of $56,431 (2009: $3,155) were not impaired.

		2010	2009
Note 11	**Property, plant and equipment**		
	Cost	88,297	88,297
	Valuation	-	-
	Accumulated depreciation	(87,287)	(86,666)
	Net book amount	1,010	1,631
	Reconciliation of Assets		
	Opening net book amount	1,631	65,198
	Additions	-	-
	Disposals	-	(51,151)
	Depreciation charge	(621)	(12,416)
	Closing net book amount	1,010	1,631
Note 12.	**Trade and other payables**		
	Current		
	Trade Payables	37,056	7,091
	Refundable Receipts	-	-
	Total current trade and other payables	37,056	7,091
Note 13.	**Reserves and retained surplus**		
	Retained surplus		
	Movements in retained surplus were as follows:		
	Retained surplus at 1 January	169,370	282,332
	Net Operating Result for the year	17,695	(112,962)
	Retained Surplus at 31 December	187,065	169,370

Note 14. Key management personnel disclosures

Remuneration of Board Members and Executives

Remuneration of Board Members
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	6	7
	6	7
Aggregate Remuneration of Board Members	$	$
Total Aggregate Remuneration	-	-

Remuneration of executive officers	**No.**	**No.**
$70,000 to $89,999	-	1
$90,000 to $109,999	-	-
	-	1
Aggregate Remuneration of executive officers	$	$
Total Aggregate Remuneration	-	70,150

Note 15. Remuneration of auditors

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

Assurance services
1. Audit services
Fees paid to The Audit Office of NSW:

	2010	2009
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	6,000
Total remuneration for audit services	6,000	6,000

Note 16. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of International Livestock Resources and Information Centre Ltd. At balance date, no contingent liabilities or contingent assets of a material nature to International Livestock Resources and Information Centre Ltd had been identified.

Note 17. Commitments

(a) Capital Commitments

There were no capital expenditures 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 2010.
During 2010, 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 18. Related parties

(a) Parent entities

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

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 14.

(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:

	2010	2009
Transactions during the period	**$**	$
University of New England		
Income received	-	-
Payments made	2,581	140
Net	(2,581)	(140)
With other related parties		
Income received	-	5,048
Payments made	-	64,756
Net	-	(59,708)

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

	2010	2009
	$	$
Operating result for the period	17,695	(112,962)
Depreciation and amortisation	621	12,416
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	29,965	(29,083)
Increase/(Decrease) in Provision for Employee Entitlements	-	(15,117)
Increase/(Decrease) in Provision for Annual Leave	-	-
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(53,276)	222,933
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	(4,995)	73,828

Note 20. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	**Note**	**Accounting Policies**	**Terms and Conditions**
Financial Assets			
Receivables	10	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
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) 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 2010	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	4.20	16,680					16,680
Investments-Term Deposits	6.10	150,000	-				150,000
Receivables						56,431	56,431
Total Financial Assets		166,680	-			56,431	223,111
Financial Liabilities							
Borrowings			-	-			-
Payables						37,056	37,056
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		37,056	37,056
Net Financial Assets(Liabilities)		166,680	-	-		19,375	186,055

Comparative figures for the previous year are as follows:

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 and cash equivalents	3.50	171,675					171,675
Investments - Term Deposits	-		-				-
Receivables	-					3,155	3,155
Total Financial Assets		171,675	-			3,155	174,830
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					7,091	7,091
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		7,091	7,091
Net Financial Assets(Liabilities)		171,675	-	-		(3,936)	167,739

(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	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Cash and cash equivalents	166,680	171,675	166,680	171,675
Receivables	56,431	3,155	56,431	3,155
Other financial assets	0	0	0	0
Total financial assets	223,111	174,830	223,111	174,830
Financial liabilities				
Payables	37,056	7,091	37,056	7,091
Borrowings	0	0	0	0
Other financial liabilities	0	0	0	0
Total financial liabilities	37,056	7,091	37,056	7,091

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 2010	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	16,680	(167)	(167)	167	167	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	150,000	(1,500)		1,500	1,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	56,431					-	-	-	-				
Listed Shares	-												
Total Financial Assets	223,111												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	37,056												
Other Amounts Owing	-												
Total Financial Liabilities	37,056												
Total increase / (decrease)	186,055	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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	-	-		-	-								
Creditors	7,091												
Other Amounts Owing	-												
Total Financial Liabilities	7,091												
Total increase / (decrease)	167,739	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

Services UNE Ltd

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2010

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 comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

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

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Services UNE Ltd on 16 March 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

24 March 2011
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 2010 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
Geoff Allen

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

Peter Enlund - appointed 9 October 2010
Sue Nelson - appointed 9 October 2010
Jennifer Miller - appointed 17 December 2010

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

Brett Purkiss - resigned 18 February 2010
Alicia Zikan - resigned 17 November 2010
Mike Quinlan - resigned 10 December 2010

Information on Directors

Geoff Allen	Chairman
Qualifications	Bachelor of Financial Administration, Member of the Institute of Chartered Accountants and Registered Company Auditor.
Experience	Over 20 years of audit and management experience. Appointed Chairman at the same time as he joined the Board in May 2009.
Special Responsibilities	Chairman
Roderick Watt	
Qualifications	Diploma in Law (SAB)
Experience	Over 30 years experience as a solicitor. Has served on numerous committees and at community events. Joined the Board in September 2005.
Special Responsibilities	Nil
Peter Enlund	
Qualifications	Accountant
Experience	Chief Operating Officer of UNE. Extensive experience in the education sector. Joined the Board in October 2010.
Special Responsibilities	Nil
Sue Nelson	
Qualifications	Certificate in small business
Experience	Over 25 years experience in the retail industry. Joined the Board in October 2010.
Special Responsibilities	Nil
Jenny Miller	
Qualifications	BA DipEd MEdStudies (NE)
Experience	Substantial experience as a high school and TAFE teacher and is currently the University of New England's Alumni Relations Officer. Joined the Board in December 2010.
Special Responsibilities	Nil

Mike Quinlan

Qualifications	Bachelor of Applied Science (Construction) and Masters of Business Administration
Experience	Executive Director Infrastructure at the University of New England. Was a Board member from March 2009 to December 2010.
Special Responsibilities	Nil

Alicia Zikan

Qualifications	Diploma of Superannuation Management, Macquarie Uni (Dip. SM), Certificate of Superannuation Management, Macquarie Uni (Cert SM)
Experience	Member of UNE Council 2008-2010, UNE Council Finance Committee member 2008-2010. Was Board member from May 2009 to November 2010.
Special Responsibilities	Nil

Brett Purkiss

Qualifications	Significant retail and people management skills.
Experience	Twenty five years as an owner operating retail businesses in Armidale and Tamworth. Was a Board member from October 2008 to February 2010.
Special Responsibilities	Nil

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	**9**	**11**
Roderick Watt	**10**	**11**
Brett Purkiss	**0**	**2**
Mike Quinlan	**8**	**11**
Alicia Zikan	**10**	**10**
Peter Enlund	**2**	**2**
Sue Nelson	**2**	**2**
Jennifer Miller	**0**	**0**

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.

The entity's short term objectives are to:
Develop a commercially focused and financially viable university services organisation. To achieve an overall financial break-even result for all commercial operations;

The entity's medium term objectives are to:
Generate sufficient surplus profits from commercial operations and rental income to fund essential services for the university community;

The entity's long term objectives are to:
Continue medium term objectives whilst seeking further opportunities to convert vacant space on campus into commercial rental income, to expand activities on or off campus in a financially responsible manner, so as to become financially independent of UNE funding.

To achieve these objectives, the entity has adopted the following strategies:

- Maintaining a well balanced board with relevant experience. The board currently comprises three independent Directors including a local solicitor, accountant and retail businesswoman together with a UNE Council representative and the UNE Chief Operating Officer.
- Maintain monthly board meetings with a focus on strong financial management and attention to services that will benefit the entire University community.
- Introduction of management reports with particular emphasis on timely accurate reporting.
- Monthly meeting with the Chief Operating Officer to discuss current issues.
- Attracting and retaining quality staff who are committed to providing excellent customer service.

Limited by Guarantee

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. 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 obligations of the company. At 31 December 2010 the collective liability of the members was $1 (2009: $1).

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2010.

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

Director

Sue G Nelson

Director

17 March 2011

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
Services UNE Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Services UNE Limited for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

16 March 2011
SYDNEY

Directors' Declaration

The directors declare that:

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

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2010;

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

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

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

17 March 2011

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

In accordance with a resolution of the directors 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 2010 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983,* Public Finance and Audit Regulations 2010;

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

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

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

Signed in accordance with a resolution of the Directors.

Director

Director

17 March 2011

Income Statement

For the year ended 31 December 2010

	Notes	**2010**	2009
		$	$
Revenue from continuing operations			
Trading income	**3**	3,658,445	3,584,437
Investment revenue	**4**	108,734	90,457
Other Revenue	**5**	607,231	583,498
Total revenue from continuing operations		4,374,410	4,258,392
Gains on disposal of assets		-	11,571
Total revenue and income from continuing operations		4,374,410	4,269,963
Expenses from continuing operations			
Employee related expenses	**6**	1,772,356	1,717,018
Depreciation and amortisation	**7**	177,755	206,211
Repairs and maintenance	**8**	75,696	118,990
Borrowing costs	**9**	-	5,306
Impairment of assets	**10**	1,935	15,698
Losses on disposal of assets		-	-
Other expenses	**11**	2,239,282	2,157,394
Total expenses from continuing operations		4,267,024	4,220,617
Operating surplus / (deficit) before income tax		107,386	49,346
Income tax expense		-	-
Operating surplus / (deficit) attributable to the Entity	**21**	107,386	49,346

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

Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	**2010 $**	2009 $
Operating surplus / (deficit) after income tax for the period		107,386	49,346
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		107,386	49,346
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		107,386	49,346

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

Statement of Financial Position

As at 31 December 2010

	Notes	**2010**	2009
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	**12**	2,073,844	1,886,659
Receivables	**13**	47,795	127,807
Inventories	**14**	243,332	255,155
Other assets	**16**	35,340	246,439
Total current assets		2,400,311	2,516,060
Non-current assets			
Other financial assets	**15**	500	500
Property, plant and equipment	**17**	601,004	463,236
Intangible assets	**18**	25,000	25,000
Total non-current assets		626,504	488,736
Total assets		3,026,815	3,004,796
LIABILITIES			
Current liabilities			
Trade and other payables	**19**	220,032	267,601
Provisions	**20**	121,519	159,192
Total current liabilities		341,551	426,793
Non-current liabilities			
Provisions	**20**	8,977	9,101
Total non-current liabilities		8,977	9,101
Total liabilities		350,528	435,894
Net assets		2,676,287	2,568,902
EQUITY			
Retained surplus	**21**	2,676,288	2,568,902
Total equity		2,676,288	2,568,902

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

Statement of Changes in Equity

For the year ended 31 December 2010

	Reserves	Retained Earnings	Total
Balance at 1 January 2009	-	2,519,556	2,519,556
Retrospective changes	-	-	-
Balance as restated	-	2,519,556	2,519,556
Profit or loss	-	49,346	49,346
Revaluation of Buildings	-	-	-
Gain on Available for Sale Financial Assets	-	-	-
Total comprehensive income	-	49,346	49,346
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2009	-	2,568,902	2,568,902
Balance at 1 January 2010	-	2,568,902	2,568,902
Profit or loss	-	107,386	107,386
Revaluation of Buildings	-	-	-
Gain on Available for Sale Financial Assets	-	-	-
Total comprehensive income	-	107,386	107,386
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2010	-	2,676,288	2,676,288

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

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	**2010**	2009
		$	$
Cash flows from operating activities			
Receipts from customers		4,989,971	4,501,307
Dividends received		-	-
Interest received		108,734	90,457
Payments to suppliers and employees (inclusive of GST)		(4,566,968)	(4,484,949)
Interest and other costs of finance		(29,029)	(25,234)
Net cash provided by / (used in) operating activities	**28**	502,708	81,581
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	11,767
Payments for property, plant and equipment		(315,523)	(58,972)
Proceeds from sale of financial assets		-	-
Payments for financial assets		-	-
Repayment of loans		-	-
Net cash provided by / (used in) investing activities		(315,523)	(47,205)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Repayment of finance leases		-	(29,898)
Net cash provided by / (used in) financing activities		-	(29,898)
Net increase / (decrease) in cash and cash equivalents		187,185	4,478
Cash and cash equivalents at the beginning of the financial year		1,886,659	1,882,181
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year		2,073,844	1,886,659

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.

