University of New England

University of
New England

ABN: 75 792 454 315
Financial Report
for the year ended
31 December 2013

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

The University of New England

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of New England (the University), which comprise the income statements, statements of comprehensive income, statements of financial position as at 31 December 2013, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. 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 2013, and of the financial performance and cash flows 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 2013 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, 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.

University Council's Responsibility for the Financial Statements

The Council of the University is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that give a true and fair view and 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.

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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 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 roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

25 March 2014
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 2013.

Members

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

The Hon. John Watkins - Chancellor
Dr Geoffrey Fox - Deputy-Chancellor
Professor James Barber - Vice Chancellor
Mr Archie Campbell
Mr Ben Crough
Dr Brian Denman
Mr Kevin Dupe'
Mr Robert Finch
Dr James Harris
Dr Jack Hobbs
Ms Jan McClelland
Ms Catherine Millis
Ms Gae Raby
Professor Margaret Sims
Dr Jeannet van der Lee

The following person was appointed a member in 2013 and continue in office at the date of this report:
Professor Nick Reid - appointed 4 February 2013

The following persons were members in 2013:
The Hon. Richard Torbay MP - Chancellor - resigned 20 March 2013
Professor Eilis Magner - term expired 4 February 2013

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 2013, 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

Work towards implementing the UNE 2011-15 Strategic Plan: Learning without Limits will continue in 2014. This will include progress towards completing the buildings for the Integrated Agricultural Precinct, the Tablelands Clinical School and the new residential college

Environmental Regulation

During the year there were no significant changes to 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
Environment Protection and Biodiversity Conservation Act 1999
National Environment Protection Council Act 1994
National Greenhouse and Energy Reporting Act 2007
- Clean Energy Act 2011(amended July 2012)
- Clean Energy Amendment Regulation 2012
- Carbon Credits (Consequential Amendments) Act 2011
- Acts Interpretation Amendment Act 2011
- National Greenhouse and Energy Reporting Amendment Act 2009
- National Greenhouse and Energy Reporting Amendment Act 2008

STATE – New South Wales
Animal Research Act 1985
Catchment Management Authorities Act 2003
Contaminated Land Management Act 1997 (some amendments made in 2008)
Energy and Utilities Administration Act 1987
Environmental Planning and Assessment Act 1979
- Environmental Planning and Assessment Amendment Act 2008
- Environmental Planning and Assessment Amendment Act 2012

Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
- Environmentally Hazardous Chemicals Amendment Act 1996 No 16

Heritage Act 1977
- Heritage Amendment Act 2011 No 71

Local Government Act 1993
National Parks and Wildlife Act 1974
- National Parks and Wildlife (Adjustment of Areas) Act 2005

Native Vegetation Act 2003
Noxious Weeds Act 1993
- Noxious Weeds Amendment Act 2012

Pesticides Act 1999
Protection of the Environment Operations Act 1997
Rural Fires Act 1997
Rural Lands Protection Act 1998
Road Transport (Safety and Traffic Management) Act 1999

Soil Conservation Act 1938
- Soil Conservation Amendment Act 1989

Threatened Species Conservation Act 1995
- Threatened Species Conservation Amendment Act 2002

Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
- Water Management Amendment Act 2008
- Water Management Amendment Act 2010
- Water Management (General) Regulation 2011

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2012

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 $30,600 for Directors and Officers Insurance covered the period 1 November 2012 to 31 October 2013. Insurance has been renewed for the period 1 November 2013 to 31 October 2014 at a cost of $34,600. 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 of New England

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 the Council of the University of New England.

John Watkins

The Hon. John Watkins
Chancellor
Member of Council of the University of New England
Armidale NSW
20 March 2014

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 2013, and the numbers of meetings attended by each Council member were:

Meetings of committees

Council Member	**Council**		**Infrastructure**		**Finance**		**Audit & Risk**		*** Standing**		**HDTT**		**Remuneration**		**Tender**		**Nominations**		**Convocation**	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
The Chancellor																				
The Hon Richard Torbay MP (to 17/04/13)(* ex-officio)	1	1											*1	2						
The Hon John Watkins (from 18/04/13)(* ex-officio)	6	6	*1	1							2	2	*3	3			*1	1		
The Deputy-Chancellor																				
Dr Geoffrey Fox (* ex-officio)	6	6	*5	5	*7	7	*6	6			*2	2	4	5			*2	2		
Official Members																				
Professor Jim Barber, Vice-Chancellor (* ex-officio)	5	6	*5	5	*7	7	*6	6			*2	2	*5	5	*8	8	*2	2		
Professor Eilis Magner, Chair Academic Board (to 04/02/13)	0	0	1	1					Flying										Attendance	
Professor Nick Reid, Chair Adademic Board (from 04/02/13)	6	6	4	4	6	7			Minutes		2	2					*2	2	not	
Members appointed by the Minister									Only										required	
Mr Kevin Dupé	5	6																	at	
Dr James Harris	6	6					6	6			1	2							these	
Ms Jan McClelland	5	6			7	7	5	5					5	5	6	8			meetings	
Ms Gae Raby	5	6	4	5			5	6					5	5	6	6				
Members elected by academic staff																				
Dr Brian Denman	6	6			5	7														
Professor Margaret Sims	5	6	4	5																
Members elected by the graduates																				
Mr Archie Campbell	6	6	4	5																
Dr Jack Hobbs	6	6					5	6			2	2							4	4
Member elected by non-academic staff																				
Dr Jeannet van der Lee	5	6																		
Member elected by the post graduate students																				
Ms Catherine Millis	5	6																		
Member elected by the undergraduate students																				
Mr Ben Crough	6	6																		
Additional external members																				
Mr Robert Finch	6	6			7	7	6	6					5	5	8	8				

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.

* Standing Committee of Council - Issues were dealt with via flying minutes.

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 2013 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, the Public Finance and Audit Regulations 2010 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2013 reporting period" issued by the Australian Government Department of Education;

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 reports 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 reports.

John Watkins

The Hon. John Watkins
Chancellor

Professor James 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
20 March 2014

Income Statement

For the year ended 31 December 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	**3**	154,092	173,250	154,092	173,250
HELP - Australian Government Payments	**3**	67,262	55,743	67,262	55,743
State and local Government financial assistance	**4**	3,799	2,981	3,799	2,981
HECS-HELP - Student Payments		10,381	10,665	10,381	10,665
Fees and charges	**5**	44,287	45,223	39,614	38,803
Investment revenue	**6**	5,430	6,002	4,529	4,895
Royalties, trademarks and licences	**7**	176	150	186	150
Consultancy and contracts	**8**	541	717	541	717
Other Revenue	**9**	23,650	20,437	9,964	7,501
Total revenue from continuing operations		309,618	315,168	290,368	294,705
Gains on disposal of assets		56	-	-	-
Other investment income	**6**	286	269	-	-
Other Income	**9**	116	7	2,386	2,164
Total income from continuing operations		310,076	315,444	292,754	296,869
Expenses from continuing operations					
Employee related expenses	**10**	163,919	154,360	153,611	144,918
Depreciation and amortisation	**11**	19,129	18,458	18,207	17,403
Repairs and maintenance	**12**	8,097	5,576	7,755	5,244
Borrowing costs	**13**	7	13	1	7
Impairment of assets	**14**	1,288	694	1,273	667
Losses on disposal of financial assets		-	44	-	-
Losses on disposal of assets		712	1,495	712	1,495
Investment losses	**6**	-	-	-	-
Deferred Super expense	**10, 41**	341	358	341	358
Other expenses	**15**	103,364	87,717	97,930	81,456
Total expenses from continuing operations		296,857	268,715	279,830	251,548
Income Tax expense		-	-	-	-
Operating result after income tax for the period attributable to members of the University of New England	**30(b)**	13,219	46,729	12,924	45,321

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

Statement of Comprehensive Income
For the year ended 31 December 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Operating result after income tax for the period		13,219	46,729	12,924	45,321
Items that may be reclassified to profit or loss					
Gain (loss) on value of available for sale financial assets		159	205	(1,020)	389
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of property, plant and equipment		(86)	-	(86)	-
Impairment of property,plant and equipment		-	(60)	-	(60)
Net Actuarial gains (losses) recognised in respect of Defined Benefit Plans		2,684	(192)	2,684	(192)
Transfer from reserves		(22)	-	-	-
Total comprehensive income attributable to members of the University of New England		15,954	46,682	14,502	45,458

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

Statement of Financial Position
As at 31 December 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
ASSETS					
Current assets					
Cash and cash equivalents	**16**	107,872	113,917	93,008	98,626
Receivables	**17**	11,478	9,716	9,778	8,089
Inventories	**18**	392	375	113	81
Other financial assets	**19**	-	-	50	37
Non current assets classified as held for sale	**20**	1,113	-	1,113	-
Other non-financial assets	**21**	8,741	7,225	8,357	6,766
Biological assets	**23**	625	557	625	557
Total current assets		130,221	131,790	113,044	114,156
Non-current assets					
Receivables	**17**	221,724	248,778	221,761	248,804
Other financial assets	**19**	5,590	5,054	3,540	4,459
Property, plant and equipment	**24**	276,068	264,774	270,942	259,999
Intangible assets	**25**	3,114	4,335	1,678	2,702
Total non-current assets		506,496	522,941	497,921	515,964
Total assets		636,717	654,731	610,965	630,120
LIABILITIES					
Current liabilities					
Trade and other payables	**26**	4,484	3,638	3,490	2,655
Borrowings	**27**	-	46	-	46
Provisions	**28**	30,947	33,190	29,171	31,374
Other liabilities	**29**	22,865	24,189	21,500	22,703
Total current liabilities		58,296	61,063	54,161	56,778
Non-current liabilities					
Borrowings	**27**	-	-	-	-
Provisions	**28**	231,159	262,244	230,974	262,015
Total non-current liabilities		231,159	262,244	230,974	262,015
Total liabilities		289,455	323,307	285,135	318,793
Net assets		347,262	331,424	325,830	311,327
EQUITY					
Reserves	**30(a)**	52,610	52,559	52,089	53,195
Retained earnings	**30(b)**	294,652	278,865	273,741	258,132
Parent entity interest		347,262	331,424	325,830	311,327
Total equity		347,262	331,424	325,830	311,327

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 2013

	Consolidated				Parent entity		
	Reserves	Retained earnings	Non-controlling Interest	Total	Reserves	Retained earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2012	52,414	232,328	-	284,742	52,866	213,003	265,869
Profit or loss	-	46,729	-	46,729	-	45,321	45,321
Revaluation of land and buildings	-	-	-	-	-	-	-
Gain/(Loss) on available for sale financial assets	205	-	-	205	389	-	389
Net gain/(loss) on defined benefit superannuation plans	-	(192)	-	(192)	-	(192)	(192)
Impairment of property, plant and equipment	(60)	-	-	(60)	(60)	-	(60)
Total comprehensive income	145	46,537	-	46,682	329	45,129	45,458
Balance at 31 December 2012	52,559	278,865	-	331,424	53,195	258,132	311,327
Balance at 1 January 2013	52,559	278,865	-	331,424	53,195	258,132	311,327
Retrospective changes	-	(117)	-	(117)	-	-	-
Profit or loss	-	13,219	-	13,219	-	12,924	12,924
Revaluation of land and buildings	(86)	-	-	(86)	(86)	-	(86)
Gain/(Loss) on available for sale financial assets	159	-	-	159	(1,020)	-	(1,020)
Net gain/(loss) on defined benefit superannuation plans	-	2,684	-	2,684	-	2,684	2,684
Transfers to/(from) reserves	(22)	-	-	(22)	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	51	15,786	-	15,837	(1,106)	15,608	14,502
Balance at 31 December 2013	52,610	294,652	-	347,262	52,089	273,741	325,830

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 2013

		Consolidated		Parent entity	
	Notes	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Cash flows from operating activities					
Australian Government Grants	**3(g)**	224,815	227,395	224,815	227,395
OS-Help (net)	**3(g)**	33	(31)	33	(31)
State Government Grants		3,799	2,981	3,799	2,981
HECS-HELP - Student payments		8,556	9,075	8,556	9,075
Receipts from student fees and other customers		67,073	73,094	49,709	53,211
Dividends received		174	153	34	34
Interest received		5,518	4,627	4,839	3,857
Payments to suppliers and employees (inclusive of GST)		(291,737)	(248,848)	(274,131)	(230,650)
Interest and other costs of finance		(36)	(36)	(1)	(7)
GST recovered		7,232	3,907	7,166	3,725
Net cash provided by / (used in) operating activities	**37**	25,427	72,317	24,819	69,590
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		843	351	835	326
Payments for property, plant and equipment		(32,163)	(24,631)	(31,213)	(22,885)
Proceeds from sale of financial assets		389	799	-	-
Payments for financial assets		(495)	(636)	-	-
Loans to related parties		-	-	(55)	-
Repayment of loans by related parties		-	-	42	46
Net cash provided by / (used in) investing activities		(31,426)	(24,117)	(30,391)	(22,513)
Cash flows from financing activities					
Repayment of finance leases		(46)	(73)	(46)	(73)
Net cash provided by / (used in) financing activities		(46)	(73)	(46)	(73)
Net increase / (decrease) in cash and cash equivalents		(6,045)	48,127	(5,618)	47,004
Cash and cash equivalents at the beginning of the financial year		113,917	65,790	98,626	51,622
Cash and cash equivalents at the end of the financial year		107,872	113,917	93,008	98,626

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

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 of the University and its subsidiaries. They have been prepared on an accrual basis and comply with Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:
- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010

The University of New England is a not-for-profit entity and these statements have been prepared on that basis. Some of the

Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Date of authorisation for issue
The financial statements were authorised for issue by the members of the University Council on 20 March 2014.

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 2013 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.

(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 the University's functional and presentation currency.

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

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit and loss, translation gains or losses are also recognised in profit or loss.

(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) HELP payments
Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

(iii) 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.

(iv) Royalties, trademarks and licences

Revenue from royalties, trademarks and licences is recognised as income when earned.

(v) Investment income

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

(vi) 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 of New England is exempt from income tax under Commonwealth income taxation legislation. Within the consolidated entity UNE Open and Physician Practice Management Company Pty Ltd are not exempt from this 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 34). 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 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.

(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 60 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.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

(k) Non-current assets (or disposal groups) held for sale and discontinued operations

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

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

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

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

(l) 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.

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.

(l) Investments and other financial assets (continued)

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.

(m) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities 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 sheet date (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities 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 (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. 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 level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade 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.

(n) 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.

(o) Property, infrastructure, plant and equipment

Land and buildings, Infrastucture, Works of Art and Museum assets 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.