The principal address of Services UNE is:
Madgwick Hall, Union Road
University of New England, NSW 2351

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 2010, 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 statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board on 17 March 2011.

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

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards (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 Regulations 2010 and the Corporations Act 2001.

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

(b) Foreign currency translation

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Sale of Goods

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

(ii) Rendering of services

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

(iii) Interest received

Interest income is recognised as it accrues.

(iv) Other revenue

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

(d) Income tax

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 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 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.

(o) 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 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

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

(ii) Annual leave and sick leave

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

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(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 standards and interpretations not yet adopted

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

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102,108, 112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Australia	4,374,410	4,269,963	107,385	49,346	3,026,815	3,004,796
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
	4,374,410	4,269,963	107,385	49,346	3,026,815	3,004,796

	Notes	2010 $	2009 $
Note 3. Trading income			
Sale of goods		3,405,097	3,333,898
Rendering of services		253,348	250,539
		3,658,445	3,584,437
Note 4. Investment revenue and income			
Interest		108,734	90,457
Total investment revenue		108,734	90,457
Note 5. Other revenue			
UNE Fees		314,579	310,500
Rent		258,709	197,668
Other revenue		33,943	75,330
		607,231	583,498
Note 6. Employee related expenses			
Salaries		1,573,059	1,466,509
Contribution to funded superannuation and pension schemes		139,813	135,286
Payroll tax		74,817	76,577
Worker's compensation		13,526	17,363
Long service leave expense		-	-
Annual & long service leave		(37,797)	12,787
Other (Allowances, penalties and fringe benefits tax)		8,938	8,496
Total employee related expenses		1,772,356	1,717,018
Note 7. Depreciation and amortisation			
Depreciation			
Plant and Equipment		144,296	182,918
Motor Vehicles		3,048	9,969
Total depreciation		147,344	192,887
Amortisation			
Leasehold improvements		30,411	13,324
Total amortisation		30,411	13,324
Total depreciation and amortisation		177,755	206,211
Note 8. Repairs and maintenance			
Plant/furniture/equipment		75,696	118,990
Total repairs and maintenance		75,696	118,990
Note 9. Borrowing costs		-	5,306
Reconciliation of Finance costs			
Finance lease interest		-	5,306
Less : amount capitalised		-	-
Total borrowing costs expensed		-	5,306

Notes to the financial statements
31 December 2010
(continued)

	Notes	2010 $	2009 $
Note 10. Impairment of assets			
Bad Debts		-	12,691
Doubtful debts		1,935	3,007
Total impairment of assets		1,935	15,698
Note 11. Other expenses			
Inventory Used		1,544,646	1,492,143
Other Expenditure		694,636	665,251
Total other expenses		2,239,282	2,157,394
Note 12. Cash and cash equivalents	1(g)		
Cash on hand		12,160	12,160
Cash at bank		202,825	118,128
At call investments	1(k)	1,858,859	1,756,371
Total cash and cash equivalents		2,073,844	1,886,659

(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:

	2010 $	2009 $
Balances as above	2,073,844	1,886,659
Less: Bank Overdrafts	-	-
Balance per cash flow statement	2,073,844	1,886,659

(b) Cash on hand

	2010 $	2009 $
These are non-interest bearing.	12,160	12,160

(c) Deposits as call

The deposits are bearing floating interest rates between 3.5% and 6.5% (2009 - 3.65% and 5.35%). These deposits have an average maturity of 56 days.

	Notes	2010 $	2009 $
Note 13. Receivables			
Current			
Trade and Other Debtors		49,730	132,775
Less: Provision for impaired receivables	1(h)	(1,935)	(4,968)
Total current receivables		47,795	127,807
Non-current			
Trade and Other Debtors		-	-
Total non-current receivables		-	-
Total receivables		47,795	127,807

(a) Impaired receivables

As at 31 December 2010 current receivables of the entity with a nominal value of $1,935 (2009: $4,968) were impaired. The amount of the provision was $1,935 (2009: $4,968). The individually impaired receivables mainly relate to customers, 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:

	2010 $	2009 $
3 to 6 months	1,935	-
Over 6 months	-	4,968
	1,935	4,968

As of 31 December 2010, trade receivables of $7,913 (2009: $43,487) 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:

	Notes	**2010**	2009
		$	$
3 to 6 months		2,509	36,316
Over 6 months		2,130	7,171
		4,639	43,487
Movements in the provision for impaired receivables are as follows:			
As at 1 January		4,968	1,961
Provision for impairment recognised during the year		(3,033)	18,705
Receivables written off during the year as uncollectible		-	(15,698)
		1,935	4,968

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	2010	2009
Note 14.	**Inventories**	1(i)		
	Current			
	Stock on hand		248,427	260,782
	Less: Provision for stock write-down		(5,095)	(5,627)
	Total current inventories		243,332	255,155
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		35,340	246,439
	Total current other non-financial assets		35,340	246,439
Note 17.	**Property, plant and equipment**			
	Plant and equipment - At cost		1,177,559	1,080,886
	Less: Accumulated depreciation		(1,007,390)	(863,094)
			170,169	217,792
	Motor Vehicles – At cost		35,278	35,278
	Less: Accumulated depreciation		(31,184)	(28,136)
			4,094	7,142
	Leasehold improvements - At cost		511,495	292,645
	Less: Accumulated depreciation		(84,754)	(54,343)
			426,741	238,302
	Total Property Plant & Equipment		601,004	463,236

Property, plant and equipment (continued)

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	217,792	345,897
Additions	96,673	54,813
Disposals	-	-
Depreciation	(144,296)	(182,918)
Carrying amount at end of year	170,169	217,792
Motor vehicles		
Carrying amount at beginning of year	7,142	17,307
Additions	-	-
Disposals	-	(196)
Depreciation	(3,048)	(9,969)
Carrying amount at end of year	4,094	7,142
Leasehold improvements		
Carrying amount at beginning of year	238,302	247,467
Additions	218,850	4,159
Disposals	-	-
Depreciation	(30,411)	(13,324)
Carrying amount at end of year	426,741	238,302

Note 18. Intangible assets 1(m)

Australia Post Licence – At cost	25,000	25,000

Note 19. Trade and other payables

Current		
Trade Payables	220,032	267,601
Total current trade and other payables	220,032	267,601

		Notes	2010 $	2009 $
Note 20.	**Provisions**	1(q)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		73,692	74,935
	Long service leave		18,484	36,118
	Other		-	-
	Subtotal		92,176	111,053
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		11,657	14,721
	Long service leave		17,686	33,418
	Subtotal		29,343	48,139
	Total Current Provision		121,519	159,192
	Summary movements current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		159,192	150,291
	Current year movement in provision			
	- Annual Leave		(4,306)	5,258
	- Long Service Leave		(33,367)	3,643
	- Other		-	-
	Carrying amount at end of year		121,519	159,192
	Non-current provisions			
	Employee benefits			
	Long service leave		8,977	9,101
	Other		-	-
	Total non-current provision		8,977	9,101
	Summary movements non-current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		9,101	5,215
	Current year movement in provision			
	- Long Service Leave		(124)	3,886
	Carrying amount at end of year		8,977	9,101
	Total provisions		130,496	168,293
	Employee Leave Provisions			
	Opening balance at 1 January 2010		168,293	
	Additional provisions raised during the year		83,381	
	Amounts used		(121,178)	
	Unused amounts reversed during the year		-	
	Balance at 31 December 2010		130,496	
Note 21.	**Reserves and retained surplus**			
	Retained surplus			
	Movements in retained surplus were as follows:			
	Retained surplus at 1 January		2,568,902	2,519,556
	Net operating surplus / (deficit) for the year		107,386	49,346
	Retained Surplus at 31 December		2,676,288	2,568,902

Note 22. Economic Dependency
Under the present structure the company is dependent upon the continued support of the University of New England.

Note 23. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers for all or part of the year to the reporting dates:

Directors
Roderick Watt
Geoff Allen
Brett Purkiss - resigned 18 February 2010
Peter Enlund - appointed 9 October 2010
Sue Nelson - appointed 9 October 2010
Alicia Zikan - resigned 17 Novemebr 2010
Mike Quinlan - resigned 10 december 2010
Jennifer Miller - appointed 17 December 2010

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 receive 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

	2010	2009
	No.	**No.**
Nil to $9,999	5	5
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-

Remuneration of executive officers	**No.**	**No.**
$110,000 to $119,999	-	-
$120,000 to $129,999	-	1
$130,000 to $139,999	-	-
$140,000 to $149,999	1	-
	1	1

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

	$	$
Key Management Personnel Compensation	147,038	129,365

Note 24. Remuneration of auditors

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

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.*	22,500	23,300
Total remuneration for audit services	22,500	23,300

Note 25. 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 26. Commitments

(a) Capital Commitments

There were no commitments for Capital Expenditure at 31 December 2010, (2009: Nil).

(b) Lease Commitments

	2010 $	2009 $
(i) Operating Leases		
Within one year	105,482	103,276
Later than one year but not later than five years	333,090	440,138
Later than five years	-	14,977
Total operating leases	438,572	558,391

On 3 February 2010 the company exercised an option over the lease of the cinema for a further five years. The operating lease commitments associated with this option have been included above.

	2010 $	2009 $
(ii) Finance Leases		
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
Total finance leases	-	-
Total lease commitments	438,572	558,391

No lease arrangements, existing as at 31 December 2010, 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 2010 have been taken up as an accrual, where the goods or services were received prior to 31 December 2010.

The Entity had no outstanding contracts for operating expenditure at 31 December 2010.

(d) Remuneration commitments

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

Note 27. Related parties

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

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

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 23.

(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:

	2010	2009
Transactions during the period	**$**	$
University of New England		
UNE - Commercial transactions	115,868	147,368
UNE Support	346,016	310,500
Payments made	(260,911)	(457,115)
Net	200,973	753
With other related parties		
Income received	8,629	7,098
Payments made		
Net	8,629	7,098

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

University of New England		
Receivables	17,950	22,292
Payables	15,619	11,817
With other related parties		
Receivables	1,395	232
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 undertaken work for the Company as the continuing appointed solicitor.
Mr R. J. Watt, a Director of Services UNE Ltd is a partner with that firm.

Note 28. Reconciliation of operating result after income tax to net cash flows from operating activities

	2010	2009
	$	$
Operating surplus / (deficit) for the period	107,385	49,346
Depreciation and amortisation	177,755	206,211
Provision for impaired receivables and inventory	(3,565)	3,007
Net (gain) / loss on sale of non-current assets	-	(11,570)
Increase/(Decrease) in Payables and Prepaid Income	(47,569)	(115,030)
Increase/(Decrease) in Provision for Employee Entitlements	(37,797)	12,787
(Increase)/Decrease in Receivables and Prepaid Expenses	294,144	(56,413)
(Increase)/Decrease in Inventories	12,355	(6,757)
Net cash provided by / (used in) operating activities	502,708	81,581

Note 29. 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 **3.5% and 6.5%.** Average maturity of 56 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2010.	
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 minimal exposure to foreign exchange risk.