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, Furniture and Fittings - 7-20 yrs,
Infrastructure 10 - 60 yrs, Other Plant and Equipment - 5 - 15 yrs,
Computing Implementation Costs & Software - 10 yrs, Computing Equipment / Software - 5 - 15 yrs,
Motor Vehicles - 5 yrs,
Library Collection - 10 yrs,

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

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

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

Land controlled by the University was revalued as at 31 December 2011 by Knight Davidson Broun Property Advisory.

Buildings controlled by the University were revalued as at 31 December 2011, by Global Valuation Services.

Infrastructure assets, existing at 31 December 2011, were revalued by Knight Davidson Broun Property Advisory.

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.

(p) Intangible assets

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

(ii) Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquire, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iii) 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).

(q) 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, 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 41.

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 $4.5m exist. The liability for this amount is included in provisions and the expense has been recorded as a superannuation expense.

(r) 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.

(s) 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. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

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.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(u) 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.

(v) Employee benefits

(i) Short-term obligations
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, if it is expected to be settled wholly before twelve months after the end of the reporting period, 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) Other long-term obligations
The liability for other long-term employee benefits such as annual leave, accumulating sick leave and long service leave is recognised in current provisions for employee benefits if it is not expected to be settled wholly before twelve months after the end of the reporting period. It is measured at 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.

(iii) 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Past service costs are recognised in income immediately.

Contributions to the defined contribution section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

(w) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawl or providing termination benefits as result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

(x) 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.

(y) 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.

(z) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 as amended by Class Order 04/667 issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(aa) 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.

(ab) New accounting standards and UIG interpretations not yet adopted

AASB 1055 Budgetary Reporting - 5 March 2013
Applies to reporting periods beginning on or after 01 Jul 2014

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
Applies to reporting periods beginning on or after 01 Jan 2015

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements
Applies to reporting periods beginning on or after 01 Jan 2014

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
Applies to reporting periods beginning on or after 01 Jan 2014

AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements - 5 March 2013
Applies to reporting periods beginning on or after 01 Jul 2014

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets - 27 June 2013
Applies to reporting periods beginning on or after 01 Jan 2014

AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting - 19 July 2013
Applies to reporting periods beginning on or after 01 Jan 2014

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities - 14 August 2013
Applies to reporting periods beginning on or after 01 Jan 2014

AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements - 27 september 2013
Applies to reporting periods beginning on or after 01 Jan 2014

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2013	2012	**2013**	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	309,044	314,570	13,145	46,699	636,717	654,731
Asia	-	6	-	-	-	-
US/Canada	481	280	50	10	-	-
Unallocated	551	588	24	20	-	-
	310,076	315,444	13,219	46,729	636,717	654,731

Note 3. Australian Government financial assistance including Australian Government loan programs (HELP)

	Notes	Consolidated		Parent entity	
		2013	2012	**2013**	2012
		$'000	$'000	**$'000**	$'000
(a) Commonwealth Grant Scheme and Other Grants	**42.1**				
Commonwealth Grant Scheme #1		99,604	94,073	99,604	94,073
Indigenous Support Program		1,137	1,135	1,137	1,135
Partnership & Participation Program # 2		3,651	3,216	3,651	3,216
Disability Support Program		92	57	92	57
Capital Development Pool		-	-	-	-
Diversity and Structural Adjustment Fund #3		6,000	30,600	6,000	30,600
Transitional Cost Program		-	3	-	3
Promotion of Excellence in Learning and Teaching		47	70	47	70
Reward Funding		448	417	448	417
Total Commonwealth Grant Scheme and Other Grants		110,979	129,571	110,979	129,571
(b) Higher Education Loan Programs	**42.2**				
HECS-HELP		58,627	49,486	58,627	49,486
FEE-HELP #4		7,608	5,409	7,608	5,409
SA-HELP		1,027	848	1,027	848
Total Higher Education Loan Programs		67,262	55,743	67,262	55,743
(c) Scholarships	**42.3**				
Australian Postgraduate Awards		2,558	2,513	2,557	2,513
International Postgraduate Research Scholarship		213	220	214	220
Commonwealth Education Cost Scholarships #5		(507)	915	(507)	915
Commonwealth Accommodation Scholarships #5		(29)	105	(29)	105
Indigenous Access Scholarships		(45)	126	(45)	126
Total Scholarships		2,190	3,879	2,190	3,879
(d) Education Research	**42.4**				
Joint Research Engagement Program #6		2,885	3,112	2,885	3,112
Research Training Scheme		6,887	6,978	6,887	6,978
Research Infrastructure Block Grants		809	858	809	858
Implementation Assistance Program		-	-	-	-
Commercialisation Training Scheme		-	-	-	-
Sustainable Research Excellence in Universities		877	859	877	859
Total Education Research Grants		11,458	11,807	11,458	11,807

Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

		Consolidated		Parent entity	
	Notes	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
(e) Australian Research Council	**42.6**				
***(i)* Discovery**	**42.6(a)**				
Project		1,363	1,175	1,363	1,175
Early Career Researcher Award		266	127	266	127
Total Discovery		1,629	1,302	1,629	1,302
***(ii)* Linkages**	**42.6(b)**				
Special research initiative		-	-	-	-
Projects		357	359	357	359
Future fellowships		193	287	193	287
rounding adjustment		(1)	-	(1)	-
Total linkages		549	646	549	646
Total ARC		2,178	1,948	2,178	1,948
(f) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		4,567	3,757	4,567	3,757
Other Research Financial Assistance		18,157	14,730	18,157	14,730
Non-Research Financial Assistance		4,563	4,058	4,563	4,058
Total		27,287	22,545	27,287	22,545
Capital					
Non-Research Financial Assistance		-	3,500	-	3,500
Total		-	3,500	-	3,500
Total Australian Government financial assistance		221,354	228,993	221,354	228,993

#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.

Reconciliation

	Consolidated 2013	Consolidated 2012	Parent entity 2013	Parent entity 2012
Australian Government grants	154,092	173,250	154,092	173,250
HECS-HELP payments	58,627	49,486	58,627	49,486
FEE-HELP payments	7,608	5,409	7,608	5,409
SA-HELP payments	1,027	848	1,027	848
Total Australian Government financial assistance	221,354	228,993	221,354	228,993

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
(g) Australian Government Grants received - cash					
CGS and Other EDUCATION Grants		109,669	130,013	109,669	130,013
Higher Education Loan Programs		68,995	51,449	68,995	51,449
Scholarships		2,190	3,878	2,190	3,878
EDUCATION research		11,458	11,806	11,458	11,806
ARC grants - Discovery		1,629	1,301	1,629	1,301
ARC grants - Linkages		550	647	550	647
Other Australian Government Grants		30,324	28,301	30,324	28,301
Total Australian Government Grants received - cash basis		224,815	227,395	224,815	227,395
OS-HELP (Net)		33	(31)	33	(31)
Total Australian Government funding received - cash basis		224,848	227,364	224,848	227,364
Note 4. State and Local Government financial assistance					
Non-capital		3,799	2,981	3,799	2,981
Capital		-	-	-	-
Total State and Local Government financial assistance		3,799	2,981	3,799	2,981
Note 5. Fees and charges					
Course fees and charges					
Fee-paying overseas students		13,457	14,205	13,457	14,205
Fee-paying domestic postgraduate students		3,700	2,510	3,715	2,510
Fee-paying domestic undergraduate students		207	199	207	199
Fee-paying domestic non-award students		241	230	241	230
Other domestic course fees and charges		5,964	7,726	886	1,307
Total course fees and charges		23,569	24,870	18,506	18,451
Other non-course fees and charges					
Amenities and service fees		341	433	502	433
Student service fees from students		38	42	38	42
Parking fees		392	283	394	283
Conference income		227	430	227	429
College Residential Rental		13,212	12,897	13,267	12,897
Other Fees and Charges		6,508	6,268	6,680	6,268
Total other fees and charges		20,718	20,353	21,108	20,352
Total fees and charges		44,287	45,223	39,614	38,803
Note 6. Investment revenue and income					
Interest		5,110	5,633	4,495	4,861
Dividend Income		320	369	34	34
Total investment revenue		5,430	6,002	4,529	4,895
Change in fair value of financial assets		286	269	-	-
Total other investment income		286	269	-	-
Note 7. Royalties, trademarks and licences					
Royalties		125	73	135	73
Licences		-	34	-	34
Commission fees		51	43	51	43
Total royalties, trademarks and licences		176	150	186	150

		Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Note 8.	**Consultancy and contracts**					
	Consultancy		313	367	313	367
	Contract research		228	350	228	350
	Total consultancy and contracts		541	717	541	717
Note 9.	**Other revenue and income**					
	Other revenue					
	Donations and bequests		890	1,349	50	834
	Scholarships and prizes		18	9	18	9
	Non-government grants		7,149	3,917	7,149	3,917
	Sundry trading income		15,593	15,162	2,747	2,741
	Total other revenue		23,650	20,437	9,964	7,501
	Other Income					
	Other income *		116	7	2,386	2,164
	Total other income		116	7	2,386	2,164
	Total other revenue and income		23,766	20,444	12,350	9,665

* Other income includes the reimbursement of employee related expenses from Sport UNE to the University which is eliminated on consolidation.

		Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Note 10.	**Employee related expenses**					
	Academic					
	Salaries		57,752	52,393	57,752	52,393
	Contribution to funded superannuation and pension schemes		9,217	8,679	9,217	8,679
	Payroll tax		3,980	3,699	3,980	3,699
	Worker's compensation		259	272	259	272
	Long service leave expense		986	2,480	986	2,480
	Annual leave		4,619	4,538	4,619	4,538
	Total academic		76,813	72,061	76,813	72,061
	Non-academic					
	Salaries		66,482	60,069	57,756	52,020
	Contribution to funded superannuation and pension schemes		9,868	10,094	9,052	9,355
	Payroll tax		4,462	4,151	3,988	3,717
	Worker's compensation		286	297	255	268
	Long service leave expense		871	2,609	932	2,464
	Annual leave		4,966	4,971	4,674	4,950
	Other (Allowances, penalties and fringe benefits tax)		171	108	141	83
	Total non-academic		87,106	82,299	76,798	72,857
	Total employee related expenses		163,919	154,360	153,611	144,918
	Deferred superannuation expense	**41**	341	358	341	358
	Total employee related expenses, including deferred government employee benefits for superannuation		164,260	154,718	153,952	145,276

Employees working at Sport UNE are employees of the University and are reported in the employee related expenses of the University from 2013. The comparative was revised accordingly.

		Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Note 11.	**Depreciation and amortisation**					
	Depreciation					
	Buildings		8,419	8,015	8,340	7,936
	Infrastructure		732	740	718	736
	Property Plant & Equipment		4,675	4,141	4,372	3,862
	Leasehold improvements		111	72	-	-
	Plant & equipment under finance leases		47	93	47	93
	Library Collection		3,803	3,718	3,803	3,718
	Total depreciation		17,787	16,779	17,280	16,345

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000

Note 11. Depreciation and amortisation (continued)

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Amortisation				
Intangibles	1,342	1,679	927	1,058
Total amortisation	1,342	1,679	927	1,058
Total depreciation and amortisation	19,129	18,458	18,207	17,403

Note 12. Repairs and maintenance

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Buildings	2,049	765	2,049	765
Heritage Assets	39	38	39	38
Infrastructure	1,004	629	1,004	629
Library Collection	1	5	1	5
Plant/furniture/equipment	1,573	1,547	1,317	1,276
Contracts	2,005	1,704	2,005	1,704
Grounds	407	414	321	353
Computer Service Costs	1,019	474	1,019	474
Total repairs and maintenance	8,097	5,576	7,755	5,244

Note 13. Borrowing costs

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Finance lease interest	7	13	1	7
Less : amount capitalised	-	-	-	-
Total borrowing costs expensed	7	13	1	7

Note 14. Impairment of assets

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Bad Debts	97	130	67	99
Doubtful debts	1,017	564	1,032	568
Impairment of Investments	-	-	-	-
Impairment of assets	174	-	174	-
Total impairment of assets	1,288	694	1,273	667

Note 15. Other expenses

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Scholarships, grants and prizes	10,929	9,069	10,872	9,084
Non-capitalised equipment	4,001	3,534	3,939	3,463
Advertising, marketing and promotional expenses	6,761	3,631	6,326	3,262
Utilities	8,030	7,080	7,411	6,581
Inventory Used	5,951	6,292	4,065	4,289
Postal and Telecommunications	2,340	2,067	1,787	1,452
Travel and Entertainment	7,923	7,710	7,502	7,224
Books, Serials and Other Library Media	4,507	3,884	4,450	3,809
Operating Lease Rental Charges	169	175	38	51
Consultants	16,849	13,098	16,165	11,970
External Contributions	4,845	9,322	6,845	9,322
Catering Services	3,027	3,694	3,083	3,680
Fees for Services	11,365	11,236	9,665	8,781
Asset derecognition	49	2,039	-	2,039
Foreign exchange loss	(65)	124	(65)	124
Computer licensing	12,124	2,835	12,124	2,835
Other Expenditure	4,559	1,927	3,723	3,490
Total other expenses	103,364	87,717	97,930	81,456

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Note 16. Cash and cash equivalents	1(h)				
Cash at bank and on hand		9,650	7,524	5,008	4,626
Deposits at call	1(l)	98,222	106,393	88,000	94,000
Total cash and cash equivalents		107,872	113,917	93,008	98,626

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

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

	Consolidated 2013	Consolidated 2012	Parent 2013	Parent 2012
Balances as above	107,872	113,917	93,008	98,626
Less: Bank Overdrafts	-	-	-	-
Balance per statement of cash flows	107,872	113,917	93,008	98,626

(b) Cash at bank and on hand

Cash at bank is interest bearing with the floating rates being determined by the daily balance of funds held in the account.
Cash on hand are non-interest bearing.

(c) Deposits at call

The current level of deposits are bearing floating interest rates between 3.65% and 4.30% These deposits have an average maturity of 177 days.

Deposits throughout the year were bearing floating interest rates between 3.65% and 5.23% (2012 - 4.45% and 6.11%) with an average maturity of 169 days (2012: 147 days).

Note 17. Receivables

	Notes	Consolidated 2013	Consolidated 2012	Parent 2013	Parent 2012
Current					
Trade and Other Debtors	1(i)	13,806	10,998	11,974	9,216
Less: Provision for impaired receivables		(2,284)	(1,270)	(2,264)	(1,232)
Subtotal		11,522	9,728	9,710	7,984
OS-HELP Asset from Australian Government		(44)	(12)	(44)	(12)
Other receivables		-	-	112	117
Total current receivables		11,478	9,716	9,778	8,089
Non-current					
Other Receivables		-	-	37	26
Deferred government contribution for superannuation *defined benefit plan	41	221,724	248,778	221,724	248,778
Total non-current receivables		221,724	248,778	221,761	248,804
Total receivables		233,202	258,494	231,539	256,893

* 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.

The amount payable by the Commonwealth Government are in respect of:
- State Superannuation Scheme for consolidated and parent in 2013 was $219.975 million (2012: $245.279 million)
- State Authorities Superannuation Scheme for consolidated and parent in 2013 was $1.749 million (2012: $3.499 million)

The reduction in the asset during 2013 for the State Superannuation Schemes (SSS and SASS) is $27.054 million (2012: $19.62 million). This amount has been recorded in the Income Statement as an increase in deferred government contributions with an equivalent increase in deferred government employee benefits for superannuation.

(a) Impaired receivables

As at 31 December 2013 current receivables of the group with a nominal value of $3.359m (2012: $3.603m) were impaired. The amount of the provision was $2.284m (2012: $1.270m). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The impaired receivables for the parent in 2013 was $1.072m (2012:$1.232m).

Note 17. Receivables (continued)

The ageing of these receivables is as follows:

	Consolidated	
	2013	2012
	$'000	$'000
3 to 6 months	2,623	1,292
Over 6 months	736	962
	3,359	2,254

As of 31 December 2013, trade receivables of $1.1m (2012: $0.895m) 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	
	2013	2012
	$'000	$'000
3 to 6 months	1,411	854
Over 6 months	149	225
	1,560	1,079

Movements in the provision for impaired receivables are as follows:

		Consolidated		Parent entity	
	Notes	**2013**	2012	**2013**	2012
		$'000	$'000	**$'000**	$'000
As at 1 January		(1,270)	(750)	(1,232)	(663)
Provision for impairment recognised during the year		(2,279)	(1,214)	(2,264)	(1,232)
Receivables written off during the year as uncollectible		(3)	31	-	-
Unused amount reversed		1,232	663	1,232	663
At 31 December		(2,320)	(1,270)	(2,264)	(1,232)

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

	1(j)				
Current					
Petrol and oils		8	5	8	5
Motor Pool		7	7	7	7
College larder		7	5	7	5
Fodder and produce		91	6	91	6
Other stocks		279	352	-	58
Total current inventories		392	375	113	81

Note 19. Other financial assets

	1(l)				
Current					
Loans and receivables		-	-	50	37
Total current other financial assets		-	-	50	37
Non-current					
Shares in Private Companies		11	11	2,488	3,434
Available for sale		5,579	5,043	1,052	1,025
Total non-current other financial assets		5,590	5,054	3,540	4,459

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000

Note 20. Non current assets classified as held for sale

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Land & Buildings classified as held for sale	1,113	-	1,113	-
Total non-current assets classified as held for sale	1,113	-	1,113	-

Note 21. Other non-financial assets

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Current				
Accrued Income	3,854	3,445	3,573	3,041
Prepaid Expenses	4,887	3,780	4,784	3,725
Total current other non-financial assets	8,741	7,225	8,357	6,766

Note 22. Investments accounted for using the equity method

Name of Entity	Description	Ownership Interest % 2013	Ownership Interest % 2012
Associates			
Remarkspdf Pty Limited	The company trades in Software Development.	30	30

Note 23. Biological assets

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Trees	5	5	5	5
Livestock	620	552	620	552
Total biological assets	625	557	625	557
Reconciliation of changes in the carrying amount of biological assets				
Trees - Balance at 31 December	5	5	5	5
Livestock - Balance as at 1 January	552	721	552	721
Purchases	126	55	126	55
Natural increases	82	117	82	117
Sales	(208)	(173)	(208)	(173)
Increment/(decrement) in fair value of biological assets	68	(168)	68	(168)
Balance as at 31 December	620	552	620	552
Total biological assets	625	557	625	557

At 31 December 2013 livestock held for sale comprised 215 cattle and 12,472 sheep (2012: 92 cattle and 10,156 sheep.)

Note 24. 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 2012											
- Cost	-	-	-	6,182	45,038	698	3,190	34,496	-	665	**90,269**
- Valuation	22,217	21,816	169,994	-	-	-	-	-	1,769	4,983	**220,779**
Accumulated depreciation	-	-	-	-	(28,905)	(203)	(3,026)	(17,182)	-	-	**(49,316)**
Net book amount	**22,217**	**21,816**	**169,994**	**6,182**	**16,133**	**495**	**164**	**17,314**	**1,769**	**5,648**	**261,732**
Year ended 31 December 2012											
Opening net book amount	22,217	21,816	169,994	6,182	16,133	495	164	17,314	1,769	5,648	**261,732**
Depreciation written back on disposal	-	-	-	-	3,596	-	330	277	-	-	**4,203**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	**-**
Transfers	-	-	14,820	(14,841)	381	-	-	-	-	(360)	**-**
Derecognition	-	-	-	-	(3,938)	-	(330)	(1,782)	-	(2,039)	**(8,089)**
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	**-**
Additions	498	-	119	17,043	3,725	41	-	1,300	-	981	**23,707**
Depreciation charge	(740)	-	(8,015)	-	(4,141)	(72)	(93)	(3,718)	-	-	**(16,779)**
Closing net book amount	**21,975**	**21,816**	**176,918**	**8,384**	**15,756**	**464**	**71**	**13,391**	**1,769**	**4,230**	**264,774**
At 31 December 2012											
- Cost	498	-	14,938	8,384	45,163	738	2,861	34,014	-	1,285	**107,881**
- Valuation	22,217	21,816	169,995	-	-	-	-	-	1,769	2,945	**218,742**
Accumulated depreciation	(740)	-	(8,015)	-	(29,407)	(274)	(2,790)	(20,623)	-	-	**(61,849)**
Net book amount	**21,975**	**21,816**	**176,918**	**8,384**	**15,756**	**464**	**71**	**13,391**	**1,769**	**4,230**	**264,774**

Note 24. 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 2013											
Opening net book amount	21,975	21,816	176,918	8,384	15,756	464	71	13,391	1,769	4,230	**264,774**
Depreciation written back on disposal	4	-	49	-	4,290	19	-	704	-	-	**5,066**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	-	-	-	-	**-**
Derecognition	(2)	-	(56)	-	(4,424)	(31)	-	-	-	(1,567)	**(6,080)**
Land and Buildings held for sale	(46)	(910)	(100)	-	(57)	-	-	-	-	-	**(1,113)**
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	**-**
Additions	416	-	3,968	12,727	13,329	40	-	898	-	95	**31,473**
Impairment	-	-	(244)	-	-	-	-	-	-	-	**(244)**
Depreciation charge	(732)	-	(8,440)	-	(4,675)	(111)	(47)	(3,803)	-	-	**(17,808)**
Closing net book amount	**21,615**	**20,906**	**172,094**	**21,111**	**24,219**	**381**	**24**	**11,190**	**1,769**	**2,758**	**276,068**
At 31 December 2013											
- Cost	866	-	18,748	21,111	54,310	760	2,756	35,892	-	1,111	**135,554**
- Valuation	22,217	20,906	169,995	-	-	-	-	-	1,769	1,647	**216,534**
Accumulated Impairment	-	-	(244)	-	-	-	-	-	-	-	**(244)**
Accumulated depreciation	(1,468)	-	(16,405)	-	(30,091)	(378)	(2,732)	(24,702)	-	-	**(75,776)**
Net book amount	**21,615**	**20,906**	**172,094**	**21,111**	**24,219**	**382**	**24**	**11,190**	**1,769**	**2,758**	**276,068**

Note 24. 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 2012										
- Cost	-	-	-	6,182	40,957	3,191	34,495	-	666	**85,491**
- Valuation	22,147	21,416	167,202	-	-	-	-	1,769	4,983	**217,517**
Accumulated depreciation	-	-	-	-	(25,908)	(3,026)	(17,182)	-	-	**(46,116)**
Net book amount	**22,147**	**21,416**	**167,202**	**6,182**	**15,049**	**165**	**17,313**	**1,769**	**5,649**	**256,892**
Year ended 31 December 2012										
Opening net book amount	22,147	21,416	167,202	6,182	15,049	165	17,313	1,769	5,649	**256,892**
Depreciation written back on disposal	-	-	-	-	3,592	330	277	-	-	**4,199**
Transfers	-	-	14,820	(14,841)	381	-	-	-	(360)	**-**
Derecognition	-	-	-	-	(3,908)	(330)	(1,782)	-	(2,039)	**(8,059)**
Revaluation surplus	-	-	-	-	-	-	-	-	-	**-**
Additions	498	-	28	17,043	3,462	-	1,301	-	980	**23,312**
Depreciation charge	(736)	-	(7,936)	-	(3,862)	(93)	(3,718)	-	-	**(16,345)**
Closing net book amount	**21,909**	**21,416**	**174,114**	**8,384**	**14,714**	**72**	**13,391**	**1,769**	**4,230**	**259,999**
At 31 December 2012										
- Cost	498	-	14,848	8,384	40,892	2,861	34,014	-	1,285	**102,782**
- Valuation	22,147	21,416	167,202	-	-	-	-	1,769	2,945	**215,479**
Accumulated depreciation	(736)	-	(7,936)	-	(26,178)	(2,789)	(20,623)	-	-	**(58,262)**
Net book amount	**21,909**	**21,416**	**174,114**	**8,384**	**14,714**	**72**	**13,391**	**1,769**	**4,230**	**259,999**

Note 24. 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 2013										
Opening net book amount	21,909	21,416	174,114	8,384	14,716	71	13,391	1,769	4,230	**259,999**
Depreciation written back on disposal	4	-	49	-	3,960	-	704	-	-	**4,717**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	-	-	-	**-**
Derecognition	(2)	-	(57)	-	(4,037)	-	-	-	(1,567)	**(5,663)**
Land and Buildings held for sale	(46)	(910)	(100)	-	(57)	-	-	-	-	**(1,113)**
Revaluation surplus	-	-	-	-	-	-	-	-	-	**-**
Additions	336	-	3,966	12,727	12,618	-	898	-	-	**30,545**
Impairment	-	-	(244)	-	-	-	-	-	-	**(244)**
Depreciation charge	(718)	-	(8,361)	-	(4,372)	(47)	(3,803)	-	-	**(17,301)**
Closing net book amount	**21,483**	**20,506**	**169,367**	**21,111**	**22,829**	**24**	**11,190**	**1,769**	**2,664**	**270,942**
At 31 December 2013										
- Cost	786	-	18,657	21,111	49,729	2,756	35,892	-	1,017	**129,948**
- Valuation	22,147	20,506	167,202	-	-	-	-	1,769	1,647	**213,270**
Accumulated Impairment	-	-	(244)	-	-	-	-	-	-	**(244)**
Accumulated depreciation	(1,450)	-	(16,248)	-	(26,900)	(2,732)	(24,702)	-	-	**(72,032)**
Net book amount	**21,483**	**20,506**	**169,367**	**21,111**	**22,829**	**24**	**11,190**	**1,769**	**2,664**	**270,942**

* Property, plant & equipment includes all operational assets and $4.2m of work in progress.

** Other Property, plant & equipment includes non-operational assets such as Museum & Collections, Artworks & Work in progress. The Herbarium Museum previously recognised at a value of $1.298m was derecognized during the year.

Note 25. Intangible assets

	Notes	Software Development	License	Goodwill	Course Development	Total
	1(p)	$'000	$'000		$'000	$'000
Consolidated						
At 1 January 2012						
Cost		15,375	585	-	964	16,924
Accumulated amortisation and impairment		(11,930)	-	-	(847)	(12,777)
Net book amount		3,445	585	-	117	4,147
Year ended 31 December 2012						
Opening net book amount		3,445	585	-	117	4,147
Additions - Internal development		502	-	-	-	502
Additions - separately acquired		-	-	-	90	90
Additions - Acquisition of subsidiary		-	-	1,269	66	1,335
Impairment		-	(60)	-	-	(60)
Amortisation charge		(1,252)	-	(364)	(63)	(1,679)
Closing net book amount		2,695	525	905	210	4,335
At 31 December 2012						
Cost		15,694	525	1,269	417	17,905
Accumulated amortisation and impairment		(12,999)	-	(364)	(207)	(13,570)
Net book amount		2,695	525	905	210	4,335
Year ended 31 December 2013						
Opening net book amount		2,695	525	905	210	4,335
Additions - Internal development		121	-	-	109	230
Additions - separately acquired		-	-	-	-	-
Additions - Acquisition of subsidiary		-	-	-	-	-
Impairment		(109)	-	-	-	(109)
Amortisation charge		(1,133)	-	(112)	(97)	(1,342)
Closing net book amount		1,574	525	793	222	3,114
At 31 December 2013						
Cost		15,264	525	1,269	526	17,583
Accumulated amortisation and impairment		(13,689)	-	(476)	(304)	(14,469)
Net book amount		1,575	525	793	222	3,114

Note 26. Trade and other payables

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Current					
Trade Payables	1(r)	4,484	3,627	3,490	2,644
Refundable Receipts		-	11	-	11
Total current trade and other payables		4,484	3,638	3,490	2,655

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 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
US Dollar	-	-	-	-
Australian Dollars	4,484	3,638	3,490	2,655
Total current trade and other payables	4,484	3,638	3,490	2,655

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39(ii).

Note 27. Borrowings

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Current				
Commercial Loan				
Other	-	-	-	-
Total commercial loan	-	-	-	-
Finance Lease (i)				
National Australia Bank	-	46	-	46
Total current borrowings	-	46	-	46

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Non-current					
Finance Lease					
National Australia Bank		-	-	-	-
Total non-current borrowings		-	-	-	-
Total borrowings		-	46	-	46

(i) Secured by the assets leased (note 24)

The following facilities are available as at balance date:
- Master lease agreements - $2.5million
- Credit card facility - $1.5million
- Business lending bank guarantees - $0.2million

The University has a borrowing facility worth $20 million. As at 31 December 2013, there had been no drawings on this facility.

	Consolidated 2013	Consolidated 2012	Parent entity 2013	Parent entity 2012
Bank loan facilities				
Total facilities	20,000	-	20,000	-
Unused amount at balance date	20,000	-	20,000	-

Defaults or breaches During the current and prior years there were no defaults or breaches on any of the borrowings

Note 28. Provisions 1(u)

	Consolidated 2013	Consolidated 2012	Parent entity 2013	Parent entity 2012
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Annual Leave	8,919	12,933	8,313	11,973
Long Service Leave	3,357	4,043	3,073	3,216
Staffing	1,249	402	1,249	402
Other	103	2,877	100	2,873
Subtotal	13,628	20,255	12,735	18,464
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual Leave	4,382	33	3,991	30
Long Service Leave	12,937	12,891	12,445	12,869
Other	-	11	-	11
Subtotal	17,319	12,935	16,436	12,910
Total current provisions	30,947	33,190	29,171	31,374
Non-current provisions				
Employee benefits				
Long Service Leave	4,061	4,914	3,876	4,685
Deferred government benefits for superannuation	225,676	252,838	225,676	252,838
Professorial Superannuation	1,422	4,492	1,422	4,492
Total non-current provisions	231,159	262,244	230,974	262,015
Total provisions	262,106	295,434	260,145	293,389

Employees working at Sport UNE are employees of the University and are reported in the employee related expenses of the University from 2013.
The comparative was revised accordingly.