(ii) Price risk

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

(iv) Cash flow and fair value interest rate risk

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

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation 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 2010	Average Interest Rate	Variable Interest Rate / Variable Interest Rate	Less than 1 Year / Over 1 to 5 years	1 to 5 Years / More than 5 years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	4.33	202,825				12,160	214,985
Investments-Term Deposits	5.59		1,858,859				1,858,859
Receivables & other non-financial assets						47,795	47,795
Unlisted shares						500	500
Total Financial Assets		202,825	1,858,859			60,455	2,122,139
Financial Liabilities							
Borrowings			-	-			-
Payables						220,032	220,032
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		220,032	220,032
Net Financial Assets(Liabilities)		202,825	1,858,859	-		(159,577)	1,902,107

Comparative figures for the previous year are as follows:

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 and cash equivalents	3.32	118,128				12,160	130,288
Investments - Term Deposits	4.81		1,756,371				1,756,371
Receivables						374,246	374,246
Unlisted shares						500	500
Total Financial Assets		118,128	1,756,371			386,906	2,261,405
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					267,601	267,601
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		267,601	267,601
Net Financial Assets(Liabilities)		118,128	1,756,371	-		119,305	1,993,804

(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	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Cash and cash equivalents	2,073,844	1,886,659	2,073,844	1,886,659
Receivables	47,795	374,246	47,795	374,246
Other financial assets	500	500	500	500
Total financial assets	2,122,139	2,261,405	2,122,139	2,261,405
Financial liabilities				
Payables	220,032	267,601	220,032	267,601
Borrowings	0	0	0	0
Other financial liabilities	0	0	0	0
Total financial liabilities	220,032	267,601	220,032	267,601

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 2010	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	214,985	(2,150)	(2,150)	2,150	2,150	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	1,858,859	(18,589)	(18,589)	18,589	18,589	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	47,795					-	-	-	-				
Listed Shares	500												
Total Financial Assets	2,122,139												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	220,032												
Other Amounts Owing	-												
Total Financial Liabilities	220,032												
Total increase / (decrease)	1,902,107	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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	-	-		-	-								
Creditors	267,601												
Other Amounts Owing	-												
Total Financial Liabilities	267,601												
Total increase / (decrease)	1,993,804	-	-	-	-	-	-	-	-	-	-	-	-

END OF THE AUDITED FINANCAIL STATEMENTS

UNE Foundation Ltd

UNE foundation
LTD

ABN: 77 094 834 107
Annual Financial Report for the year ended 31 December 2010

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 comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

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

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

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

Steven Martin
Director, Financial Audit Services

17 March 2011
SYDNEY

UNE FOUNDATION LIMITED

Directors Report

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

Directors

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

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

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

Ms Kerrie Murphy - appointed 24 November 2010

UNE Foundation Limited Board Membership

Dr Geoffrey Fox (Chairman)
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 for the World Bank for 27 years culminating his career as Director of Rural Development and Natural Resource Management for the East Asia and Pacific Region. His work focused on the formulation of rural policy and strategy, program development and project implementation. Upon returning to Australia in 2000, he consulted for Australia's overseas aid agency, AusAID; and then joined the staff full-time in 2004 as Principal Adviser, Rural Development and the Environment. As a member of the Principal Advisers' multi-sectoral team, he supported AusAID management developing and implementing Australia's overseas aid program. Since 2008, he has been raising cattle on his property close to Armidale. In August 2010 he was appointed a member of the University of New England Council and is Council's nominated representative on the Foundation's Board.

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

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

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

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

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

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

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

Appointed a Director of the Company on 04 February 2010.

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

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

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

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

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

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

Appointed a Director of the Company on 5 September 2006.

Dr Laurie Piper
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, the Australian Academy of Technological Sciences and Engineering, the Australasian Association for Animal Breeding and Genetics and the Australian Society of Animal Production. He is a Board member of the Agribusiness Research Institute. Previous appointments include Board membership of Merinotech Australia Pty Ltd, the Queensland Sheep and Wool Institute and CEO of the Cooperative Research Centre for Premium Quality Wool.

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

Appointed a Director of the Company 25 March 2009.

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

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

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

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

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

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

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

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

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

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

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

Appointed a Director of the Company on 12 May 2009.

Mrs Margaret Roberts

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

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

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

Appointed a Director of the Company on 12 May 2009.

Ms Kerrie Murphy
BA DipEd (USyd), MEd (UNE)

Kerrie Murphy has been in the education sector for many years, including Head of Department, Director of Curriculum and, for four years, Deputy Principal at St Catherine's School Waverly. In 2001, Kerrie became the Principal of the International Grammar School in Sydney until her retirement at the end of 2010. She brings extensive industry experience to the Board together with proven leadership, strategic development and communication skills.

Kerrie has completed the Director's Training Course through the Australian Institute of Company Directors and has the ambition for the development of youth, driving culture change and building a climate of spirit and optimism.

Appointed a Director of the Company on 24 November 2010.

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

Directors Meetings

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

Board of Directors	**Board Meetings**	
	A	**B**
Dr Geoffrey Fox	8	8
Professor James Barber	8	8
Mr Paul Barratt	8	8
Dr Laurie Piper	8	8
Mr Geoff Gorrie	7	8
Mr Matthew Irwin	6	8
Professor Deborah Ralston	5	8
Mrs Margaret Roberts	5	8
Ms Kerrie Murphy	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 activity of the company during the year was the provision of trustee services.

The entity's objectives are:

Short-term
To raise funds to be applied in the provision of money, property or benefits to the University in accordance with subclause (a); (as the objects of its constitution).

Long-term
To provide money, property or benefits to the University (being a fund, authority or institution covered by an Item in a table in Subdivision 30-B of the Tax Act):

(i) for any purposes set out in the Item in the table in Subdivision 30-B of the Tax Act applicable to the University; or

(ii) where the Item in the table in Subdivision 30-B of the Tax Act applicable to the University does not set out specific purposes, for purposes within the objects, functions and powers of the University,

including but without limitation the provision of money, property or benefits to the University in or towards:

(a) the provision of scholarships;
(b) research;
(c) teaching and learning

And to act as trustee of a charitable trust to be known as UNE Foundation or such other name as may from time to time be determined by the Company to be established to carry out and give effect to these objects

To achieve these objectives, the entity has adopted the following strategies:
- to actively seek donations through annual appeals and targeted personal visits to potential donors to fund scholarships, research and teaching & learning at UNE.
- to meet with or provide advice to persons making inquiry about leaving a bequest to UNE.
- to meet as a board of Directors to act as trustees of the UNE Foundation and, by a decision of quorum, administer or dispense of funds held in trust for particular donative purposes.

The board implemented an investment policy by engaging Myer Family Company to manage invested funds in two investment pools, namely “Immediate” and “Perpetual”. The Board receives reports on these investments at every meeting. The financial statements include cash flow narrative and, twice per annum, the University of New England seeks reimbursement of funds paid out on behalf of UNE Foundation for specific scholarship, prize or other purposes for which the funds were donated.

Income and expenditure is measured on year to date and total year data for the current and previous years. These financial statements presented to the Board include comprehensive explanatory notes against performance indicators.

Review of Operations

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

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Insurance of Officers

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

Limited by Guarantee

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has $100 liability should the company be wound up. At 31 December 2010, the collective liability of members was $900 ($100 per member, maximum number of members is 9).

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2010.

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

....
Director

10 March 2011

....
Director

GPO BOX 12
Sydney NSW 2001

To the Directors
UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UNE Foundation Limited for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

8 March 2011
SYDNEY

Directors' Declaration

The directors declare that:

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

(2) the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2010;

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

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

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

.... Director

10 March 2011

.... Director

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

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

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2010 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation* 2010 *and the Corporations Act 2001;*

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

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

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

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

.... Director

10 March 2011

.... Director

Income Statement
For the year ended 31 December 2010

	2010 $	2009 $
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 2010

	2010 $	2009 $
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 2010

	2010 $	2009 $
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 2010

	Reserves	Retained Earnings	Total
Balance as 1 January 2009	-	-	-
Total comprehensive income			
Profit or loss	-	-	-
Revaluation of Buildings	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2009	-	-	-
Balance at 1 January 2010	-	-	-
Profit or loss	-	-	-
Revaluation of Buildings	-	-	-
Gain on Avail-for -sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2010	-	-	-

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

Statement of Cash Flows
For the year ended 31 December 2010

	2010 **$**	2009 $
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 principal address of UNE Foundation Limited is: University of New England, Armidale NSW 2351, Australia.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board on 10 March 2011.

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

1(b) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with Corporations Act 2001, Australian Accounting Standards and Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

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

2.0 Auditors remuneration

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

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2010 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trusts, as and when they fall due.

4.0 Directors remuneration

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

5.0 Employee benefits

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

6.0 Related parties

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

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

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

7.0 Commitments

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

8.0 Contingent assets and liabilities

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

9.0 Post balance date events

There are no post balance date events.

10.0 New standards and interpretations not yet adopted

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

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132, 133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139, 1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102, 108,112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

11.0 Economic Dependency

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

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation

ABN: 42 536 278 085
Annual Financial Report for the year ended 31 December 2010

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

Report on the Financial Statements

I have audited the accompanying financial statements of UNE Foundation (the Foundation), which comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the 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 statements:

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

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

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. My opinion on the 2009 financial statements was similarly qualified.

The Trustee's Responsibility for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the CF Act, and for such internal control as the Trustee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. Except as discussed in the qualification paragraph, I conducted my audit in accordance with Australian Auditing Standards. Those 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 Foundation'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 Foundation's internal control. 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 statements.

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

My opinion does *not* provide assurance:

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

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 2010.

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 2010 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 2010 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 statements.

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. Except as discussed in the qualification paragraph, 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 control 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 control.

My procedures included obtaining an understanding of the internal control 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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

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

Steven Martin
Director, Financial Audit Services

17 March 2011
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 2010 was a surplus of $463,715 (2009: $959,007). Significant to the 2009 surplus were the transfers of $639,000 from the University of New England.

Investment revenue was $330,802 in 2010 (2009: $183,243). This is an 80 percent increase on the 2009 financial year. It was contributed by increase in interest rates (2010 averaged 5.84 percent while 2009 averaged 3.74 percent) and the investment strategies of the funds manager (Myer Family Company).

Significant Changes in the State of Affairs

In 2010, the Trustee engaged Myer Family Company to act as Funds Manager.

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

11 March 2011

....
Director

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 2010 and the results of its operations and transactions of the Trust for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*;

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

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

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

This statement is in accordance with a resolution of the Trustee made on 11 March 2011.

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

Director

Director

11 March 2011

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 appeals;

(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

11 March 2011

Income Statement
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Revenue from continuing operations			
Donations and fundraising	2	906,635	1,476,455
Investment revenue	3	330,802	183,243
Other revenue	4	-	67,000
Total revenue from continuing operations		1,237,437	1,726,698
Expenses from continuing operations			
Administrative expenses	5	34,021	67,042
Other expenditures	6	10,973	-
Total expenses from continuing operations		44,994	67,042
Operating result from continuing operations before distributions to UNE		1,192,443	1,659,656
Less distribution to UNE	7	728,728	700,649
Operating result for the year after distribution to UNE		463,715	959,007

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

Statement of Comprehensive Income
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Operating result for the year after distribution to UNE		463,715	959,007
Other comprehensive income			
Gain (Loss) on value of available for sale financial assets	13	(17,499)	17,499
Other comprehensive income for the period		(17,499)	17,499
Total comprehensive income for the period		446,216	976,506

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

Statement of Financial Position
As at 31 December 2010

	Notes	2010 $	2009 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	4,658,394	5,219,223
Trade and other debtors	**9**	121,608	42,366
Other financial assets	**10**	912,707	-
Total current assets		5,692,709	5,261,589
Non-current assets			
Other financial assets	**11**	109,628	124,201
Total non-current assets		109,628	124,201
Total assets		5,802,337	5,385,790
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	61,794	91,463
Total current liabilities		61,794	91,463
Non-current liabilities			
Other liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		61,794	91,463
Net assets		5,740,543	5,294,327
EQUITY			
Reserves	**13 (a)**	-	17,499
Retained earnings	**13 (b)**	5,740,543	5,276,828
Total equity		5,740,543	5,294,327

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

Statement of Changes in Equity
For the year ended 31 December 2010

	Reserves	Retained earnings	Total
Balance at 1 January 2009	-	4,317,821	4,317,821
Retrospective changes	-	-	-
Balance as restated	-	4,317,821	4,317,821
Profit or loss	-	959,007	959,007
Gain on Available for sale Financial Assets	17,499	-	17,499
Total comprehensive income	17,499	959,007	976,506
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2009	17,499	5,276,828	5,294,327
Balance at 1 January 2010	17,499	5,276,828	5,294,327
Profit or loss	-	463,715	463,715
Gain on Available for sale Financial Assets	(17,499)	-	(17,499)
Total comprehensive income	(17,499)	463,715	446,216
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2010	-	5,740,543	5,740,543

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

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	**2010** $	2009 $
Cash flows from operating activities			
Fundraising		912,035	1,475,255
Dividends received		16,446	6,950
Interest received		227,280	156,362
Payments to suppliers		(24,279)	(42)
Distribution to beneficiary		(769,790)	(990,639)
Net cash provided by / (used in) operating activities	**18**	361,692	647,886
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Purchase of financial assets		(922,521)	(10,627)
Proceeds from sale of financial assets		-	-
Net cash provided by / (used in) investing activities		(922,521)	(10,627)
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		(560,829)	637,259
Cash and cash equivalents at the beginning of the financial year		5,219,223	4,581,964
Cash and cash equivalents at the end of the financial year	**8**	4,658,394	5,219,223

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 Fundraising Act 1991.