Note 29. Other Liabilities

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
Current				
(i) Accrued Liabilities				
Salary Related	2,121	2,771	2,058	2,729
Other Accrued Expenditure	9,788	10,179	9,651	9,818
	11,909	12,950	11,709	12,547
(ii) Monies Received in Advance				
Australian Government Unspent Financial Assistance	-	-	-	-
Financial Assistance in Advance	748	367	748	367
Fees in Advance	7,359	7,975	6,307	6,892
	8,107	8,342	7,055	7,259
(iii) Trust Funds				
Security Deposits	20	15	20	15
Employee Deduction Clearing Accounts	1,900	2,149	1,900	2,149
Associated Entities	13	12	13	12
Other	916	721	803	721
	2,849	2,897	2,736	2,897
Total current other liabilities	22,865	24,189	21,500	22,703
Non Current				
Fees in Advance	-	-	-	-
Total other liabilities	22,865	24,189	21,500	22,703

Note 30. Reserves and retained earnings

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent entity 2013 $'000	Parent entity 2012 $'000
(a) Reserves				
Revaluation Reserve - Investments	1,243	1,106	2,183	3,203
Revaluation Reserve - Buildings	27,517	27,587	26,447	26,517
Revaluation Reserve - Land	13,019	13,035	12,699	12,715
Revaluation Reserve - Infrastructure	10,433	10,433	10,362	10,362
Revaluation Reserve - Works of Art	398	398	398	398
Total reserves	52,610	52,559	52,089	53,195
Movements				
Asset revaluation reserve - Investments				
Balance 1 January	1,106	901	3,203	2,814
Prior year adjustment	117	-	-	-
Transfer from reserves	(22)	-	-	-
Increment/(decrement) on revaluation	42	205	(1,020)	389
Balance 31 December	1,243	1,106	2,183	3,203
Asset revaluation reserve - Buildings				
Balance 1 January	27,587	27,633	26,517	26,563
Increment/(decrement) on revaluation	(70)	(46)	(70)	(46)
Transfer to land revaluation reserves	-	-	-	-
Transfer to/(from) retained surplus on disposal	-	-	-	-
Balance 31 December	27,517	27,587	26,447	26,517
Asset revaluation reserve - Land				
Balance 1 January	13,035	13,035	12,715	12,715
Transfer from buildings revaluation reserves	-	-	-	-
Increment/(decrement) on revaluation	(16)	-	(16)	-
Balance 31 December	13,019	13,035	12,699	12,715

Note 30. Reserves and retained earnings -continued

	Consolidated		Parent entity	
	2013	2012	**2013**	2012
Movements	**$'000**	$'000	**$'000**	$'000
Asset revaluation reserve - Infrastructure				
Balance 1 January	10,433	10,386	10,362	10,316
Transfer to/(from) retained surplus on disposal	-	-	-	-
Increment/(decrement) on revaluation	-	47	-	46
Balance 31 December	10,433	10,433	10,362	10,362
Asset revaluation reserve - Works of art				
Balance 1 January	398	398	398	398
Increment on revaluation	-	-	-	-
Balance 31 December	398	398	398	398
Asset revaluation reserve - Intangibles				
Balance 1 January	-	60	-	60
Increment on revaluation	-	(60)	-	(60)
Balance 31 December	-	-	-	-

(b) Retained earnings

Movements in retained surplus were as follows:				
Retained earnings at 1 January	278,865	232,330	258,132	213,003
Actuarial gain/(loss) on defined benefit superannuation plans	2,684	(192)	2,684	(192)
Other	(117)	-	-	-
Net Operating Result for the year	13,219	46,729	12,924	45,321
rounding adjustment	-	-	1	-
Retained earnings at 31 December	294,652	278,865	273,741	258,132

(c) Nature and purpose of reserves

(i) Asset revaluation reserve - land, buildings, infrastructure and works of art

The reserve reflects the difference between the valuation assessment amount and the carrying cost. It records increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(o).

(ii) Asset revaluation reserve - Investments

The reserve reflects the difference between the carrying cost and market value of available for sale investments.

Note 31. Key management personnel disclosures

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

The Hon. John Watkins - Chancellor
Dr Geoffrey Fox - Deputy Chancellor
Professor James Barber - Vice Chancellor
Mr Archie Campbell
Mr Ben Crough
Dr Brian Denman
Mr Kevin Dupe'
Mr Robert Finch
Dr James Harris
Dr Jack Hobbs
Professor Eilis Magner - term expired 4 February 2013
Ms Jan McClelland
Ms Catherine Millis
Ms Gae Raby
Professor Nick Reid - appointed 4 February 2013
Professor Margaret Sims
Dr Jeannet van der Lee
The Hon. Richard Torbay MP - Chancellor - resigned 20 March 2013

(b) Remuneration of Council Members and Executive Officers

	Consolidated		Parent entity	
	2013	2012	**2013**	2012
i) Remuneration of Council Members	**No.**	**No.**	**No.**	**No.**
Nil to $9,999	52	38	16	20
	52	38	16	20

Members of staff serving as Members of Council receiving remuneration as per their employment conditions are excluded. Other Members of Council received no remuneration in their capacity as Members of Council except for those that Chair a Committee who were paid a sitting fee. Total fees paid in 2013 were $Nil (2012: $Nil).

	$'000	$'000	**$'000**	$'000
Aggregate remuneration of Council Members				
Total Aggregate Remuneration	50	7	-	-

ii) Remuneration of executive officers	**No.**	**No.**	**No.**	**No.**
$130,000 to $139,999	-	1	-	-
$140,000 to $149,999	1	-	-	-
$150,000 to $159,999	2	2	1	-
$160,000 to $169,999	2	-	2	-
$170,000 to $179,999	-	-	-	-
$180,000 to $189,999	2	-	-	-
$190,000 to $199,999	-	1	-	1
$200,000 to $209,999	-	-	-	-
$210,000 to $219,999	1	-	1	-
$220,000 to $229,999	-	1	-	-
$230,000 to $239,999	1	1	1	1
$240,000 to $249,999	1	-	1	-
$260,000 to $269,999	1	-	1	-
$270,000 to $279,999	-	1	-	1
$280,000 to $289,999	1	1	1	1
$290,000 to $299,999	-	-	-	-
$310,000 to $319,999	1	-	1	-
$320,000 to $329,999	-	2	-	2
$330,000 to $339,999	-	-	-	-
$350,000 to $359,999	-	2	-	2
$400,000 to $409,999	2	-	2	-
$470,000 to $479,999	-	-	-	-
$580,000 to $589,999	-	-	-	-
$600,000 to $609,999	-	1	-	1
$780,000 to $789,999	1	-	1	-
	16	13	12	9

(c) Key management personnel compensation

	$'000	$'000	**$'000**	$'000
Aggregate Remuneration of executive officers	4,879	3,992	3,637	3,012

Note 32. 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	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Audit and review of the Financial Statements				
Fees paid to The Audit Office of NSW	390	353	274	253
Total remuneration for audit services	390	353	274	253
Other audit and assurance services				
WHK Camerons Audit Services	-	10	-	-
Other audit firms	32	116	27	116
Total remuneration for audit-related services	32	126	27	116
Total audit fees	422	479	301	369

Note 33. 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 34. Commitments

(a) Capital Commitments

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

Property, plant and equipment payable:				
Within one year	17,155	12,236	17,111	12,224
Later than one year	-	-	-	-
Total PPE Commitments	17,155	12,236	17,111	12,224

(b) Lease Commitments

(i) Operating Leases				
Within one year	752	167	519	-
Between one and five years	2,168	156	2,060	-
Later than five years	517	-	517	-
Total operating leases	3,437	323	3,096	-
(ii) Finance Leases				
Within one year	-	47	-	47
Between one and five years	-	-	-	-
Later than five years	-	-	-	-
Total finance leases	-	47	-	47
Total lease commitments	3,437	370	3,096	47

No lease arrangements, existing as at 31 December 2013, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 35. 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 36.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 31.

(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.

The following transactions occurred with related parties:	Consolidated	
	2013	2012
	$'000	$'000
Issued capital	100	-
Sale of goods and services	2,195	2,431
Purchase of goods and services	3,326	1,629

(e) Loans to/from related parties

Loans to subsidiaries		
Beginning of the year	37	83
Loans advanced	55	
Loan repayment recevied	(42)	(46)
Interest charged	1	4
Interest received	(1)	(4)
End of year	50	37

No provisions for doubtful debts have been raised in relation to anu outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Outstanding balances

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

Receivables (sale of goods and services)	300	210
Payables	28	50

(g) Guarantees

There have been no guarantees given.

(h) 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 36. 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 2013 %	Equity Holding 2012 %
UNE Partnerships Pty Limited	Australia	Limited by Shares	100	100
Agricultural Business Research Institute	Australia	Limited by Guarantee	100	100
Services UNE Limited	Australia	Limited by Guarantee	100	100
Sport UNE Limited	Australia	Limited by Guarantee	100	100
UNE Foundation Limited as Trustee for UNE Foundation	Australia	Limited by Guarantee	100	100
UNE Open Pty Limited	Australia	Limited by Shares	100	100
UNE Physician Practice Management Company Pty Limited (Change of name effective from 15 January 2014, now UNE Health Pty Limited)	Australia	Limited by Shares	100	100

Note 37. Reconciliation of operating result after income tax to net cash provided by/(used in) operating activities

	Consolidated		Parent entity	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Operating result for the period	13,219	46,729	12,924	45,321
Depreciation and amortisation	19,129	18,458	18,207	17,403
Purchase of issued capital	-	-	-	-
Asset capitalisation	-	(634)	-	(634)
Impairment of investment	173	(1)	173	-
Provision for impaired receivables	1,029	587	1,032	568
Actuarial gain/(loss) on deferred superannuation	2,684	(192)	2,684	(192)
Capitalisation & reinvestment of dividend	(129)	(193)	-	-
Net transfer of assets from/to controlled entity	-	-	-	-
Loss /(gain) on revaluation/derecognition	(286)	1,770	-	2,039
Net (gain) / loss on sale of non-current assets	694	1,541	712	1,495
Increase/(Decrease) in Payables and Prepaid Income	(439)	3,836	(207)	4,156
Increase/(Decrease) in Provision for Employee Entitlements	(31,694)	21,341	(31,608)	21,101
Increase/(Decrease) in Provision for Annual/Long Service Lea	332	767	290	688
Increase/(Decrease) in Other Provisions	(1,844)	25	(1,926)	(180)
Increase/(Decrease) in Trust Funds	(161)	612	(161)	612
(Increase)/Decrease in Receivables and Prepaid Expenses	22,732	(22,392)	22,731	(22,827)
(Increase)/Decrease in Inventories	(12)	63	(32)	40
Net cash provided by / (used in) operating activities	25,427	72,317	24,819	69,590

Note 38. Events occurring after the balance date

There are no reportable events occurring after balance date.

Note 39. Financial risk management

The Group'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 Group'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 Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

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 3.65% and 5.23%. Average maturity of 172 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	27	No borrowings were taken up in 2013.	
Finance Leasing	27	The lease liability is accounted for in accordance with AASB 117.	
Creditors and Accruals	26 & 29(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

Note 39. Financial risk management - continued

(ii) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

The Group undertakes certain transactions denominated in foreign currencies. These transactions expose the Group to exchange rate fluctuations. To minimise the risk, the Group recognises all transactions, assets and liabilities in Australian dollars only. Foreign currency deposits are recorded at cost and revalued at balance date. The parent entity (University) also managed exposure to foreign currency with derivative financial instruments such as foreign exchange contracts.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices.
Neither the Group nor the parent entity are exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. For the parent entity, 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 Group invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The Group'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 Group 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 Group'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 Group'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 parent entity, the only material exposure exists in related entity debtors.

For UNE Partnerships Pty Limited, Agricultural Business Research Institute, Services UNE Limited, 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 Group:
- 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

For the parent entity, 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.

Note 39. Financial risk management - continued

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$000	$000	$000	$000	$000	$000
Financial Assets							
Cash & cash equivalents	2.30%	9,650					9,650
Investments-Term Deposits	4.38%		98,222				98,222
Receivables						20,219	20,219
Listed Shares						5,579	5,579
Unlisted Shares						11	11
Total Financial Assets		9,650	98,222			25,809	133,681
Financial Liabilities							
Borrowings			-	-			0
Payables						4,483	4,483
Other Amounts Owing						22,865	22,865
Total Financial Liabilities			-	-		27,348	27,348
Net Financial Assets(Liabilities)		9,650	98,222	-		(1,539)	106,333

Comparative figures for the previous year are as follows:

31 December 2012	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	3.29%	7,524					7,524
Investments - Term Deposits	5.37%		106,393				106,393
Receivables						16,941	16,941
Listed Shares						5,043	5,043
Unlisted Shares						11	11
Total Financial Assets		7,524	106,393			21,995	135,912
Financial Liabilities							
Borrowings			46	-			46
Payables						3,638	3,638
Other Amounts Owing						24,189	24,189
Total Financial Liabilities			46	-		27,827	27,873
Net Financial Assets(Liabilities)		7,524	106,347	-		(5,832)	108,039

Note 39. 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 2013	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	9,650	(97)	(97)	97	97	0	0	0	0	N/A	N/A	N/A	N/A
Investments-Term Deposits	98,222	(982)	(982)	982	982	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	20,219												
Receivables - Related Entities	-												
Listed Shares	5,579												
Unlisted Shares	11												
Total Financial Assets	133,681												
Financial Liabilities													
Borrowings	-	-	-	-	-								
Payables	4,483												
Other Amounts Owing	22,865												
Total Financial Liabilities	27,348												
Total increase / (decrease)	106,333	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2012	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	7,524	(75)	(75)	75	75	-	-	-	-	N/A	N/A	N/A	N/A
Investments - Term Deposits	106,393	(1,064)	(1,064)	1,064	1,064	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	16,941					-	-	-	-				
Listed Shares	5,043												
Unlisted Shares	11												
Total Financial Assets	135,912												
Financial Liabilities													
Borrowings	46	-	-	-	-								
Creditors	3,638												
Other Amounts Owing	24,189												
Total Financial Liabilities	27,873												
Total increase / (decrease)	108,039	-	-	-	-	-	-	-	-	-	-	-	-