The principal address of UNE Foundation Trust is: University of New England, Armidale NSW 2351

The financial statements for the year ended 31 December 2010 were authorised for issue by the Trustee on 11 March 2011

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in 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 Regulations 2010*.

The Financial Statements have been prepared in accordance with the historical cost convention except for available for 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.

Investments and other financial assets (continued)

Fair Value

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

Impairment

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

(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 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 2010, but have not been applied in preparing this financial report.

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132, 133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

New standards and interpretations not yet adopted (continued)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139, 1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102, 108,112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

Notes to the financial statements
31 December 2010
(continued)

		Notes	**2010** **$**	2009 $
2.0	**Donation and fundraising**			
	Donations and fundraising		**906,635**	**1,476,455**
3.0	**Investment revenue and income**			
	Interest		310,271	176,293
	Dividend Income		20,531	6,950
	Total investment revenue		**330,802**	**183,243**
4.0	**Other**			
	In-kind contributions from UNE		**-**	**67,000**
5.0	**Administrative**			
	Consultancy fees		33,636	-
	In-kind contributions from UNE		-	67,000
	Bank fees		385	42
	Total administrative expenses		**34,021**	**67,042**
6.0	**Other expenditures**			
	Loss on impairment of financial assets		**10,973**	**-**
	Loss on impairment of financial assets at 31 December 2010 charged to Income Statement relates to:			
	- Maiben Davies Investments		2,473	-
	- Myer Family Company		8,500	-
			10,973	**-**
7.0	**Distribution to beneficiary**			
	University of New England	1(i)	**728,728**	**700,649**
8.0	**Cash and cash equivalents**			
	Cash at bank		406,181	255,267
	At call investments		4,252,213	4,963,956
	Total cash and cash equivalents		**4,658,394**	**5,219,223**
	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		4,658,394	5,219,223
	Less: Bank Overdrafts		-	-
	Balance per statement of cash flows		**4,658,394**	**5,219,223**
9.0	**Trade and other debtors**			
	Trade Debtors		400	6,200
	Less: Provision for impaired receivables		-	-
	Total trade debtors		**400**	**6,200**
	Impaired trade debtors			
	As at 31 December 2010 current receivables of the entity with a nominal value of $400 (2009: $6,200) were not impaired.			
	Other debtors			
	Other accrued income		13,520	-
	GST Input Tax Credit		1,651	-
	Accrued Interest		106,037	36,166
	Total other debtors		**121,208**	**36,166**
	Total trade and other debtors		**121,608**	**42,366**

Notes to the financial statements
31 December 2010
(continued)

		2010 $	2009 $
10.0	**Other financial assets - current**		
	Unit Trust and Domestic Equity	912,707	-
	Total Other financial assets - current	**912,707**	**-**
11.0	**Other financial assets - non-current**		
	Available for sale	109,628	124,201
	Total non-current other financial assets	**109,628**	**124,201**
	Movement of shares are as follows:		
	Shares as at 1 January	124,201	96,076
	Acquired through purchase, dividend reinvestment and capital distribution	5,398	10,627
	Disposed	-	-
	Impairment charged against reserves	(17,498)	-
	Impairment loss charged to Income Statement at 31 December	(2,473)	17,498
	Fair value of investment at 31 December	**109,628**	**124,201**
12.0	**Trade and other payables**		
	Accrued scholarships, prizes payable to UNE and related entities	61,794	91,463
	Total trade and other payables	**61,794**	**91,463**

Foreign currency risk

The carrying amounts of the Trust trade and other payables are denominated in the following currencies:

	2010 $	2009 $
US Dollar	-	-
Australian Dollars	61,794	91,463
	61,794	**91,463**

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

		2010 $	2009 $
13.0	**Reserves and retained earnings**		
(a)	**Reserves**		
	Revaluation Reserve - Investments	**-**	**17,499**
	Movements		
	Asset revaluation reserve - Investments		
	Balance 1 January	17,499	-
	Increment/(decrement) on revaluation	(17,499)	17,499
	Balance 31 December	**-**	**17,499**
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	5,276,828	4,317,821
	Net Operating Result for the year	463,715	959,007
	Retained earnings at 31 December	**5,740,543**	**5,276,828**

13.0 Reserves and retained earnings (continued)

(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 2010 was $9,200 (2009: $11,660).

15.0 Contingencies
At balance date, no legal proceedings had been identified as being progressed on behalf of or against the Trust.

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

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

Capital Commitments
There was no capital expenditure contracted for at the reporting date. (2009: 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)
Professor James Barber – appointed 3 February 2010
Mr Paul Barratt
Dr Laurie Piper
Mr Geoff Gorrie
Mr Matthew Irwin
Professor Deborah Ralston
Mrs Margaret Roberts
Ms Kerrie Murphy - appointed 24 November 2010

(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 statements.

The following transactions occurred with related parties:

	2010	2009
Transactions during the period	**$**	$
University of New England		
Income received	19,535	627,000
Payments made	(728,728)	(700,649)
Net	**(709,193)**	**(73,649)**
With other related parties		
Income received - UNEP	25,000	-
Payments made	-	-
Net	25,000	-

Notes to the financial statements
31 December 2010
(continued)

		2010	2009
17.0	**Related parties (continued)**	**$**	$
	Outstanding balances		
	The following balances are outstanding at the reporting date in relation to transactions with related parties:		
	University of New England		
	Receivables	400	-
	Payables	29,401	91,463
	With other related parties		
	Receivables	-	-
	Payables	21,000	-
18.0	**Reconciliation of operating result after income tax to net cash flows from operating activities**		
	Operating result for the period	463,715	959,007
	Add non cash expenditures		
	Loss on impairment of shares	10,973	-
	Less non cash revenue		
	Capitalisation and reinvestment of dividend	(4,085)	-
	Decrease (increase) in trade and other debtors	(79,242)	(21,131)
	Increase (decrease) in payables	(29,669)	(289,990)
	Net cash provided by / (used in) operating activities	**361,692**	**647,886**
19.0	**Charitable Fundraising Appeals**		
	Results of Fundraising Appeals		
	Donations	906,635	1,476,455
	Gross Proceeds from Fundraising Appeals	906,635	1,476,455
			-
	Cost of Fundraising Appeals *	44,334	76,310
	Net Surplus obtained from Fundraising Appeals	862,301	1,400,145

* Cost of fundraising appeals relates only to an estimate of Postages and Printing costs which were paid by the University. Other costs relating to University staff time spent in fundraising activities have not been quantified and are not included in the cost of fundraising.

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

	2010	2009
(a) Total cost of fundraising/gross income from fundraising	44,334 / 906,635	76,310 / 1,476,455
	4.8900%	5.1685%
(b) Net surplus from fundraising / gross income from fundraising	862,301 / 906,635	1,400,145 / 1,476,455
	95.11%	94.83%
(c) Total cost of services / total expenditure	728,728 / 773,722	700,649 / 767,691
	94.18%	91.27%
(d) Total cost of services / total income received	728,728 / 1,237,437	700,649 / 1,726,698
	58.89%	40.58%

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	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.
Other Financial Assets	10	Unit trust and domestic requity carried at market value	
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 there under. The entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

(c) Liquidity Risk

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

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

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

Financial risk management - continued

31 December 2010	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	4.25%	-	406,181				406,181
Investments	5.84%		4,252,213	912,707			5,164,920
Receivables						121,608	121,608
Listed Shares						109,628	109,628
Total Financial Assets		-	4,658,394	912,707		231,236	5,802,337
Financial Liabilities							
Borrowings			-	-			-
Payables						61,794	61,794
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		61,794	61,794
Net Financial Assets(Liabilities)		-	4,658,394	912,707		169,442	5,740,543

Comparative figures for the previous year are as follows:

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 and 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

(d) Net Fair Values of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the current bid price.

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

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

The Trust uses various methods in estimating the fair value of a financial instrument. The methods comprise;

Level 1 - the fair value is calculated using quoted prices in active markets
Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

	Carrying Amount		Fair Value	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Other financial assets	1,022,335	124,201	1,022,335	124,201
Total financial assets	1,022,335	124,201	1,022,335	124,201

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

	31 Dec 2010	Level 1	Level 2	Level 3
Financial assets				
Other financial assets	1,022,335	109,628	0	912,707
Total	1,022,335	109,628	0	912,707

	31 Dec 2009	Level 1	Level 2	Level 3
Financial assets				
Other financial assets	124,201	124,201	0	0
Total	124,201	124,201	0	0

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 2010	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	406,181	(4,062)	(4,062)	4,062	4,062	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,252,213	(42,522)	(42,522)	42,522	42,522	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	121,608					-	-	-	-				
Other financial assets	912,707	(9,127)	(9,127)	9,127	9,127								
Listed Shares	109,628		-										
Total Financial Assets	5,802,337												
Financial Liabilities													
Borrowings	-	-	-	-	-								
Payables	61,794	N/A	N/A	N/A	N/A								
Other Amounts Owing	-												
Total Financial Liabilities	61,794												
Total increase / (decrease)	5,740,543	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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 Deposits	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	-	-		-	-								
Creditors	91,463	N/A	N/A	N/A	N/A								
Other Amounts Owing	-												
Total Financial Liabilities	91,463												
Total increase / (decrease)	5,294,327	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2010

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Limited

To Members of the New South Wales Parliament and Members of UNE Partnerships Pty Limited

I have audited the accompanying financial statements of UNE Partnerships Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

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

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of UNE Partnerships Pty Limited on 23 March 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

30 March 2011
SYDNEY

UNE Partnerships Pty Limited

Directors Report
The directors of UNE Partnerships Pty Limited present their report with the financial statements for the financial year ended 31 December 2010 and the auditor's 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
Gary P SMITH
Richard J DOYLE
Christopher M PATTON

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

Philip ATTARD - appointed 22 March 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:

	Board Meetings *	
Director	**A**	**B**
Dr James HARRIS	5	5
Prof Alison NETHERY	5	5
Gary P SMITH	5	5
Richard J DOYLE	5	5
Christopher M PATTON	3	5
Philip M ATTARD	5	5

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 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 $1,142,019 (2009: $251,434).

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; 2010 saw the company benefit from improved activity. Government-funded training places and the impact of earlier management decisions, resulted in improved trading in 2010.

Matters Subsequent to the End of the Financial Year

In March 2011, the company agreed in principle to acquire the business of Contracting & Tendering Services Pty Ltd ('CTS'). CTS is a Registered Training Organisation based in South Australia, offering training and consultancy services in procurement and contract management. The purchase will be part-funded from cash reserves combined with a line-of-credit which is to be established. The acquisition will add to revenue and profit of UNE Partnerships Pty Ltd from 2011.