Note 40. Fair Value Measurements

(a) Fair value measurements

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

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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Financial assets				
Cash and cash equivalents	107,872	113,917	107,872	113,917
Receivables	233,202	258,494	233,202	258,494
Other financial assets	5,579	5,043	5,579	5,043
Total financial assets	346,653	377,454	346,653	377,454
Non-financial assets				
Land	20,906	21,816	20,906	21,816
Buildings	172,094	176,918	172,094	176,918
Infrastructure	21,615	21,975	21,615	21,975
Works Of Art	1,216	1,216	1,216	1,216
Museums	431	1,729	431	1,729
Total non-financial assets	216,262	223,654	216,262	223,654
Financial liabilities				
Payables	4,484	3,638	4,484	3,638
Borrowings	-	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	4,484	3,638	4,484	3,638

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:
• Financial assets at fair value through profit or loss
• Derivative financial instruments
• Available-for-sale financial assets
• Land and buildings
• Infrastructure
• Works Of Art
• Museums

The Group has also measured assets and liabilities as fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

(b) Fair value hierarchy

The Group categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - inputs other than quoted prices within level 1that are observable for the asset or liability either directly or indirectly
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2013. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

Fair value measurements at 31 December 2013

Recurring fair value measurements	**2013**	Level 1	Level 2	Level 3
Financial assets	**$'000**	$'000	$'000	$'000
Other financial assets	5,579	5,579	-	-
Receivables	-	-	-	-
Total financial assets	5,579	5,579	-	-
Non-financial assets				
Land	20,906	-	-	20,906
Buildings	172,094	-	-	172,094
Infrastructure	21,615	-	-	21,615
Works Of Art	1,216	-	-	1,216
Museums	431	-	-	431
Total non-financial assets	216,262	-	-	216,262
Total Fair value measurements at 31 December 2013	221,841	5,579	-	216,262

Note 40. Fair Value Measurements (continued)

Fair value measurements at 31 December 2012

Recurring fair value measurements	2012	Level 1	Level 2	Level 3
Financial assets	**$'000**	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Available-for-sale financial assets				
Other financial assets	5,043	5,043	-	-
Total financial assets	5,043	5,043	-	-
Non-financial assets				
Land	21,816	-	-	21,816
Buildings	176,918	-	-	176,918
Infrastructure	21,975	-	-	21,975
Works Of Art	1,216	-	-	1,216
Museums	1,729	-	-	1,729
Total non-financial assets	223,654	-	-	223,654
Total Fair value measurements at 31 December 2012	228,697	5,043	-	223,654

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.
For transfers in and out of level 3 measurements see (d) below.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values
The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair value of assets or liabilities 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 sheet date (level 1). This is the most representative of fair value in the circumstances.

The fair values of held-to-maturity investments and interests in associates that are disclosed in notes 22 and 24 were determined by reference to published price quotations in an active market (level1).

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 (level 3).

The fair value of non-current borrowings disclosed in note 27 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2013, the borrowing rates are fixed at 4.04%.

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements
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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.
Specific valuation techniques used to value financial instruments include:
• the use of quoted market prices or dealer quotes for similar instruments
• the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
• the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
• other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments
•fair value of land and buildings, infrastructure, works of art, museum assets are determined from independent valuation.

All of the resulting fair value estimates are included in level 3 except for listed shares.

Note 40. Fair Value Measurements (continued)

Properties are valued independently triennially and freehold land and building (classified as property, plant and equipment) at least every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates

The best evidence of fair value is current prices is an active market for similar properties. Where such information is not available the Group considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3 except for vacant land.

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2013 and 2012:

Level 3 Fair Value Measurements 2013	Unlisted equity secutiries $'000	Buildings $'000	Other financial assets $'000	Other $'000	Total $'000
Opening balance	-	176,918	-	48,021	224,940
Adoption of AASB13	-	-	-	-	-
Acquisitions	-	3,968	-	511	4,479
Transfers from level 1	-	-	-	-	-
Transfers from level 2	-	-	-	-	-
Available for sale	-	-100	-	-956	-1,056
Sales	-	-56	-	-1,569	-1,625
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains/(losses)	-	-	-	-	-
Recognised in profit or loss*	-	-8,635	-	(728)	(9,363)
Recognised in other comprehensive income	-	-	-	-	-
Closing balance	-	172,095	-	45,279	217,375
Level 3 Fair Value Measurements 2012					
Opening balance	-	169,994	-	49,681	219,676
Transfers from level 1	-	-	-	-360	-360
Acquisitions		14,939		1,479	
Disposals	-	-	-	-2,039	-2,039
Total gains/(losses)	-	-	-	-	-
Recognised in profit or loss	-	-8,015	-	-740	-8,755
Recognised in other comprehensive income*	-	-	-	-	-
Closing balance	-	176,918	-	48,021	224,940

*change in unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period (included in gains/(losses) recognised in Other Comprehensive Income above)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Fair Value at 31 Dec 11 $'000	* Unobservable Inputs	Range Of Inputs	Relationship Of Unobservable inputs to fair value
Land	21,816	KDB Valuation		N/A - No reference from valuer to observable market data
Buildings	176,918	KDB Valuation		
Infrastructure	21,975	KDB Valuation		
Works Of Art	1,216	KDB Valuation		
Museums	1,729	KDB Valuation		
Total	**223,654**			

*There were no significant inter-relationships between unobservable inputs that materially affects fair value

Note 41. 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 $0.608 million in 2013, (2012: $0.456 million) to the defined benefit plan during the year.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Defined benefit obligation - 31 Dec 2013	18,981	19,540	59,999	384,305	482,825
Defined benefit obligation - 31 Dec 2012	-	-	-	-	-

b) Categories of plan assets
All pooled Fund assets are invested by SAS Trustee Corporation at arm's length through independent fund managers and assets are not separately invested for each entity. As such, the disclosures below relate to total assets of the Pooled Fund.

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

As at 31 December 2013		Quoted price in active markets for identical assets	Significant observable inputs	Unobservable
	Total	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Short Term Securities	3,099,598	1,984,408	1,115,190	-
Australian Fixed Interest	1,686,348	6,734	1,679,614	-
International Fixed Interest	835,280	-	835,280	-
Australian Equities	13,092,913	12,876,543	216,206	164
International Equities	10,944,453	8,307,700	2,636,045	708
Property	3,148,735	800,135	680,854	1,667,746
Alternatives	5,862,620	525,243	2,448,886	2,888,491
Total	**38,669,947**	**24,500,763**	**9,612,075**	**4,557,109**

Note 41. Defined Benefit Plans (continued)

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

State schemes (SASS, SANCS, SSS)	2013 (%)	2012 (%)
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)	3.9	3.1
Discount rate (s) (net of tax)	n/a	n/a
Expected return on fund assets	3.1	3.1*
Expected rate (s) of salary increase	4.0	4.0

c) Actuarial assumptions and sensitivity
The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

	Base case	Impact on defined benefit obligation ($'000)	
		Increase in discount rate	**Decrease in discount rate**
Discount rate	4.27%	5.27%	3.27%
Rate if CPI increase	2.50% pa	2.50% pa	2.50% pa
Salary growth rate	2.25%	2.25%	2.25%
Defined benefit obligation ($'000)	283,895	258,135	314,541
		Increase in rate of CPI	**Decrease in rate of CPI**
Discount rate	4.27%	4.27%	4.27%
Rate if CPI increase	2.50% pa	3.00% pa	2.00% pa
Salary growth rate	2.25%	2.25%	2.25%
Defined benefit obligation ($'000)	283,895	297,391	271,401
		Increase in salary inflation rate	**Decrease in salary inflation rate**
Discount rate	4.27%	4.27%	4.27%
Rate if CPI increase	2.50% pa	2.50% pa	2.50% pa
Salary growth rate	2.25%	+ 0.5% pa	- 0.5% pa
Defined benefit obligation ($'000)	283,895	284,905	282,923
		Sensitivity to demographic assumptions	
		+ 5% pensioner mortality rate	- 5% pensioner mortality rate
Defined benefit obligation ($'000)	283,895	280,792	287,181

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

d) Statement of Financial Position amounts

Present value of obligations - 2013	SASS $'000	SANCS $'000	SSS $'000	PSF $'000	Total $'000
Opening defined benefit obligation	26,930	5,195	286,861	11,491	330,477
Current service cost	892	206	559	90	1,747
Interest expense/(income)	855	165	9,212	246	10,478
Remeasurements					
Actuarial (gains)/losses arising from liability experience	882	138	(280)	(258)	482
Actuarial (gains)/losses arising from changes in financial assumptions	(813)	(233)	(28,226)	(965)	(30,237)
Contributions					
Plan participants	426	-	377	-	803
Exchange differences on foreign plans					
Payments from plan					
Benefits paid	(4,207)	(1,019)	(15,791)	(1,190)	(22,207)
Taxes, premiums & expenses paid	(152)	(1)	1,919	-	1,766
Closing defined benefit obligation	**24,813**	**4,451**	**254,631**	**9,414**	**293,309**

Note 41. Defined Benefit Plans (continued)

Present value of plan assets - 2013	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Opening fair value of plan assets	23,431	1,134	41,582	6,999	73,146
Interest expense/(income)	740	55	1,118	208	2,121
Remeasurements					
Return on plan assets less interest income	2,043	104	5,180	-	7,327
Actuarial gains/(losses)	-	-	-	1,367	1,367
Contributions					
Employers	783	226	271	608	1,888
Plan participants	426	-	377	-	803
Payments from plan					
Benefits paid	(4,207)	(1,019)	(15,791)	(1,190)	(22,207)
Settlements	(152)	(1)	1,919	-	1,766
Closing fair value of plan assets	**23,064**	**499**	**34,656**	**7,992**	**66,211**

Reimbursement rights - 2013	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Opening value of reimbursement right	3,499	-	245,279	-	248,778
Change in value	(1,750)	-	(25,304)	-	(27,054)
Closing value of reimbursement right	**1,749**	**-**	**219,975**	**-**	**221,724**

Net liability- 2013	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Defined benefit obligation	24,813	4,451	254,631	9,414	293,309
Fair value of plan assets	23,064	499	34,656	7,992	66,211
Total net liability /(asset) in statement of financial position	**1,749**	**3,952**	**219,975**	**1,422**	**227,098**

Present value of obligations - 2012	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Opening defined benefit obligation	24,638	4,981	274,777	11,804	316,200
Current service cost	855	204	499	216	1,774
Interest expense/(income)	873	173	9,870	318	11,234
Remeasurements					
Actuarial (gains)/losses arising from liability experience	1,715	182	(3,906)	480	(1,529)
Actuarial (gains)/losses arising from changes in demographic assumptions	(53)	(52)	6,873	-	6,768
Actuarial (gains)/losses arising from changes in financial assumptions	485	155	12,808	-	13,448
Contributions					
Plan participants	421	-	336	-	757
Payments from plan					
Benefits paid	(1,806)	(403)	(15,467)	(1,327)	(19,003)
Taxes, premiums & expenses paid	(197)	(46)	1,070	-	827
Closing defined benefit obligation	**26,931**	**5,194**	**286,860**	**11,491**	**330,476**

Present value of plan assets - 2012	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Opening fair value of plan assets	21,045	1,266	49,212	6,900	78,423
Remeasurements					
Interest income	740	62	1,524	0	2,326
Return on plan assets less interest income	2,266	94	4,550	408	7,318
Actuarial losses/(gains)	-	-	-	562	562
Contributions					
Employers	963	161	356	456	1,936
Plan participants	421	-	336	-	757
Payments from plan					
Benefits paid	(1,806)	(403)	(15,467)	(1,327)	(19,003)
Taxes, premiums & expenses paid	(197)	(45)	1,070	-	828
Closing fair value of plan assets	**23,432**	**1,135**	**41,581**	**6,999**	**73,147**

Reimbursement rights - 2012	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Opening value of reimbursement right	3,593	-	225,565	-	229,158
Change in value	(94)	-	19,714	-	19,620
Closing value of reimbursement right	**3,499**	**-**	**245,279**	**-**	**248,778**

Net liability- 2012	**SASS** $'000	**SANCS** $'000	**SSS** $'000	**PSF** $'000	**Total** $'000
Defined benefit obligation	26,930	5,195	286,861	11,491	330,477
Fair value of plan assets	(23,431)	(1,134)	(41,582)	(6,999)	(73,146)
Total net liability /(asset) in statement of financial position	**3,499**	**4,061**	**245,279**	**4,492**	**257,331**

Note 41. 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 is considered to be a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2013, the assets of the DBD in aggregate were estimated to be $691 million in deficiency of vested benefits ($770 million after allowing for various reserves). 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 indexed pensions being provided by the DBD.

As at 30 June 2013 the assets of the DBD in aggregate were estimated to be $861 million above accrued benefits ($782 million after allowing for various reserves). The accrued benefits have been calculated as the present value of expected future benefit payments to members and 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 14 November 2013 on the actuarial investigation of the DBD as at 30 June 2013. The financial assumptions used were:

	Vested Benefits	**Accrued Benefits**
Gross of tax investment return – DBD pensions	6.10% p.a.	7.80% p.a.
Gross of tax investment return – commercial rate indexed pensions	3.70% p.a.	3.70% p.a.
Net of tax investment return - non pensioner members	5.50% p.a.	7.00% 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.

Clause 34 was initiated following the 31 December 2008, 30 June 2011 and 30 June 2012 actuarial investigations and it has again been initiated following the 30 June 2013 actuarial investigation.