Apart from that, 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

Other than the acquisition noted above, 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 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 $34,000 for Directors and Officers Insurance covered the period 1 November 2009 to 31 October 2010. Insurance has been renewed for the Group for the period 1 November 2010 to 31 October 2011 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 2010.

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

....	....
Dr J Harris, Chairman	Mr Richard J Doyle
Director	Director

25 March 2011

AUDITOR-GENERAL
NEW SOUTH WALES

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 statements of UNE Partnerships Pty Limited for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

23 March 2011
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2010;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

....
Dr J Harris, Chairman
Director

....
Mr Richard J Doyle
Director

25 March 2011

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

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

Signed in accordance with a resolution of the Directors.

....
Dr J Harris, Chairman
Director

....
Mr Richard J Doyle
Director

25 March 2011

Income Statement

For the year ended 31 December 2010

	Notes	2010 $	2009 $
Revenue from continuing operations			
Sales revenue	**3**	6,114,643	5,054,481
Investment revenue	**4**	81,802	41,605
Total revenue from continuing operations		6,196,445	5,096,086
Expenses from continuing operations			
Employee related expenses	**5**	1,978,194	1,986,836
Depreciation and amortisation	**6**	128,323	166,413
Repairs and maintenance	**7**	2,433	613
Impairment of assets	**8**	17,505	9,392
Losses on disposal of assets		(1,651)	219
Other expenses	**9**	2,929,622	2,681,179
Total expenses from continuing operations		5,054,426	4,844,652
Operating surplus for the year before income tax		1,142,019	251,434
Income tax expense		-	-
Operating surplus from continuing operations		1,142,019	251,434
Operating surplus from discontinued operations		-	-
Operating surplus after income tax for the period		1,142,019	251,434
Operating surplus attributable to minority interest		-	-
Operating surplus attributable to UNE Partnerships Pty Limited	**20(b)**	1,142,019	251,434

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

Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	2010 $	2009 $
Operating suplus after income tax for the period		1,142,019	251,434
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		1,142,019	251,434
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the company		1,142,019	251,434

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

Statement of Financial Position

As at 31 December 2010

	Notes	2010 $	2009 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	1,890,179	936,679
Receivables	**11**	1,279,629	1,776,763
Inventories	**12**	34,013	34,613
Other non-financial assets	**13**	64,103	52,608
Total current assets		3,267,924	2,800,663
Non-current assets			
Receivables	**11**	-	42,828
Property, plant and equipment	**14**	106,251	96,649
Intangible assets	**15**	126,185	140,054
Total non-current assets		232,436	279,531
Total assets		3,500,360	3,080,194
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	73,409	148,035
Borrowings	**17**	-	2,560
Provisions	**18**	221,992	191,130
Other liabilities	**19**	1,156,040	1,856,487
Total current liabilities		1,451,441	2,198,212
Non-current liabilities			
Borrowings	**17**	-	-
Provisions	**18**	46,941	22,023
Total non-current liabilities		46,941	22,023
Total liabilities		1,498,382	2,220,235
Net assets		2,001,978	859,959
EQUITY			
Issued capital	**20(a)**	1,198,937	1,198,937
Retained earnings	**20(b)**	803,041	(338,978)
Total equity attributable to equity holders of the company		2,001,978	859,959
Minority interest		-	-
Total equity		2,001,978	859,959

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

Statement of Changes in Equity

For the year ended 31 December 2010

	Issued Capital	Reserves	Retained Earnings	Total
Balance at 1 January 2009	1,198,937	-	(590,412)	608,525
Retrospective changes	-	-	-	-
Balance as restated	**1,198,937**	-	**(590,412)**	**608,525**
Profit or loss	-	-	251,434	251,434
Revaluation of Buildings	-	-	-	-
Gain on available-for-sale Financial Assets	-	-	-	-
Total comprehensive income	-	-	251,434	251,434
Distribution to owners	-	-	-	-
Contribution from owners	-	-	-	-
Balance at 31 December 2009	1,198,937	-	(338,978)	859,959
Balance at 1 January 2010	1,198,937	-	(338,978)	859,959
Profit or loss	-	-	1,142,019	1,142,019
Revaluation of Buildings	-	-	-	-
Gain on available-for-sale Financial Assets	-	-	-	-
Total comprehensive income	-	-	1,142,019	1,142,019
Distribution to owners	-	-	-	-
Contribution from owners	-	-	-	-
Balance at 31 December 2010	1,198,937	-	803,041	2,001,978

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

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	**2010**	2009
		$	$
Cash flows from operating activities			
Receipts from student fees and other customers		6,923,358	4,108,714
Dividends received		-	-
Interest received		81,802	41,604
Payments to suppliers and employees (inclusive of GST)		(6,112,717)	(4,325,994)
Interest and other costs of finance		-	-
GST recovered/paid		187,674	160,851
Net cash provided by / (used in) operating activities	**26**	1,080,117	(14,825)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	285
Payments for property, plant, equipment & intangibles		(124,057)	(98,800)
Proceeds from sale of financial assets		-	1,130
Payments for financial assets		-	-
Net cash provided by / (used in) investing activities		(124,057)	(97,385)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(2,560)	(23,880)
Repayment of finance leases		-	-
Net cash provided by / (used in) financing activities		(2,560)	(23,880)
Net increase / (decrease) in cash and cash equivalents		953,500	(136,090)
Cash and cash equivalents at the beginning of the financial year		936,679	1,072,769
Cash and cash equivalents at the end of the financial year	**10**	1,890,179	936,679

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 principal address of UNE Partnerships Pty Limited is: 122-132 Mossman St, Armidale, NSW.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board on 31 March 2011.

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

(a) Basis of preparation

The Financial Statements are 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 Regulations 2010 and the Corporations Act 2001.

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

(b) Foreign currency translation

(i) Functional and presentation currency
The financial statements 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) Fee paying student

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'.

(ii) Government funded student

Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method. Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(iii) Annual enrolment fees
Fees and charges are recognised as income in the year when the relevant fee becomes payable.

(iv) Investment income
Interest income is recognised as it accrues.

(v) 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 one year or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Receivables

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

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

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

(i) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and current replacement cost. Cost comprises direct materials, 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 date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

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 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) Plant and equipment

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

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

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

Furniture and Fittings: 3 - 11 yrs,
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 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.

(m) Intangible assets

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

Expenditures on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from3 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 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 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

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

(ii) Annual leave and sick leave

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

(iii) Long service leave

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

(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 of acquiring the asset or as part of the expense.

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

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

(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 standards and interpretations not yet adopted

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

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102,108, 112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

Notes to the financial statements
31 December 2010
(continued)

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Australia	6,188,035	5,049,621	1,142,019	251,434	3,500,360	3,080,194
Asia	8,410	7,227	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	39,238	-	-	-	-
	6,196,445	5,096,086	1,142,019	251,434	3,500,360	3,080,194

	Notes	2010 $	2009 $
Note 3. Sales revenue			
Education services		5,754,562	4,553,176
Workshops		103,762	239,167
Consultancy		229,565	208,459
Product sales		26,754	53,679
Total sales revenue		6,114,643	5,054,481
Note 4. Investment revenue and income			
Interest		81,802	41,605
Investment Income		-	-
Total investment revenue		81,802	41,605
Note 5. Employee related expenses			
Salaries		1,695,208	1,471,788
Contribution to funded superannuation and pension schemes		123,534	156,101
Payroll tax		98,479	114,156
Worker's compensation		3,850	4,175
Long service leave expense		38,867	13,358
Annual leave		16,913	214,976
Other (Allowances, penalties and fringe benefits tax)		1,343	12,282
Total employee related expenses		1,978,194	1,986,836
Note 6. Depreciation and amortisation			
Depreciation			
Furniture and Fittings		12,660	12,940
Computer Equipment		26,247	24,814
Total depreciation		38,907	37,754
Amortisation			
Intangibles		89,416	128,659
Total amortisation		89,416	128,659
Total depreciation and amortisation		128,323	166,413
Note 7. Repairs and maintenance			
Buildings		-	195
Plant/furniture/equipment		2,433	418
Total repairs and maintenance		2,433	613
Note 8. Impairment of assets			
Bad Debts		17,505	9,392
Total impairment of assets		17,505	9,392

Notes to the financial statements
31 December 2010
(continued)

		Notes	2010 $	2009 $
Note 9.	**Other expenses**			
	Non-capitalised equipment		8,240	16,939
	Advertising, marketing and promotional expenses		227,231	172,816
	Utilities		64,109	51,449
	Inventory Used		35,575	33,962
	Postal and Telecommunications		61,915	65,660
	Travel and Entertainment		282,373	257,417
	Books, Serials and Other Library Media		15,358	29,625
	Consultants		98,802	251,159
	Catering Services		42,019	-
	Scholarships Grants & Prizes		25,000	-
	Fees for Services		2,039,832	1,775,470
	Other Expenditure		29,168	26,682
	Total other expenses		2,929,622	2,681,179
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash on hand		400	400
	Cash at bank		634,716	33,953
	At call investments		1,255,063	902,326
	Total cash and cash equivalents		1,890,179	936,679

(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:

	2010 $	2009 $
Balances as above	1,890,179	936,679
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,890,179	936,679

(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 5.40% and 6.00% (2009 - 4.39% and 5.60%). These deposits have an average maturity of 92 days.

		Notes	2010 $	2009 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,350,182	1,794,673
	Less: Provision for impaired receivables	1(h)	(70,553)	(17,910)
	Total current receivables		1,279,629	1,776,763
	Non-current			
	Trade and Other Debtors		-	42,828
	Total non-current receivables		-	42,828
	Total receivables		1,279,629	1,819,591

(a) Impaired receivables

As at 31 December 2010 current receivables of the entity with a nominal value of $291,750 (2009: $25,760) were impaired. The amount of the provision was $70,553 (2009: $17,910). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations or who are unlikely to complete their studies. It was assessed that a portion of the receivables is expected to be recovered.

Notes to the financial statements
31 December 2010
(continued)

		Notes	2010 $	2009 $
The ageing of these receivables is as follows:				
	3 to 6 months		-	-
	Over 6 months		291,750	25,760
			291,750	25,760

As of 31 December 2010, trade receivables of $444,103 (2009: $274,716) 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:

		2010 $	2009 $
	3 to 6 months	142,650	174,948
	Over 6 months	301,453	99,768
		444,103	274,716

Movements in the provision for impaired receivables are as follows:

	2010 $	2009 $
As at 1 January	17,910	17,807
Provision for impairment recognised during the year	67,761	8,628
Receivables written off during the year as uncollectible	(15,118)	(8,525)
	70,553	17,910

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

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

		Notes	2010 $	2009 $
Note 12.	**Inventories**	1(i)		
	Current			
	Other stocks		34,013	34,613
	Total current inventories		34,013	34,613
Note 13.	**Other non-financial assets**			
	Current			
	Accrued Income		48,395	32,593
	Prepaid Expenses		15,708	20,015
	Total current other non-financial assets		64,103	52,608
Note 14.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		36,572	36,572
	Accumulated depreciation		(33,700)	(32,466)
			2,872	4,106
	Computer cost			
	At cost		182,398	163,370
	Accumulated depreciation		(129,643)	(131,658)
			52,755	31,712
	Leasehold Improvements			
	At cost		115,219	114,000
	Accumulated depreciation		(64,595)	(53,169)
			50,624	60,831
	Total Plant & equipment		106,251	96,649

	Notes	2010 $	2009 $

Movements in Carrying Amounts

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

	Plant & Equip	Computer Equip	Lease Hold Improv.	Total
Balance at 1 January 2009	5,646	41,839	72,231	119,716
Additions		15,189		15,189
Depreciation expense	(1,540)	(24,814)	(11,400)	(37,754)
Derecognition		(44,097)		(44,097)
Depreciation written back on disposal		43,595		43,595
Balance at 31 December 2009	4,106	31,712	60,831	96,649
Balance 1 January 2010	4,106	31,712	60,831	96,649
Additions	-	47,474	1,219	48,693
Depreciation expense	(1,234)	(26,247)	(11,426)	(38,907)
Derecognition	-	(28,264)	-	(28,264)
Depreciation written back on disposal	-	28,080	-	28,080
Carrying amount at 31 December 2010	2,872	52,755	50,624	106,251

Note 15. Intangible assets

	2010 $	2009 $
Course Development Expenses		
Cost	913,261	839,985
Accumulated impairment losses	(787,076)	(699,931)
Net carrying value	126,185	140,054
Reconciliation of course development expenses		
Balance at the beginning of year	140,054	186,235
Additions	75,547	82,478
Amortisation charge	(89,416)	(128,659)
Closing carrying value at 31 December	126,185	140,054

Note 16. Trade and other payables

	2010 $	2009 $
Current		
Trade Payables	73,409	148,035
Total current trade and other payables	73,409	148,035

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 27.