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

Note 42. Acquittal of Australian Government financial assistance

42.1 Education - CGS and Other Education Grants

Parent entity (University) Only

	Notes	Commonwealth Grant Scheme #1 2013 $'000	Commonwealth Grant Scheme #1 2012 $'000	Indigenous Support Program 2013 $'000	Indigenous Support Program 2012 $'000	Partnership & Participation Program #2 2013 $'000	Partnership & Participation Program #2 2012 $'000	Disability Support Program 2013 $'000	Disability Support Program 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		98,295	94,485	1,137	951	3,651	3,216	92	57
Net accrual adjustments		1,309	(412)	182	184	-	-	-	-
Revenue for the period	3(a)	99,604	94,073	1,319	1,135	3,651	3,216	92	57
Surplus / (deficit) from the previous year		104	(308)	114	263	4,934	2,622	232	259
Total revenue including accrued revenue		99,708	93,765	1,433	1,398	8,585	5,838	324	316
Less expenses including accrued expenses		100,914	93,661	1,167	1,284	(6,558)	904	190	84
Surplus / (deficit) for reporting period		(1,206)	104	266	114	2,027	4,934	134	232

 # 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

	Notes	Capital Development Pool 2013 $'000	Capital Development Pool 2012 $'000	Diversity and Structural Adjustment 2013 $'000	Diversity and Structural Adjustment 2012 $'000	Transitional Cost Program 2013 $'000	Transitional Cost Program 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		-	-	6,000	30,600	-	32
Net accrual adjustments		-	-	-	-	-	(30)
Revenue for the period	3(a)	-	-	6,000	30,600	-	2
Surplus / (deficit) from the previous year		4,954	4,980	26,336	882	-	(29)
Total revenue including accrued revenue		4,954	4,980	32,336	31,482	-	(27)
Less expenses including accrued expenses		6,406	26	17,909	5,146	-	(27)
Surplus / (deficit) for reporting period		(1,452)	4,954	14,427	26,336	-	-

 # 3 Includes Collaboration and Structural Adjustment Program.

	Notes	Promotion of Excellence in Learning and Teaching 2013 $'000	Promotion of Excellence in Learning and Teaching 2012 $'000	Reward Funding 2013 $'000	Reward Funding 2012 $'000	Total 2013 $'000	Total 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		47	70	448	417	109,670	129,828
Net accrual adjustments		-	-	-	-	1,491	(258)
Revenue for the period	3(a)	47	70	448	417	111,161	129,570
Surplus / (deficit) from the previous year		70	-	417	-	37,162	8,670
Total revenue including accrued revenue		117	70	865	417	148,323	138,240
Less expenses including accrued expenses		109	-	-	-	120,137	101,078
Surplus / (deficit) for reporting period		8	70	865	417	28,186	37,162

42.2 Higher Education Loan Programs (excluding OS-HELP)

Parent entity (University) Only

	Note	HECS-HELP (Australian Government payments only) 2013 $'000	HECS-HELP 2012 $'000	FEE-HELP #4 2013 $'000	FEE-HELP #4 2012 $'000	SA-HELP 2013 $'000	SA-HELP 2012 $'000	Total 2013 $'000	Total 2012 $'000
Cash Payable/(Receivable) at beginning of year		(940)	433	(1,825)	216	(39)	-	(2,804)	649
Financial assistance received in Cash during the reporting		59,758	48,113	9,199	3,368	1,065	809	70,022	52,290
Cash available for the period		58,818	48,546	7,374	3,584	1,026	809	67,218	52,939
Revenue earned	3(b)	58,627	49,486	7,608	5,409	1,027	848	67,262	55,743
Cash Payable/(Receivable) at end of year		191	(940)	(234)	(1,825)	(1)	(39)	(44)	(2,804)

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

42.3 Scholarships

Parent entity (University) Only

	Note	Australian Postgraduate Awards 2013 $'000	Australian Postgraduate Awards 2012 $'000	International Postgraduate Research Scholarships 2013 $'000	International Postgraduate Research Scholarships 2012 $'000	Commonwealth Education Cost Scholarships #5 2013 $'000	Commonwealth Education Cost Scholarships #5 2012 $'000	Commonwealth Accommodation Scholarships #5 2013 $'000	Commonwealth Accommodation Scholarships #5 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		2,557	2,513	213	220	(507)	915	(29)	105
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(c)	2,557	2,513	213	220	(507)	915	(29)	105
Surplus / (deficit) from the previous year		538	741	94	122	1,964	1,220	287	353
Total revenue including accrued revenue		3,095	3,254	307	342	1,457	2,135	258	458
Less expenses including accrued expenses		2,861	2,716	307	248	86	171	69	171
Surplus / (deficit) for reporting period		234	538	-	94	1,371	1,964	189	287

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

42.3 Scholarships (continued)

		Indigenous Access Scholarships		Total	
		2013	2012	**2013**	2012
		$'000	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		(45)	126	2,189	3,879
Net accrual adjustments		-	-	-	-
Revenue for the period	**3(c)**	(45)	126	2,189	3,879
Surplus / (deficit) from the previous year		53	46	2,936	2,482
Total revenue including accrued revenue		8	172	5,125	6,361
Less expenses including accrued expenses		102	119	3,425	3,425
Surplus / (deficit) for reporting period		(94)	53	1,700	2,936

42.4 Education Research

Parent entity (University) Only

		Joint Research Engagement #6		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities	
		2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
		$'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 Program)		2,885	3,112	6,887	6,978	809	858	877	859
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	**3(d)**	2,885	3,112	6,887	6,978	809	858	877	859
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		2,885	3,112	6,887	6,978	809	858	877	859
Less expenses including accrued expenses		2,885	3,112	6,887	6,978	809	858	877	859
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

#6 Includes Institutional Grants Scheme

		Total	
		2013	2012
		$'000	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		11,458	11,807
Net accrual adjustments		-	-
Revenue for the period	**3(d)**	11,458	11,807
Surplus / (deficit) from the previous year		-	-
Total revenue including accrued revenue		11,458	11,807
Less expenses including accrued expenses		11,458	11,807
Surplus / (deficit) for reporting period		-	-

42.5 Other Capital Funding

Parent entity (University) Only

	Note	Teaching and Learning Capital Fund 2013 $'000	Teaching and Learning Capital Fund 2012 $'000	Total 2013 $'000	Total 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		-	-	-	-
Net accrual adjustments		-	-	-	-
Revenue for the period	3(f)	-	-	-	-
Surplus / (deficit) from the previous year		(3,496)	2,994	(3,496)	2,994
Total revenue including accrued revenue		(3,496)	2,994	(3,496)	2,994
Less expenses including accrued expenses		-	6,490	-	6,490
Surplus / (deficit) for reporting period		(3,496)	(3,496)	(3,496)	(3,496)

42.6 Australian Research Council Grants

Parent entity (University) Only

(a) Discovery

	Note	Projects 2013 $'000	Projects 2012 $'000	ARC Discovery Early Career Researcher 2013 $'000	ARC Discovery Early Career Researcher 2012 $'000	Total 2013 $'000	Total 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		1,363	1,175	266	127	1,629	1,302
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(i)	1,363	1,175	266	127	1,629	1,302
Surplus / (deficit) from the previous year		759	389	83	-	842	389
Total revenue including accrued revenue		2,122	1,564	349	127	2,471	1,691
Less expenses including accrued expenses		1,402	805	222	44	1,624	849
Surplus / (deficit) for reporting period		720	759	127	83	847	842

Parent entity (University) Only

(b) Linkages

	Note	Projects 2013 $'000	Projects 2012 $'000	ARC Future Fellowships 2013 $'000	ARC Future Fellowships 2012 $'000	Total 2013 $'000	Total 2012 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Program)		357	359	193	287	550	646
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(ii)	357	359	193	287	550	646
Surplus / (deficit) from the previous year		71	34	144	-	215	34
Total revenue including accrued revenue		428	393	337	287	765	680
Less expenses including accrued expenses		272	322	186	143	458	465
Surplus / (deficit) for reporting period		156	71	151	144	307	215

Parent entity (University) Only

42.8 OS-HELP

	Note	**2013 $'000**	2012 $'000
Cash Received during the reporting period		222	149
Cash Spent during the reporting period		(189)	(181)
Net Cash received	**3(i)**	33	(32)
Cash Surplus / (deficit) from the previous period		11	43
Cash Surplus / (deficit) for the reporting period	**28**	44	11

42.9 Student Services and Amenities Fee

	Note	**2013 $'000**	2012 $'000
Unspent/(overspent) revenue from previous period		2,425	-
SA-HELP Revenue Earned	**3(b)**	1,027	848
Student Services Fees direct from Students	**5**	1,825	1,590
Total revenue expendable in period		5,277	2,438
Student Services expenses during period		1,223	13
Unspent/(overspent) Student Services Revenue		4,054	2,425

" End of Audited Financial Statements "

Agricultural Business Research Institute

ABN: 59 781 301 088
Annual Financial Report for the year ended 31 December 2013

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 2013, the income statement, 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.

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 2013 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 a 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 give a true and fair view and 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 Company'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 company'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.

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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 other information that 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, the *Corporations Act 2001* and 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 18 March 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.

Karen Taylor
Director, Financial Audit Services

24 March 2014
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, 2013.

Directors

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

Anthony John Traherne COATES (AM)
Robert Anthony BARWELL
Morris George MCINNES
Geoffrey Bradfield FOX
Ian Michael LOCKE
Barry John PAFF
Charles Alexander MCDONALD
Andrew Paul INGLE

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

Michelle Denise CLARK - apointed March 2013
Gideon J GOOSEN - appointed July 2013

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

Murray Charles SCHOLZ - resigned July 2013

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 follows:

(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 sevice to the beef cattle industry nationally. The average weighted production index of cows recorded by ABRI in southern Australia 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.

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 2013.

Review of Operations
The operating surplus of the company was: $249,845 (2012 = $526,490) and the surplus after fair value adjustments on the financial assets was $535,532 (2012 = $794,345)

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

Insurance of Officers
The University of New England 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 $30,600 for Directors and Officers Insurance covered the period 1 November 2012 to 31 October 2013. Insurance has been renewed for the Group for the period 1 November 2013 to 31 October 2014 at a cost of $34,600. 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.

Information on Directors

a) Qualifications and Experience

Name and Occupation:	**Anthony John Traherne COATES (AM)**
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.
Special Responsibilities	Chairman of the Board, IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since January, 1993.
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.
Special Responsibilities	IBRS Sub-Committee, ILRIC Sub-Committee Board member since April 2008.
Name and Occupation:	**Robert Anthony BARWELL**
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.
Special Responsibilities	IBRS Sub-Committee Board member since May 2004.
Name and Occupation:	**Ian Michael LOCKE**
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.
Special Responsibilities	IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since June, 2002.
Name and Occupation:	**Barry John PAFF**
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 near Tamworth.
Special Responsibilities	Dairy Express Sub-Committee Board member since October 2005.

Name and Occupation: **Geoffrey Bradfield FOX**
Qualifications: Honours degree and doctorate in Rural Science at the University of New England and a post doctoral Masters of Arts in development economics and rural sociology at the Australian National University
Experience: Rural development and natural resource management specialist working in less developed countries for the World Bank (27 years) and AusAID (6 years). Currently, a grazier raising beef cattle. Chairman of the University of New England Foundation, member of the University of New England Council and its Finance Committee.
Special Responsibilities: Finance and Admin Sub-Committee
Board member since June 2011

Name and Occupation: **Murray Charles SCHOLZ**
Qualifications: Bachelor of Science
Experience: IT professional with 28 years commercial experience in software development. Played the lead role in the development of ABRI's systems for various livestock species in Australia, and has been instrumental in the development of this software for a world-wide audience. From 1993 to 2011, has served as Associate Director, ABRI, also responsible for the supervision and management of ABRI's 20-person software development team.
Special Responsibilities: Managing Director
Board member since July 2011, resigned July, 2013

Name and Occupation: **Morris George MCINNES**
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.
Special Responsibilities: Dairy Express Sub-Committee
Board member since November 2009.

Name and Occupation: **Michelle Denise CLARKE**
Qualifications: BCom MCom FCPA GAICD
Experience: Michelle was previously CFO and company secretary of Tourism Queensland and was the executive director of its business performance and planning group. Before then she was responsible for strategy and finance for Suncorp Group Treasury. Michelle's experience includes corporate finance, financial risk management and project management in previous senior roles. Michelle is the Chief Financial Officer of University of New England.

Special Responsibilities: Finance and Admin Sub-Committee
Board member since March 2013

Name and Occupation: **Andrew Paul INGLE**
Qualifications: Advanced Diploma Agribusiness Marcus Oldham College
Experience: Andrew has spent many years working on Pastoral properties in Queensland & the Kimberly for AACO and Consolidated Pastoral Company. Current owner of a mixed farming operation in Southern NSW producing commercial Angus cattle & winter cereal crops. He has spent past 10 years working in the Live-export industry in Western/Northern & Southern Australia plus other countries building livestock supply outside of Australia to meet global customer requirements. Currently, General Manager Sales for Landmark Global Exports. Andrew is a board member of the Australian Livestock Exporters Council (ALEC), LIVEAIR Exporters and Landmark Global Exports Pty Ltd.
Special Responsibilities: ILRIC Sub-Committee
Board member since July 2012.

Name and Occupation: **Gideon J GOOSEN**
Qualifications: MBA (New Venture Management) and PhD in Quantitative Genetics
Experience: Deon has 20 years of experience in the commercialisation of innovations from research and development programs. He has experience from multiple of Australia's Co-operative Research Centre's and was the CEO of a start-up company created from one such CRC. Deon has a sound depth of understanding of the technical issues associated with genetics and is a seasoned operator with respect to the challenges of commercialising new technologies and intellectual property.

Special Responsibilities: Managing Director, IBRS, Finance and Admin, ILRIC and Dairy Express Sub-Committees
Board Member since July 2013.

b) Directors' Meetings

During the financial year ended 31 December, 2013 fourdirectors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Anthony John Traherne COATES (AM)	4	4
Charles Alexander MCDONALD	4	4
Robert Anthony BARWELL	4	3
Ian Michael LOCKE	4	4
Barry John PAFF	4	3
Geoffrey Bradfield FOX	4	4
Murray Charles SCHOLZ	1	1
Morris George MCINNES	4	4
Michelle Denise CLARKE	4	4
Andrew Paul INGLE	4	3
Gideon Jacobus GOOSEN	3	3

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 a $100 liability should the company be wound up. At 31 December 2013, the collective liability of members was $700 ($100 per member, maximum number of members 7).

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 2013.

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

C A McDonald
Director

G J Goosen
Director

18th March, 2014

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 2013, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

Karen Taylor
Director, Financial Audit Services

18 March 2014
SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | f 02 9275 7179 | e mail@audit.nsw.gov.au | audit.nsw.gov.au

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 2013;

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.

C A McDonald
Director

G J Goosen
Director

18th March, 2014

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 2013 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; a

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.