Note 17. Borrowings

	2010 $	2009 $
Current		
Commercial Loan		
Inter Entity Loan	-	2,560
Total commercial loan	-	2,560
Total current borrowings	-	2,560
Non-current		
Total non-current borrowings	-	-
Total borrowings	-	2,560

The following facility is available as at balance date:

Credit card facilities - $60,000

		Notes	2010 $	2009 $
Note 18.	**Provisions**	1(q)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		116,780	99,867
	Long service leave		105,212	91,263
	Other		-	-
	Subtotal		221,992	191,130
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		-	-
	Long service leave		-	-
	Subtotal		-	-
	Total Current Provision		221,992	191,130
	Provisions (Continued)			
	Summary movements current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		191,130	219,442
	Current year movement in provision			
	- Annual Leave		16,913	(3,791)
	- Long Service Leave		13,949	(24,521)
	- Other		-	-
	Carrying amount at end of year		221,992	191,130
	Non-current provisions			
	Employee benefits			
	Long service leave		46,941	22,023
	Other		-	-
	Total non-current provision		46,941	22,023
	Total provisions		268,933	213,153
	Summary movements employee benefits			
	Movements in the Provision Account are:			
	Carrying amount at start of year		22,023	21,044
	Current year movement in provision			
	- Long Service Leave		24,918	979
	Carrying amount at end of year		46,941	22,023
Note 19.	**Other Liabilities**			
	Current			
	Accrued Liabilities			
	Salary Related		81,298	38,852
	Other Accrued Expenditure		93,854	122,144
	Income received in advance		980,888	1,695,491
	Total current other liabilities		1,156,040	1,856,487
Note 20.	**Reserves and retained earnings**			
(a)	**Issued Capital**			
	1,198,937 ordinary shares @ $1.00 each fully paid		(1,198,937)	(1,198,937)
(b)	**Retained earnings**			
	Movements in retained earnings were as follows:			
	Retained earnings at 1 January		(338,977)	(590,412)
	Net Operating Result for the year		1,142,017	251,435
	Retained earnings at 31 December		803,040	(338,977)

(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(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 James HARRIS - Chairman
Prof Alison NETHERY
Gary P SMITH
Richard J DOYLE
Christopher M PATTON
Philip M ATTARD (appointed 22 March 2010)

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

(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.

	2010	2009
	No.	**No.**
Nil to $9,999	6	6
	6	6
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$160,000 to $174,999	-	-
$175,000 to $189,999	-	1
$190,000 to $199,999	1	-
	1	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	199,556	179,612

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:

	2010	2009
	$	$
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.*	20,400	30,000
Total remuneration for audit services	20,400	30,000
2. Non-audit services		
Internal Audit Services Providers	6,400	4,000
Total remuneration for non-audit services	6,400	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:

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	36,711	62,657
Later than one year but not later than five years	4,837	236,425
Later than five years	-	18,608
Total operating leases	41,548	317,690
Total lease commitments	41,548	317,690

No lease arrangements, existing as at 31 December 2010, 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 2010 Commitments

The value of orders for goods and services placed, but not filled, as at 31 December 2010 total $Nil. (2009: $Nil).

In addition, during 2010, the Entity entered into contracts for the following operating expenditures:

Within one year	910,415	1,043,843
Later than one year but not later than five years	1,969	-
Later than five years	-	-
Total other expenditure commitments	912,384	1,043,843

(d) Remuneration commitments

The Managing Director is compensated in part via a bonus plan reflecting growth in student numbers, revenue and profit. The expense for 2010 has been accrued to 'Employee related expenses' with a corresponding liability recorded in 'Other liabilities'.

Note 25. Related parties

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

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

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

	2010	2009
Transactions during the period	**$**	$
University of New England		
Income received	22,924	44,091
Payments made	324,797	325,027
Net	(301,873)	(280,936)
UNE Foundation Limited		
Income received	-	-
Payments made	25,000	-
Net	(25,000)	-
With other related parties: A company controlled by Mr GP Smith, a director of UNE Partnerships Pty Limited.		
Income received	-	-
Payments made	20,273	54,821
Net	(20,273)	(54,821)

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

	2010	2009
University of New England		
Receivables	-	22,669
Payables	13,190	26,256
UNE Foundation Limited		
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 26. Reconciliation of operating result after income tax to net cash flows from operating activities

	2010 $	2009 $
Operating result for the period	1,142,019	251,434
Depreciation and amortisation	128,323	166,413
Provision for impaired receivables	52,643	104
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	-	219
Increase/(Decrease) in Payables and Prepaid Income	(775,072)	768,263
Increase/(Decrease) in Provision for Employee Entitlements	55,780	(55,507)
Increase/(Decrease) in Provision for Annual Leave	-	-
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	475,824	(1,167,250)
(Increase)/Decrease in Inventories	600	21,499
Net cash provided by / (used in) operating activities	1,080,117	(14,825)

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; some clients can establish instalment plans spanning 10 months.
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 seven months. Interest rates are between 5.4% and 6.0%. Average maturity of 92 days.
Financial Liabilities			
Borrowings	17	Borrowings are stated at historic cost.	No new borrowingws were taken up in 2010.
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 no significant exposure to foreign exchange risk.

(iii) Price risk

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

(iv) Cash flow and fair value interest rate risk

The economic entity invests in near-dated term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations at date of rollover.

(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 frequent basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management (continued)

31 December 2010	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	5.79	635,116					635,116
Investments-Term Deposits	5.79		1,255,063				1,255,063
Receivables						1,343,732	1,343,732
Total Financial Assets		635,116	1,255,063			1,343,732	3,233,911
Financial Liabilities							
Borrowings			-	-		-	0
Payables						73,409	73,409
Other Amounts Owing						1,156,040	1,156,040
Total Financial Liabilities			-	-		1,229,449	1,229,449
Net Financial Assets(Liabilities)		635,116	1,255,063	-		114,283	2,004,462

Comparative figures for the previous year are as follows:

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 and 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

(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

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	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,890,179	936,679	1,890,179	936,679
Receivables	1,343,732	1,829,370	1,343,732	1,829,370
Total financial assets	3,233,911	2,766,049	3,233,911	2,766,049
Financial liabilities				
Payables	73,409	148,035	73,409	148,035
Borrowings	0	2,560	0	2,560
Other financial liabilities	1,156,040	1,856,487	1,156,040	1,856,487
Total financial liabilities	1,229,449	2,007,082	1,229,449	2,007,082

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 2010	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	635,116	(6,351)	(6,351)	6,351	6,351	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	1,255,063	(12,551)	(12,551)	12,551	12,551	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	1,343,732					-	-	-	-				
Total Financial Assets	3,233,911												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	73,409												
Other Amounts Owing	1,156,039												
Total Financial Liabilities	1,229,448												
Total increase / (decrease)	2,004,463	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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	-		-	-								
Creditors	148,035												
Other Amounts Owing	1,856,487												
Total Financial Liabilities	2,007,082												
Total increase / (decrease)	758,967	-	-	-	-	-	-	-	-	-	-	-	-

Note 28. Events after balance date

In March 2011, the company agreed in principle to acquire the business of Contracting & Tendering Services Pty Ltd ('CTS'). CTS is a Registered Training Organisation based in South Australia, offering training and consultancy services in procurement and contract management. Since UNE Partnerships Pty Limited already offers services in this subject area, the acquisition will significantly enhance the depth and reach of our procurement work.

The purchase will be part-funded from existing cash reserves, combined with a line-of-credit which is to be established in early 2011.

The acquisition will increase the revenue and the net profit after interest of UNE Partnerships Pty Limited from 2011.

END OF AUDITED FINANCIAL STATEMENTS

University of New England Sports Association

ABN: 85 129 428 454

Annual Financial Report for the year ended 31 December 2010

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 statements of the University of New England Sports Association (the Association), which comprises the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Auditor's Opinion

In my opinion, the financial statements:

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

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

The Members' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 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 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 Association
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

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

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

Steven Martin
Director, Financial Audit Services

28 March 2011
SYDNEY

Management Report

The management committee of the University of New England Sports Association present their report with the financial statements for the financial year ended 31 December 2010 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 Kevin Dupe`	President
Mr David Schmude	Executive Officer
Mr Martin Collins	
Dr John (Jack) Hobbs	

The following persons were appointed members of the management committee during 2010 and continue in office at the date of this report.

Mr Peter Enlund	Vice-Chancellor Appointee	- appointed 3 August 2010
Miss Emma Gillogly	UNE Council Representative	- appointed 31 March 2010

The following persons were members of the management committee during the year until the date of their resignation.

Mr Michael Quinlan	Vice-Chancellor Appointee	- resigned 3 August 2010
Ms Kay Hempsall	UNE Council Representative	- resigned 31 March 2010

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 Martin Collins	0	1
Dr John (Jack) Hobbs	1	1
Mr Michael Quinlan	1	1
Ms Kay Hempsall	1	1
Mr Michael Quinlan	1	1
Miss Emma Gillogly	0	0
Mr David Schmude	1	1
Mr Peter Enlund	0	0
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 deficit of ($375,577) resulted from the years trading, (2009 Surplus $8,423).

Matters Subsequent to the End of the Financial Year

It is likely that in the year 2011 the current activities of the Association will be conducted through 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
Contaminated Land Management Act 1997
Environmental Planning and Assessment Act 1979
Environmental Planning and Assessment Amendment Act 2008
Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
Heritage Act 1977
Native Vegetation Act 2003
Noxious Weeds Act 1993
Pesticides Act 1999
Protection of the Environment Operations Act 1997
Rural Fires Act 1997
Soil Conservation Act 1938
Threatened Species Conservation Act 1995
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2008
Water Management Amendment Act 2010

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 $34,000 for Directors and Officers Insurance covered the period 1 November 2009 to 31 October 2010. Insurance has been renewed for the Group for the period 1 November 2010 to 31 October 2011 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 Association

There were no legal proceedings brought against the association 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 statement 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 statement 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

21st March 2011

Income Statement
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Revenue from continuing operations			
Trading Income	3	1,705,418	1,759,780
Investment revenue	4	26,707	22,792
Other Revenue	5	89,416	50,000
Total revenue from continuing operations		1,821,541	1,832,572
Gains on disposal of assets		-	36
Total revenue and income from continuing operations		1,821,541	1,832,608
Expenses from continuing operations			
Employee related expenses	6	964,604	843,643
Depreciation and amortisation	7	161,189	153,837
Repairs and maintenance	8	160,509	81,852
Impairment of assets	9	-	-
Losses on disposal of assets		-	2,526
Other expenses	10	910,816	742,327
Total expenses from continuing operations		2,197,118	1,824,185
Operating surplus/(deficit) before income tax		(375,577)	8,423
Income tax expense		-	-
Operating surplus/(deficit) attributable to the University of New England Sports Association	19(b)	(375,577)	8,423

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

Statement of Comprehensive Income
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Operating surplus/(deficit) after income tax for the period		(375,577)	8,423
Other comprehensive income			
Gain (Loss) on revaluation of land and buildings, net of tax		-	(18,000)
Gain (Loss) on value of available for sale financial assets, net of tax		-	-
Other comprehensive income for the period, net of tax		-	(18,000)
Total comprehensive income for the period		(375,577)	(9,577)
Total comprehensive income attributable to minority interest		-	-
Total comprehensive income attributable to owners of the entity		(375,577)	(9,577)