C A McDonald
Director

G J Goosen
Director

18th March, 2014

Income Statement

For the year ended 31 December 2013

	Notes	2013 $	2012 $
Revenue from continuing operations			
Investment revenue	**2**	325,289	329,362
Trading Revevue	**4**	7,926,933	8,096,581
Total revenue from continuing operations		8,252,222	8,425,943
Expenses from continuing operations			
Employee related expenses	**5**	5,037,959	4,988,493
Depreciation and amortisation	**6**	412,307	398,491
Repairs and maintenance	**7**	76,530	102,036
Impairment of assets	**8**	5,663	11,753
Other expenses	**9**	2,469,919	2,399,130
Total expenses from continuing operations		8,002,378	7,899,903
Profit/(Loss) from continuing operations		**249,844**	**526,040**
Other gains and Losses			
Other investment income	**3**	285,688	267,855
Gain on sale of assets	**3**	-	450
Operating Surplus/(Deficit) attributable to the ABRI	**19(b)**	**535,532**	**794,345**

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

Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	2013 $	2012 $
Operating Surplus/(Deficit) for the period		535,532	794,345
Other comprehensive income			
Gain (Loss) on revaluation of land, buildings and infrastructure		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		535,532	794,345

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

Statement of Financial Position

As at 31 December 2013

	Notes	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	5,121,350	5,027,336
Receivables	**11**	1,287,244	1,349,154
Other assets	**13**	259,523	216,434
Total current assets		6,668,117	6,592,924
Non-current assets			
Other financial assets	**12**	2,616,644	2,036,387
Property, plant and equipment	**14**	3,465,515	3,536,332
Intangible assets	**15**	396,584	491,832
Total non-current assets		6,478,743	6,064,551
Total assets		13,146,860	12,657,475
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	622,505	572,027
Provisions	**17**	1,255,860	1,255,927
Other liabilities	**18**	362,733	385,139
Total current liabilities		2,241,098	2,213,093
Non-current liabilities			
Provisions	**17**	67,000	141,153
Total non-current liabilities		67,000	141,153
Total liabilities		2,308,098	2,354,246
Net assets		10,838,762	10,303,229
EQUITY			
Asset revaluation reserve	**19(a)**	1,460,340	1,460,340
Retained earnings	**19(b)**	9,378,421	8,842,889
Total equity attributable to equity holders of the company		10,838,761	10,303,229

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 2013

	Reserves	Retained Earnings	Total
Balance at 1 January 2012	1,460,340	8,048,544	9,508,884
Operating surplus	-	794,345	794,345
Total comprehensive income	-	794,345	794,345
Balance at 31 December 2012	1,460,340	8,842,889	10,303,229
Balance at 1 January 2013	1,460,340	8,842,889	10,303,229
Operating surplus	-	535,532	535,532
Total comprehensive income	-	535,532	535,532
Balance at 31 December 2013	1,460,340	9,378,421	10,838,761

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 2013

	2013 $	2012 $
Cash flows from operating activities		
Receipts from customers	8,671,993	9,087,544
Dividends received	129,214	93,124
Interest received	149,344	180,466
Payments to suppliers and employees	(8,315,726)	(8,392,554)
Net cash provided by / (used in) operating activities	634,825	968,581
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	-
Payments for property, plant and equipment	(246,241)	(259,368)
Payments for financial assets	(294,570)	(50,000)
Net cash provided by / (used in) investing activities	(540,811)	(309,368)
Net increase / (decrease) in cash and cash equivalents	94,014	659,213
Cash and cash equivalents at the beginning of the financial year	5,027,336	4,368,123
Cash and cash equivalents at the end of the financial year	5,121,350	5,027,336

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, an income tax exempt entity, was incorporated in Australia on 11 January 1993 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, 2013 membership of the company stood at seven.

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 statements for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Board on 26th February 2014.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010, and the Corporations Act of 2001.

The Financial Statements 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) Trading 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. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

Leases 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.

Note 1. Summary of significant accounting policies (continued)

(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 twelve 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.

The entity subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through prof or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The company's investments are designated at fair value through profit and loss using the second leg of the fair value option; i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.

The movement in the fair value of the investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'Investment revenue'.

(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.

In January 2014, management became aware that provisions within the University of New England Act 1993 No 68, Schedule 2 (the Act) restrict the power of the company to only invest funds through an approved funds manager. As at 31 December 2013, the company has invested in Australian listed equity instruments of $ 2,616,644 (2012: $2,036,387). Management is currently undertaking steps to ensure compliance with the requirements of the Act.

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.

Note 1. Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

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

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

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

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

Buildings 3 - 60 yrs,
Computing Equipment / Software - 5 - 15 yrs,
Motor Vehicles - 5 yrs,
Infrastructure - 10 yrs.

Furniture and Fittings - 7-20 yrs,
Other Plant and Equipment - 5 - 15 yrs,
Intangible - 5yrs

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

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

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

Land, Buildings and Infrastructure controlled by the Entity were revalued as at 31 December 2011 by Knight Davidson Broun Property Advisory.

Note 1. Summary of significant accounting policies (Continued)

(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.

(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.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilitie. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	1 July 2013	This standard allows certain entities to reduce disclosures.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	1 July 2013	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	1 July 2013	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 1055 - Budgetary Reportin AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting	1 July 2014	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

		Notes	**2013**	2012
Note 2.	**Investment revenue**			
	Interest		196,075	236,238
	Dividend Income		129,214	93,124
	Total investment revenue		325,289	329,362
Note 3.	**Gains and losses**			
	Other investment gains/(losses)		285,688	267,855
	Gain on sale of assets		-	450
	Total gains and losses		285,688	268,305
Note 4.	**Trading revenue**			
	Fees and charges		7,926,933	8,096,581
	Total trading revenue		7,926,933	8,096,581
Note 5.	**Employee related expenses**			
	Salaries		4,471,432	4,241,763
	Contribution to funded superannuation and pension schemes		388,306	375,648
	Payroll tax		230,782	229,661
	Worker's compensation		8,531	6,722
	Long service leave expense		(74,221)	118,936
	Other (Allowances, penalties and fringe benefits tax)		13,130	15,763
	Total employee related expenses		5,037,960	4,988,493
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Buildings		78,757	78,460
	Infrastructure		13,941	4,833
	Furniture and Fittings		15,429	14,672
	Plant and Equipment		66,228	70,479
	Motor Vehicles		32,263	35,747
	Total depreciation		206,618	204,191
	Amortisation			
	Intangibles		205,688	194,300
	Total amortisation		205,688	194,300
	Total depreciation and amortisation		412,306	398,491
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		76,530	102,036
	Total repairs and maintenance		76,530	102,036
Note 8.	**Impairment of assets**			
	Bad Debts		5,663	11,753
	Total impairment of assets		5,663	11,753
Note 9.	**Other expenses**			
	Non-capitalised equipment		13,964	9,334
	Advertising, marketing and promotional expenses		22,783	32,561
	Utilities		40,161	36,240
	Postal and Telecommunications		489,887	550,175
	Travel and Entertainment		144,028	195,619
	Operating Lease Rental Charges		32,229	26,110
	Consultants		555,128	880,445
	Royalties		550,937	162,378
	Computer and Office Supplies		116,828	151,247
	Other Expenditure		503,973	355,022
	Total other expenses		2,469,918	2,399,130

Notes to the financial statements
(continued)
31 December 2013

		Notes	2013 $	2012 $
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash at bank		738,175	801,969
	At call investments		4,383,175	4,225,367
	Total cash and cash equivalents		5,121,350	5,027,336

(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:

	2013 $	2012 $
Balances as above	5,121,350	5,027,336
Less: Bank Overdrafts	-	-
Balance per cash flow statement	5,121,350	5,027,336

(b) Cash at bank and on hand

	2013 $	2012 $
These are non-interest bearing.	-	-

(c) Deposits as call
The deposits are bearing floating interest rates between 4.35% and 3.92% (2012: 5.12% and 4.55%). These deposits have an average maturity of 340 days.

		Notes	2013 $	2012 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,301,079	1,366,235
	Less: Provision for impaired receivables	1(h)	(13,835)	(17,081)
	Total current receivables		1,287,244	1,349,154
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		1,287,244	1,349,154

(a) Impaired receivables

As at 31 December 2013 current receivables of the entity with a nominal value of $13,835 (2012: $17,081) were impaired. The amount of the provision was $ 13,835 (2012: $17,081).

The ageing of these receivables is as follows:

	2013 $	2012 $
3 to 6 months	-	-
Over 6 months	13,835	17,081
	13,835	17,081

As of 31 December 2013, trade receivables of $271,899 (2012: $183,223) 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:

	2013 $	2012 $
	207,129	85,609
3 to 6 months	64,770	97,614
Over 6 months	271,899	183,223

Movements in the provision for impaired receivables are as follows:

	2013 $	2012 $
As at 1 January	17,081	16,590
Provision for impairment recognised during the year	1,754	11,753
Receivables written off during the year as uncollectible	(5,000)	(11,262)
	13,835	17,081

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	2013 $	2012 $
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		2,616,644	2,036,387
Total non-current other financial assets		2,616,644	2,036,387
Note 13. Other assets			
Current			
Accrued Income		207,230	211,809
Prepaid Expenses		52,293	4,625
Total current other non-financial assets		259,523	216,434

Note 14. Property, plant and equipment

	Freehold land $	Freehold buildings $	Infrastructure $	Plant and equipment $	Motor vehicle $	Furniture & fittings $	Total $
Year ended 31 December 2012							
Opening net book amount	400,000	2,793,000	70,000	171,267	93,909	79,253	**3,607,429**
Additions	-	90,829	-	34,889	-	7,377	**133,095**
Revaluation increment/(decrement)	-	-	-	-		-	**0**
Adjustment to accumulated depreciation on	-	-	-	-	-	-	**0**
Assets classified as held for sale and other disposals	-	-	-	-	-	-	**0**
Depreciation charge	-	(78,460)	(4,833)	(70,479)	(35,747)	(14,672)	**(204,191)**
Closing net book amount	**400,000**	**2,805,369**	**65,167**	**135,677**	**58,162**	**71,958**	**3,536,333**
At 31 December 2012							
- Cost	-	90,829	-	1,401,688	444,663	211,211	**2,148,391**
- Valuation	400,000	2,793,000	70,000	-		-	**3,263,000**
Accumulated depreciation	-	(78,460)	(4,833)	(1,266,011)	(386,501)	(139,253)	**(1,875,058)**
Net book amount	**400,000**	**2,805,369**	**65,167**	**135,677**	**58,162**	**71,958**	**3,536,333**
Year ended 31 December 2013							
Opening net book amount	400,000	2,805,369	65,167	135,677	58,162	71,958	**3,536,333**
Additions	-	0	80,011	16,055	32,737	6,997	**135,800**
Revaluation increment/(decrement)	-	-	-	-		-	**0**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	**0**
Assets classified as held for sale and other disposals	-	-	-	-	-	-	**0**
Depreciation charge	-	(78,757)	(13,941)	(66,228)	(32,263)	(15,429)	**(206,618)**
Closing net book amount	**400,000**	**2,726,612**	**131,237**	**85,503**	**58,636**	**63,526**	**3,465,515**
At 31 December 2013							
- Cost	-	90,829	80,011	1,417,743	449,759	218,208	**2,256,549**
- Valuation	400,000	2,793,000	70,000	-		-	**3,263,000**
Accumulated depreciation	-	(157,217)	(18,774)	(1,332,240)	(391,122)	(154,682)	**(2,054,034)**
Net book amount	**400,000**	**2,726,612**	**131,237**	**85,503**	**58,637**	**63,526**	**3,465,515**

Note 15. Intangible assets

	Notes	2013	2012
	1(l)	**$**	$
At 1 January			
Cost		2,405,824	2,295,384
Accumulated amortisation and impairment		(2,009,240)	(1,803,552)
Net book amount		396,584	491,832
Year ended 31 December			
Opening net book amount		491,832	559,858
Additions		110,440	126,274
Amortisation charge		(205,688)	(194,300)
Closing net book amount		396,584	491,832

Note 16. Trade and other payables

	2013	2012
Current		
Trade Payables	622,505	572,027
Total current trade and other payables	622,505	572,027

Note 17. Provisions

	Notes	2013	2012
	1(n)		
Current provisions expected to be settled wholly after more than 12 Months			
Employee benefits			
Annual leave		700,260	671,192
Long service leave		552,000	581,135
Make good provision		3,600	3,600
Total Current Provision		1,255,860	1,255,927
Non-current provisions			
Employee benefits			
Long service leave		67,000	141,153
Total non-current provision		67,000	141,153
Total provisions		1,322,860	1,397,080

		2013	2012
		$	$
Note 18.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Fees in Advance	362,733	385,139
	Total current other liabilities	362,733	385,139

Note 19.	**Reserves and retained earnings**		
a)	**Reserves**		
	Revaluation Reserve		
	- Land	320,000	320,000
	- Buildings	1,070,340	1,070,340
	- Infrastructure	70,000	70,000
		1,460,340	1,460,340
	Movements in reserves were as follows:		
	Reserves at 1 January - Land	320,000	320,000
	Increment/(decrement) on revaluation	-	-
	Reserves at 31 December	320,000	320,000
	Reserves at 1 January - Buildings	1,070,340	1,070,340
	Increment/(decrement) on revaluation	-	-
	Reserves at 31 December	1,070,340	1,070,340
	Reserves at 1 January - Infrastructure	70,000	70,000
	Increment/(decrement) on revaluation	-	-
	Reserves at 31 December	70,000	70,000
	Reserves at 1 January - Investments	-	-
	Increment/(decrement) on revaluation	-	-
	Reserves at 31 December	-	-
b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	8,842,889	8,048,544
	Net Operating Result for the year	535,532	794,345
	Retained Earnings at 31 December	9,378,421	8,842,889
	Total Equity	10,838,761	10,303,229

	2013	2012
	$	$

Note 20. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receives only a nominal amount to cover costs for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for Dr Goosen in his capacity as Managing Director of ABRI.

	No.	**No.**
Nil to $9,999	10	8
	10	8

Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	2,800	7,200

Remuneration of executive officers	**No.**	**No.**
$100,000 to $119,999	2	4
$120,000 to $139,999	2	-
$140,000 to 240,000	1	1
	5	5

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	679,525	621,170

Note 21. Remuneration of auditors

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

Audit and review of the Financial		
Fees paid to The Audit Office of NSW:	23,000	21,900
Total remuneration for audit services	23,000	21,900

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

	2013 $	2012 $
Operating Leases		
Within one year	10,670	10,670
Later than one year but not later than five years	-	-
Total operating leases	10,670	10,670

No lease arrangements, existing as at 31 December 2013, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 24. Related parties

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

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

(c) Key management personnel
Disclosures relating to directors and specified executives are set out innote 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:

	2013 $	2012 $
Transactions during the period		
University of New England		
Income received from	333	6,235
Payments made to	(276,827)	(402,123)
Net	277,160	408,358

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

	2013 $	2012 $
University of New England		
Payables to	55,925	44,427

(e) Guarantees
There have been no guarantees given.

(f) Terms and conditions
Related party outstanding balances are unsecured and have been provided on interest-free terms.

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

	2013 $	2012 $
Operating result for the period	535,532	794,345
Depreciation and amortisation	412,306	398,491
Impairment of investment	-	-
Provision for impaired receivables	(3,246)	491
Loss on revaluation	(285,688)	(267,855)
Gain on sale	-	-
Increase/(Decrease) in Payables and Prepaid Income	25,703	(268,249)
Increase/(Decrease) in Provision for Employee Entitlements	(103,289)	47,239
Increase/(Decrease) in Provision for Annual Leave	29,068	71,697
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	24,438	192,422
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	634,824	968,581

Note 26. Events subsequent to reporting period

There are no reportable events occuring after balance date.