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

Statement of Financial Position
As at 31 December 2010

	Notes	2010 $	2009 $
ASSETS			
Current assets			
Cash and cash equivalents	**11**	339,931	470,970
Receivables	**12**	80,146	116,843
Inventories	**13**	5,233	10,714
Other non-financial assets	**14**	37,736	13,109
Total current assets		463,046	611,636
Non-current assets			
Property, plant and equipment	**15**	4,883,207	4,888,588
Total non-current assets		4,883,207	4,888,588
Total assets		5,346,253	5,500,224
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	192,161	58,386
Borrowings	**17**	43,084	-
Provisions	**18**	10,835	10,540
Other liabilities	**19**	100,968	139,451
Total current liabilities		347,048	208,377
Non-current liabilities			
Borrowings	**17**	82,935	-
Total non-current liabilities		82,935	-
Total liabilities		429,983	208,377
Net assets		4,916,270	5,291,847
EQUITY			
Reserves	**20(a)**	848,603	949,877
Retained earnings	**20(b)**	4,067,667	4,341,970
Total equity attributable to equity holders of the entity		4,916,270	5,291,847
Minority interest		-	-
Total equity		4,916,270	5,291,847

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

Statement of Changes in Equity
For the year ended 31 December 2010

	Reserves	Retained Earnings	Total
Balance at 1 January 2009	1,095,877	4,205,547	5,301,424
Retrospective changes	-	-	-
Balance as restated	**1,095,877**	**4,205,547**	**5,301,424**
Profit or loss	-	8,423	8,423
Revaluation of Buildings	(18,000)	-	(18,000)
(Transfer from)/to reserves	(128,000)	128,000	-
Total comprehensive income	(146,000)	136,423	(9,577)
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2009	949,877	4,341,970	5,291,847
Balance at 1 January 2010	949,877	4,341,970	5,291,847
Profit or loss	-	(375,577)	(375,577)
De-recognition of assets	(101,274)	101,274	-
Total comprehensive income	(101,274)	(274,303)	(375,577)
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2010	**848,603**	**4,067,667**	**4,916,270**

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

Statement of Cash Flows
For the year ended 31 December 2010

	Notes	2010 $	2009 $
Cash flows from operating activities			
Receipts from student fees and other customers		1,914,782	1,930,825
Interest received		26,707	24,053
Payments to suppliers and employees (inclusive of GST)		(1,914,472)	(2,087,526)
Interest and other costs of finance		(2,372)	-
Net cash provided by / (used in) operating activities	**27**	24,645	(132,648)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	25,094
Payments for property, plant and equipment		(145,370)	(63,984)
Proceeds from sale of financial assets		-	-
Payments for financial assets		-	-
Net cash provided by / (used in) investing activities		(145,370)	(38,890)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of loans		(10,314)	-
Net cash provided by / (used in) financing activities		(10,314)	-
Net increase / (decrease) in cash and cash equivalents		(131,039)	(171,538)
Cash and cash equivalents at the beginning of the financial year		470,970	642,508
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year		339,931	470,970

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

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 principle address of UNE Sports Association is: Sport Une Drive, Armidale NSW 2351, Australia.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board on the 21st March 2011.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards (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 2010.

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

(b) Foreign currency translation

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

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity 's activities as described below. 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 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 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 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 2010, 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 statement of financial position.

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

(q) Comparative amounts

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

(r) New Accounting Standards and Interpretations

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

Corrections to standards
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133, 134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042]
(annual periods beginning on or after 1 Jan 2011)

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

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

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

Related party disclosures
AASB 124 Related Party Disclosures
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052]
(annual period beginning on or after 1 January 2011)

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

Revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value
AASB 9 Financial Instruments
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9[AASB 1,3,4,5,7,101,102,108, 112,118,121,127,128,131,132,136,139,1023 & 1038 AND Interpretations 10 & 12]
(annual periods beginning on or after 1 January 2013)

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

Introduction of differential reporting in the form of two tiers of AAS
AASB 1053 Application of Tiers of Australian Accounting Standards
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(annual periods beginning on or after 1 July 2013)

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

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

(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 intends to commence trading as Sport UNE Limited from 1 July 2011.

Note 2. Disaggregated information

Geographical

	Revenue		Results		Assets	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Australia	1,821,541	1,832,608	(375,577)	8,423	5,346,253	5,500,224
Asia	-	-	-	-	-	-
US/Canada	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
	1,821,541	1,832,608	(375,577)	8,423	5,346,253	5,500,224

	2010	2009
	$	$
Note 3. Trading Income		
University contribution	500,000	464,949
Membership fees	193,401	195,844
Facility fees & equipment hire	588,270	628,765
Vacation care	49,014	51,803
Scholarship, sponsrship & donations	26,908	58,533
Shop sales	74,048	71,702
Sports camps	103,715	85,297
University sporting programs	100,941	142,754
Commercial programs & events	54,436	50,018
Sundry	14,685	10,115
Total trading income	1,705,418	1,759,780
Note 4. Investment revenue and income		
Interest	26,707	22,792
Total investment revenue	26,707	22,792
Note 5. Other revenue		
Payroll Tax Refund	39,416	-
Grant Income	50,000	50,000
Total other revenue	89,416	50,000
Note 6. Employee related expenses		
Salaries	862,589	798,675
Contribution to funded superannuation and pension schemes	93,439	84,242
Payroll tax	5,943	15,986
Long service leave expense	-	(28,859)
Annual leave	-	(26,401)
Other (Allowances, penalties and fringe benefits tax)	2,633	-
Total employee related expenses	964,604	843,643
Note 7. Depreciation		
Buildings	90,009	90,000
Infrastructure	27,500	27,111
Furnitures and Fittings	2,017	2,912
Plant and Equipment	28,186	25,207
Computer Equipment	2,663	2,860
Motor Vehicles	10,814	5,747
Total depreciation	161,189	153,837
Note 8. Repairs and maintenance		
Infrastructure/Plant & equipment	54,906	54,286
Grounds	105,603	27,566
Total repairs and maintenance	160,509	81,852

		Notes	2010 $	2009 $
Note 9.	**Impairment of assets**			
	Bad Debts		-	-
	Doubtful debts		-	-
	Total impairment of assets		-	-
Note 10.	**Other expenses**			
	Non-capitalised equipment		92,836	42,430
	Asset de-recogntion*		125,895	-
	Advertising, marketing and promotional expenses		25,972	30,320
	Utilities		137,373	122,257
	Inventory Used		69,631	59,845
	Postal and Telecommunications		12,809	11,777
	Travel and Entertainment		24,326	24,785
	Operating Lease Rental Charges		5,607	8,260
	Consultants		-	18,810
	Fees for Services		125,095	133,860
	Books & Subscriptions		9,742	5,269
	Scholarships & Donations		11,734	14,153
	Australian Uni Sport		57,005	112,515
	Sports Camps		91,133	78,121
	Insurance		16,477	12,488
	Other Expenditure		105,181	67,437
	Total other expenses		910,816	742,327

* Asset derecognition expense of ($125,895) relates solely to the reduction in the main car park. The car park was removed to allow for the construction of new facilities. This saw a reduction of approximately 2/3rds of the main car park

Note 11.	**Cash and cash equivalents**	1(g)		
	Cash on hand		1,150	1,550
	Cash at bank		338,781	469,420
	Total cash and cash equivalents		339,931	470,970

(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	339,931	470,970
Balance per cash flow statement	339,931	470,970

(b) Cash on hand

These are non-interest bearing.	1,150	1,550

Note 12.	**Receivables**			
	Current			
	Trade and Other Debtors		82,650	120,080
	Less: Provision for impaired receivables	1(h)	(2,504)	(3,237)
	Total current receivables		80,146	116,843
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		80,146	116,843

(a) Impaired receivables

As at 31 December 2010 the entity held provisions of $2,504 (2009: $3,237) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

Movements in the provision for impaired receivables are as follows:

As at 1 January	3,237	3,606
Provision for impairment recognised during the year	-	-
Receivables written off during the year as uncollectible	(733)	(369)
	2,504	3,237

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	2010 $	2009 $
Note 13.	**Inventories**	1(i)		
	Other stocks		5,233	10,714
	Total current inventories		5,233	10,714
Note 14.	**Other non-financial assets**			
	Prepaid expenses		20,371	-
	GST Refundable		17,365	13,109
	Total current other non-financial assets		37,736	13,109

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 2009								
- 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**
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**
Accummulated depreciation change on revaluation	-	-	-	-	-	-	-	-
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 included in a disposal group 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.

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 2010								
Opening net book amount	1,104,754	3,510,000	189,166	55,712	10,865	18,091	-	**4,888,588**
Depreciation written back on disposal	10,947	-	-	-	-	-	-	**10,947**
Transfers	-	-	-	-	-	-	-	-
Derecognition *	(136,842)	-	-	-	-	-	-	**(136,842)**
Revaluation surplus	-	-	-	-	-	-	-	-
Additions	-	7,360	254,987	19,356	-	-	-	**281,703**
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-
Depreciation charge	(27,500)	(90,009)	(28,186)	(10,814)	(2,663)	(2,017)	-	**(161,189)**
Closing net book amount	**951,359**	**3,427,351**	**415,967**	**64,254**	**8,202**	**16,074**	-	**4,883,207**
At 31 December 2010								
- Cost	12,926	7,360	267,860	58,774	6,121	895	-	**353,936**
- Valuation	984,159	3,600,000	201,804	20,268	7,650	20,170	-	**4,834,051**
Accumulated depreciation	(45,726)	(180,009)	(53,697)	(14,788)	(5,569)	(4,991)	-	**(304,780)**
Net book amount	**951,359**	**3,427,351**	**415,967**	**64,254**	**8,202**	**16,074**	-	**4,883,207**

* The ($136,842) de-recognition in improvements relates to the removal of the main car park.

Note 15. Property, plant and equipment (continued)

The Association enjoys the use and benefits of the following assets owned and recorded by the University of New England

	Current Written Down Value $
Bellevue Oval Grandstand	2,095,033.35
Bellevue Oval Access Road	73,947.67
UNE Sports Irrigation	121,777.00
VSU Multi Purpose Hall	5,465,681.44
VSU Pool Refurbishment	234,727.74
20 x Integrity Stealth Spin Cycle	11,758.64
Treadmill 93Ti Life Fitness	20,098.86
Crosstrainer 93X Life Fitness	10,955.33
Upright Cycle 93C (X2)	2,967.51
Summit Trainer 95Li (X2)	6,983.82
GYM Strength Equipment	108,101.41
C2 Model E Indoor Rower with PM4 Monitor	4,832.74
Total Value of Assets in Use	**8,156,865.51**

No compensation is paid to the University for the use of these assets.

		Notes	2010 $	2009 $
Note 16.	**Trade and other payables**			
	Trade Payables		192,161	58,386
	Total current trade and other payables		192,161	58,386

Refer note 25 for disclosure of amount owing to the University of New England

		Notes	2010	2009
Note 17.	**Borrowings**			
	Current			
	Commercial Loan with the University of New England		43,084	-
			43,084	-
	Non-Current			
	Commercial Loan with the University of New England		82,935	-
			82,935	-

The borrowings from the University of New England was to finance the upgrade of cardio equipment in the fitness gym and is on commercial terms

		Notes	2010	2009
Note 18.	**Provisions**	1(n)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		-	-
	Long service leave		-	-
	Other		10,835	10,540
	Subtotal		10,835	10,540
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		-	-
	Long service leave		-	-
	Subtotal		-	-
	Total Current Provision		10,835	10,540
	Summary movements in current provisions			
	Movements in the Provision Account are:			
	Carrying amount at start of year		10,540	38,523
	Current year movement in provision			
	- Annual Leave		-	(26,401)
	- Long Service Leave		-	(12,122)
	- Other		295	10,540
	Carrying amount at end of year		10,835	10,540
	Non-current provisions			
	Employee benefits			
	Long service leave		-	-
	Other		-	-
	Total non-current provision		-	-
	Total provisions		10,835	10,540
	Summary movements in employee benefits			
	Movements in the Provision Account are:			
	Carrying amount at start of year		-	16,738
	Current year movement in provision			
	- Long Service Leave		-	(16,738)
	Carrying amount at end of year		-	-

	2010 $	2009 $
Note 19. Other Liabilities		
Members subscriptions in advance	71,428	68,549
Other Accrued Expenditure	29,540	70,902
Total current other liabilities	100,968	139,451

Note 20. Reserves and retained earnings

(a) Reserves

	2010 $	2009 $
Revaluation Reserve - Buildings	410,858	410,858
Revaluation Reserve - Infrastructure	437,745	539,019
Soccer scholarship fund reserve	-	-
Total reserves	848,603	949,877

Movements

	2010 $	2009 $
Asset revaluation reserve - Buildings		
Balance 1 January	410,858	410,858
Increment/(decrement) on revaluation	-	-
Transfer to/(from) retained surplus on disposal	-	-
Balance 31 December	410,858	410,858
Soccer scholarship fund reserve		
Balance 1 January	-	128,000
Transfer to retained surplus	-	(128,000)
Balance 31 December	-	-
Asset revaluation reserve - Infrastructure		
Balance 1 January	539,019	557,019
Increment/(decrement) on de-recognition	(101,274)	-
Increment/(decrement) on revaluation	-	(18,000)
Balance 31 December	437,745	539,019

(b) Retained earnings

Movements in retained earnings were as follows:

	2010 $	2009 $
Retained earnings at 1 January	4,341,970	4,205,547
Transfer from Reserves	101,274	128,000
Net operating surplus/(deficit) for the year	(375,577)	8,423
Retained Earnings at 31 December	4,067,667	4,341,970

(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 21. 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 Kevin Dupe`
Mr Martin Collins
Dr John (Jack) Hobbs
Mr Michael Quinlan resigned 3 August 2010
Ms Kay Hempsall resigned 31 March 2010
Miss Emma Gillogly appointed 31 March 2010
Mr Peter Enlund appointed 3 August 2010

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
Mr Ashley Clee

(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

	2010	2009
Remuneration of executive officers	**No.**	**No.**
$110,000 to $119,999	1	1
	1	1

No other benefits were received during the year.

Note 22. 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:

	2010 $	2009 $
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.*	24,500	26,000
Total remuneration for audit services	24,500	26,000
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 23. 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 24. Commitments

(a) Capital Commitments

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

	2010 $	2009 $
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	14,360	23,934
Later than five years	-	-
Total operating leases	23,934	33,508
Total lease commitments	23,934	33,508

The operating lease commitments relates to a photocopier.

No lease arrangements existed as at 31 December 2010 that contained 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 25. Related parties

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

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

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

	2010	2009
Transactions during the period	$	$
University of New England		
Income received	695,847	568,520
Payments made	1,550,135	1,607,932
Net	(854,288)	(1,039,412)
Services UNE		
Income received	-	-
Payments made	4,888	-
Net	(4,888)	-
UNE Foundation		
Receivables	21,000	-
Payables	-	-
Net	21,000	-

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

University of New England		
Receivables	5,298	103,571
Payables	156,137	45,015
borrowings	126,019	-
Services UNE		
Receivables	-	-
Payables	1,191	-
UNE Foundation		
Receivables	21,000	-
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. Events subsequent to reporting period

It is likely that in 2011, the entity shall commence trading as Sport UNE Limited. All activities curretly provided by the Association will be conducted under the new structure.

Note 27. Reconciliation of operating result after income tax to net cash flows from operating activities

	2010 $	2009 $
Operating surplus/(deficit) for the period	(375,577)	8,422
Depreciation and amortisation	161,189	153,837
Provision for impaired receivables	(733)	(369)
Loss on de-recognition	125,895	-
Net (gain) / loss on sale of non-current assets	-	2,490
Increase/(Decrease) in Payables and Prepaid Income	95,293	(196,274)
Increase/(Decrease) in Provision for Employee Entitlements	-	(55,260)
Increase/(Decrease) in Other Provisions	295	3,250
(Increase)/Decrease in Receivables and Prepaid Expenses	12,802	(53,153)
(Increase)/Decrease in Inventories	5,481	4,409
Net cash provided by / (used in) operating activities	24,645	(132,648)

Note 28. 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	17	Borrowings are carried at present value.	Minimum repayments are required on a quarterly basis with an option for additional repayments
Creditors and Accruals	16 & 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 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.

Notes to the financial statements
31 December 2010
(continued)

Financial risk management (continued)

31 December 2010	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	5.50%	339,931	-	-	-	-	339,931
Receivables	0.00%	-	-	-	-	117,882	117,882
Total Financial Assets		339,931	-			117,882	457,813
Financial Liabilities							
Borrowings	6.95%		43,084	82,935			126,019
Payables	0.00%	-	-	-	-	192,161	192,161
Other Amounts Owing	2.50%	10,835	-	-	-	90,133	100,968
Total Financial Liabilities		10,835	43,084	82,935	-	282,294	419,148
Net Financial Assets(Liabilities)		329,096	(43,084)	(82,935)		(164,412)	38,665

Comparative figures for the previous year are as follows:

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 and cash equivalents	4.00%		470,970	-	-	-	470,970
Receivables	0.00%	-	-	-	-	129,952	129,952
Total Financial Assets		-	470,970			129,952	600,922
Financial Liabilities							
Payables	0.00%	-	-	-	-	-	-
Other Amounts Owing	0.00%	-	-	-	-	70,901	70,901
Total Financial Liabilities			-	-		70,901	70,901
Net Financial Assets(Liabilities)		-	470,970	-		59,051	530,021

(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	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Cash and cash equivalents	339,931	470,970	339,931	470,970
Receivables	117,882	129,952	117,882	129,952
Other financial assets	0	0	0	0
Total financial assets	457,813	600,922	457,813	600,922
Financial liabilities				
Payables	192,161	0	192,161	0
Borrowings	126,019	0	126,019	0
Other financial liabilities	100,968	70,901	100,968	70,901
Total financial liabilities	419,148	70,901	419,148	70,901

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 2010	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	339,931	(3,399)	(3,399)	3,399	3,399	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	117,882					N/A	N/A	N/A	N/A				
Total Financial Assets	457,813												
Financial Liabilities													
Borrowings	126,019	(1,260)	(1,260)	1,260	1,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payables	192,161					N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Amounts Owing	100,968					N/A	N/A	N/A	N/A				
Total Financial Liabilities	419,148												
Total increase / (decrease)	38,665	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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								
Creditors	126,935												
Other Amounts Owing	82,934												
Total Financial Liabilities	209,869												
Total increase / (decrease)	391,053	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

Sport UNE Limited

ABN: 73 138 308 899
Annual Financial Report for the year ended 31 December 2010

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 comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Auditor's Opinion

In my opinion the financial statements:

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

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Sport UNE Limited on 21 March 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Steven Martin
Director, Financial Audit Services

28 March 2011
SYDNEY

Directors Report

The directors of Sport UNE Limited present their report with the financial report for the financial year ended 31 December 2010 and the auditors report thereon.

Directors

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

David Anton Schmude	
John (Jack) Hobbs	appointed 1 January 2010
Norma Abeyasekera	appointed 1 January 2010
Claire Parker	appointed 1 January 2010
Kevin Dupe`	appointed 1 January 2010
David Munday	appointed 1 January 2010
Emma Gillogly	appointed 31 March 2010
Peter Enlund	appointed 3 August 2010

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

Kay Hempsall	resigned 31 March 2010
Michael Quinlan	resigned 3 August 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	8	8
John (Jack) Hobbs	8	8
Norma Abeyasekera	7	8
Claire Parker	6	8
Kay Hempsall	3	4
Emma Gillogly	6	7
Peter Enlund	4	5
Kevin Dupe`	8	8
David Munday	6	8

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 2011 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
Contaminated Land Management Act 1997
Environmental Planning and Assessment Act 1979
Environmental Planning and Assessment Amendment Act 2008
Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
Heritage Act 1977
Native Vegetation Act 2003
Noxious Weeds Act 1993
Pesticides Act 1999
Protection of the Environment Operations Act 1997
Rural Fires Act 1997
Soil Conservation Act 1938
Threatened Species Conservation Act 1995
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2008
Water Management Amendment Act 2010

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 $34,000 for Directors and Officers Insurance covered the period 1 November 2009 to 31 October 2010. Insurance has been renewed for the Group for the period 1 November 2010 to 31 October 2011 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 2010.

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

Kevin Dupe`
Director

David Schmude
Director

Date **21st March** 2011

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
Sport UNE Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Sport UNE Limited for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Steven Martin
Director, Financial Audit Services

21 March 2011
SYDNEY

Directors' Declaration

The directors declare that:

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

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2010;

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

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

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

Kevin Dupe`
Director

David Schmude
Director

Date **21st March** 2011

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

In accordance with a resolution of the directors 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 2010 and the results of its operations and transactions of the Company for the year then ended;

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

Date **21st March** 2011

Income statement

For the year ended 31 December 2010

	Notes	2010 $	2009 $
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 2010

	Notes	2010 $	2009 $
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 2010

	Notes	2010 $	2009 $
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 earnings	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 2010

	Notes	Reserves	Retained Earnings	Total
Balance as 1 January 2009				
Profit or loss		-	-	-
Revaluation of Buildings		-	-	-
Gain on Avail-for -sale Fin Assets		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
Distribution to owners		-	-	-
Contribution from owners		-	-	-
Balance at 31 December 2009	8	-	-	-
Balance at 1 January 2010		-	-	-
Profit or loss		-	-	-
Revaluation of Buildings		-	-	-
Gain on Avail-for -sale Fin Assets		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
Distribution to owners		-	-	-
Contribution from owners		-	-	-
Balance at 31 December 2010	8	-	-	-

The above satement of changes in equity should be read in conjunction with the accompanying not

Statement of Cash Flows

For the year ended 31 December 2010

	Notes	**2010** **$**	2009 $
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 reports

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 principle address of Sport UNE Limited is: Armidale NSW 2351, Australia.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board on 21st March 2011

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

(a) Basis of preparation

The Financial Statements are a general purpose financial report that has been prepared on an accrual basis in accordance 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 2010.

The Financial Statements have been prepared in accordance with the historical cost convention, as modified by the 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 2010, but have not been applied in preparing this financial report.

Notes to the financial statements
31 December 2010
(continued)

		Notes	2010 $	2009 $
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		-	-
Note7.	**Non Current Liabilities**			
	Other		-	-
	Total Non Current Liabilities		-	-
Note 8.	**Retained Earnings**			
	Movements in retained earnings were as follows:			
	Retained earnings at 1 January		-	-
	Net Operating Result for the year		-	-
	Reatined Earnings 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 for the 2010 reporting year

David Anton Schmude	Director / Company Secretary

The following persons were appointed as directors during 2010 and continue in office at the date of this report.

Claire Parker	Director	appointed 1 January 2010	
Norma Abeyasekera	Director	appointed 1 January 2010	
Kevin Dupe'	Director	appointed 1 January 2010	
David Munday	Director	appointed 1 January 2010	
John (Jack) Hobbs	Director	appointed 1 January 2010	
Peter Enlund	Director	appointed 3 August 2010	Vice-Chancellor Appointee
Emma Gillogly	Director	appointed 31 March 2010	Student & UNE Council Representative

The following persons were members of the management committee during the year until the date of their resignation.

Michael Quinlan	Director	resigned 31 March 2010
Kay Hempsall	Director	resigned 31 March 2010
Gerard Charbel Stephen	Director	resigned 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 following fees were paid for services provided by the auditor of the Sport UNE Limited, its related practices and non-related audit firms:

	2010	2009
Assurance services	**$**	$
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.**	-	-
Total remuneration for audit services	-	-

*Audit fees have been paid 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