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	10 & 13	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits as Call	10(c)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(c)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 5.12% and 4.55%. Average maturity of 340 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

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

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

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices.

The entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the entity's 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

Financial risk management (continued)

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.

The following tables summarise the maturity of the Entity's financial assets and financial liabilities:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.45	738,175					738,175
Investments-Term Deposits	4.07		4,383,175				4,383,175
Receivables						1,287,244	1,287,244
Listed Shares						2,616,644	2,616,644
Accrued Income						207,230	207,230
Total Financial Assets		738,175	4,383,175			4,111,118	9,232,468
Financial Liabilities							
Borrowings			-	-			0
Payables						474,181	474,181
Total Financial Liabilities			-	-		474,181	474,181
Net Financial Assets(Liabilities)		738,175	4,383,175	-		3,636,937	8,758,287

Comparative figures for the previous year are as follows:

31 December 2012	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	3.78	801,969					801,969
Investments - Term Deposits	4.83		4,225,367				4,225,367
Receivables						1,349,154	1,349,154
Listed Shares						2,036,386	2,036,386
Accrued Income						211,810	211,810
Total Financial Assets		801,969	4,225,367			3,597,350	8,624,686
Financial Liabilities							
Borrowings	-	-	-	-	-		-
Payables	-	-	-	-	-	448,159	448,159
Total Financial Liabilities	-	-	-	-	-	448,159	448,159
Net Financial Assets(Liabilities)	-	801,969	4,225,367	-	-	3,149,191	8,176,527

(d) Net Fair Values of Financial Assets and Liabilities

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

The fair value of financial instruments traded in active markets (such as 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 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 exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

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	
	2013	2012	2013	2012
	$	$	$	$
Financial assets				
Cash and cash equivalents	5,121,350	5,027,336	5,121,350	5,027,336
Receivables	1,494,474	1,560,964	1,494,474	1,560,964
Other financial assets	2,616,644	2,036,386	2,616,644	2,036,386
Total financial assets	9,232,468	8,624,686	9,232,468	8,624,686
Financial liabilities				
Payables	474,181	448,159	474,181	448,159
Total financial liabilities	474,181	448,159	474,181	448,159

Fair value measurements recognised in the balance sheet are categorised into the following levels by valuation method:

Level 1 - quoted prices(unadjusted) in active markets for identical assets or liabilities
Level 2- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31 Dec 2013	Level 1
	$	$
Financial assets		
Other financial assets	2,616,644	2,616,644
Total	2,616,644	2,616,644

	31 Dec 2012	Level 1
	$	$
Financial assets		
Other financial assets	2,036,386	2,036,386
Total	2,036,386	2,036,386

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2013	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$
Financial Assets									
Cash and cash equivalents	738,175	(7,382)	(7,382)	7,382	7,382	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,383,175	(43,832)	(43,832)	43,832	43,832	N/A	N/A	N/A	N/A
Receivables	1,287,244								
Listed Shares	2,616,644					(26,166)	(26,166)	26,166	26,166
Accrued Income	207,230								
Total Financial Assets	9,232,468								
Financial Liabilities									
Borrowings	-	-		-	-				
Payables	474,181								
Total Financial Liabilities	474,181								
Total increase / (decrease)	8,758,287	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2012	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$
Financial Assets									
Cash and cash equivalents	801,969	(8,020)	(8,020)	8,020	8,020	N/A	N/A	N/A	N/A
Investments - Term Deposits	4,225,367	(42,254)	(42,254)	42,254	42,254	N/A	N/A	N/A	N/A
Receivables	1,349,154								
Listed Shares	2,036,386					(20,364)	(20,364)	20,364	20,364
Accrued Income	211,810								
Total Financial Assets	8,624,686								
Financial Liabilities									
Borrowings	-	-		-	-				
Creditors	448,159								
Total Financial Liabilities	448,159								
Total increase / (decrease)	8,176,527	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

Services UNE Limited

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2013

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 profit or loss, statement of other comprehensive income, the statement of financial position as at 31 December 2013, 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.

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 2013 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 a true and fair view in accordance with Australian Accounting Standards, the PF&A 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 give a true and fair view and 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 Company'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 company'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.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

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 other information that 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, the *Corporations Act 2001* and 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 18 March 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.

Karen Taylor
Director, Financial Audit Services

24 March 2014
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 2013 and the Auditors' Report thereon.

Directors

No directors were directors of the entity during the whole year .

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

David Cushway	Appointed 6th September 2013

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

Peter Enlund	Resigned 1st February 2013
Roderick Watt	Resigned 23rd September 2013
Geoff Allen	Resigned 20th September 2013
Sue Nelson	Resigned 7th October 2013

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 (resigned)
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	Fellow of the Institute of Chartered Accountants.
Experience	Chief Operating Officer of UNE. Extensive experience in the education sector. Joined the Board in October 2010. Resigned 1st February 2013
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
David Cushway	
Qualifications	Bachelor of Business, Human Resources Managment Master Public Administration
Experience	Chief Operating Officer of UNE. Extensive experience in the public sector. General Manger in Local Government. Local Area Commander NSW Police Force. Crime Manager NSW Police.
Special Responsibilities	University appointee

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	3	3
Roderick Watt	1	3
Peter Enlund	0	0
Sue Nelson	2	3
David Cushway	1	1

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

Objectives
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:

- Use of management reports with particular emphasis on timely accurate reporting.
- Monthly meetings with the Chief Operating Officer to discuss current issues.
- Attracting and retaining quality staff who are committed to providing excellent customer service.

Performance measures
The following measures are used within the Company to monitor performance:

- Monthly financial reporting.
- Management analysis.
- Action plans with individual managers.

Principal Activities

The principal activity of the Company is the provision of non-academic student services at the University of New England. The services provided were expanded during the year due to the stream of income available from the university from the Student Services and Amenities Fee (SSAF), the cost of targeted projects were reinbursed in full.

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 2013 the collective liability of the members was $1 (2012: $1).
On the 19th December 2013 a resolution was passed and a new constitution adopted to convert Services UNE Limited to Services UNE Pty Limited. Documentation has been lodged with ASIC, at balance date the conversion had not been effected due to mandated gazetting periods. The University of New England has applied for 120 $1 Ordinary Shares under the new structure.

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 2013.

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

19 March 2014

AUDITOR-GENERAL
NEW SOUTH WALES

To the Directors
Services UNE Ltd

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Services UNE Ltd for the year ended 31 December 2013, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

Karen Taylor
Director, Financial Audit Services

18 March 2014
SYDNEY

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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 2013;

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 20 - Economic Dependency.

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

....

Director

19 March 2014

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 2013 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

19 March 2014

Statement of Profit or Loss
For the year ended 31 December 2013

	Notes	2013 $	2012 $
Revenue from continuing operations			
Trading income	**2**	4,135,731	4,132,488
Investment revenue	**3**	81,302	106,905
Other Revenue	**4**	796,903	560,379
Total revenue and income from continuing operations		5,013,936	4,799,772
Expenses from continuing operations			
Employee related expenses	**5**	2,111,241	1,959,048
Depreciation and amortisation	**6**	191,022	129,132
Repairs and maintenance	**7**	104,008	100,255
Impairment of assets	**8**	-	-
Other expenses	**9**	2,723,165	2,591,905
Total expenses from continuing operations		5,129,436	4,780,340
Operating surplus / (deficit) attributable to the Entity	**19**	(115,500)	19,432

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

Statement of Other Comprehensive Income
For the year ended 31 December 2013

	Notes	2013 $	2012 $
Operating surplus / (deficit) for the period		(115,500)	19,432
Other comprehensive income		-	-
Total comprehensive income for the period		(115,500)	19,432

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

Statement of Financial Position

As at 31 December 2013

	Notes	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	1,853,795	2,199,503
Receivables	**11**	143,516	70,801
Inventories	**12**	220,305	243,561
Other assets	**14**	12,671	10,924
Total current assets		2,230,287	2,524,789
Non-current assets			
Other financial assets	**13**	500	500
Property, plant and equipment	**15**	926,090	611,053
Intangible assets	**16**	25,000	25,000
Total non-current assets		951,590	636,553
Total assets		3,181,877	3,161,342
LIABILITIES			
Current liabilities			
Trade and other payables	**17**	364,334	252,828
Provisions	**18**	123,719	133,190
Total current liabilities		488,053	386,018
Non-current liabilities			
Provisions	**18**	34,000	-
Total non-current liabilities		34,000	-
Total liabilities		522,053	386,018
Net assets		2,659,824	2,775,324
EQUITY			
Retained surplus	**19**	2,659,824	2,775,324
Total equity		2,659,824	2,775,324

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 2013

	Reserves	Retained Earnings	Total
Balance at 1 January 2012	-	2,755,892	2,755,892
Retrospective changes	-	-	-
Balance as restated	-	2,755,892	2,755,892
Surplus or (Deficit)	-	19,432	19,432
Total comprehensive income	-	19,432	19,432
Balance at 31 December 2012	-	2,775,324	2,775,324
Balance at 1 January 2013	-	2,775,324	2,775,324
Surplus or (Deficit)	-	(115,500)	(115,500)
Total comprehensive income	-	(115,500)	(115,500)
Balance at 31 December 2013	-	2,659,824	2,659,824

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 2013

	Notes	2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		5,324,441	5,121,750
Interest received		81,302	106,905
Payments to suppliers and employees (inclusive of GST)		(5,300,854)	(5,051,730)
Interest and other costs of finance		(27,754)	(23,492)
Net cash provided by / (used in) operating activities	**26**	77,135	153,433
Cash flows from investing activities			
Payments for property, plant and equipment		(422,843)	(126,366)
Net cash provided by / (used in) investing activities		(422,843)	(126,366)
Net increase / (decrease) in cash and cash equivalents		(345,708)	27,067
Cash and cash equivalents at the beginning of the financial year		2,199,503	2,172,436
Cash and cash equivalents at the end of the financial year		1,853,795	2,199,503

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 2013, 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 2013 were authorised for issue in accordance with a resolution on 13 March 2014.

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

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983, 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.

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) Receivables

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

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

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

(i) Inventories

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.

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) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of the items. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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.

(k) Intangible assets

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

(l) Trade and other payables

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

(m) Provisions

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

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

(n) Employee benefits

(i) 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.

(o) Goods and Services Tax (GST)

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

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

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

(p) Comparative amounts

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

(q) New accounting standards and UIG interpretations not yet adopted.

Standard Name	**Effective date for entity**	**Requirements**	**Impact**
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilitie. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	1 July 2013	This standard allows certain entities to reduce disclosures.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	1 July 2013	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.

(r) Going Concern
The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

		Notes	**2013**	2012
			$	$
Note 2.	**Trading income**			
	Sale of goods		3,870,893	3,863,655
	Rendering of services		264,838	268,833
			4,135,731	4,132,488
Note 3.	**Investment revenue and income**			
	Interest		81,302	106,905
	Total investment revenue		81,302	106,905
Note 4.	**Other revenue**			
	UNE Fees		335,000	329,629
	UNE SSAF Fees		240,587	-
	Rent		159,823	172,078
	Other revenue		61,493	58,672
			796,903	560,379
Note 5.	**Employee related expenses**			
	Salaries		1,799,246	1,674,160
	Contribution to funded superannuation and pension schemes		187,750	176,927
	Payroll tax		88,063	85,898
	Worker's compensation		8,779	6,849
	Annual & long service leave		20,237	10,165
	Other (Allowances, penalties and fringe benefits tax)		7,166	5,049
	Total employee related expenses		2,111,241	1,959,048
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Plant and Equipment		91,582	68,117
	Motor Vehicles		-	1,047
	Total depreciation		91,582	69,164
	Amortisation			
	Leasehold improvements		99,440	59,968
	Total amortisation		99,440	59,968
	Total depreciation and amortisation		191,022	129,132
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		104,008	100,255
	Total repairs and maintenance		104,008	100,255
Note 8.	**Impairment of assets**			
	Bad Debts		-	-
	Doubtful debts		-	-
	Total impairment of assets		-	-

		Notes	2013 $	2012 $
Note 9.	**Other expenses**			
	Cost of Goods Sold		1,785,675	1,819,265
	Advertising		31,592	35,558
	Cleaning and materials		55,763	63,428
	Computer Expenses		24,449	21,111
	Insurance		23,154	35,204
	Printing and Stationery		49,046	15,701
	Security		37,880	35,620
	Utilities		200,123	209,973
	Rent		99,148	97,461
	Subscriptions and Membership		36,483	21,680
	Other Engagements		43,904	33,601
	Other Programs and activities		115,705	1,794
	Other Expenditure		220,243	201,509
	Total other expenses		2,723,165	2,591,905
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash on hand		18,310	15,910
	Cash at bank at call		731,170	319,565
	Term Investments		1,104,315	1,864,028
	Total cash and cash equivalents		1,853,795	2,199,503

(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:

	2013 $	2012 $
Balances as above	1,853,795	2,199,503
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,853,795	2,199,503

(b) Cash on hand

	2013 $	2012 $
These are non-interest bearing.	18,310	15,910

(c) Deposits as call

The deposits at call and at investment terms of less than12 months are bearing floating and fixed interest rates between 2.5% and 3.9% (2012 - 4.0% and 4.65%). These deposits have an average maturity of 243 days.

		Notes	2013 $	2012 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		143,516	70,801
	Less: Provision for impaired receivables	1(h)	-	-
	Total receivables		143,516	70,801

(a) Impaired receivables

As at 31 December 2013 current receivables of the entity with a nominal value of $Nil (**2**012: $Nil) were impaired. The amount of the provision was $Nil **(2**012: $Nil).

As of 31 December 2013, trade receivables of $32,134 (2012: $9,111) were past due but not impaired. These relate to a number of related and independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2013 $	2012 $
3 to 6 months	20,648	9,111
Over 6 months	11,486	-
	32,134	9,111

Movements in the provision for impaired receivables are as follows:

	2013 $	2012 $
As at 1 January	-	1,148
Provision for impairment recognised during the year	-	(1,148)
Receivables written off during the year as uncollectible	-	-
As at 31 December	-	-

	Notes	2013 $	2012 $

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

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

Note 12. Inventories

	Notes	2013 $	2012 $
Inventories	1(i)		
Current			
Stock on hand		220,305	247,550
Less: Provision for stock write-down		-	(3,989)
Total current inventories		220,305	243,561

Note 13. Other financial assets

	2013 $	2012 $
Non-current		
Available for sale	500	500
Total non-current other financial assets	500	500

Note 14. Other non-financial assets

	2013 $	2012 $
Current		
Accrued Income	-	-
Prepaid Expenses	12,671	10,924
Total current other non-financial assets	12,671	10,924

Note 15. Property, plant and equipment

	2013 $	2012 $
Plant and equipment - At cost	1,429,402	1,340,913
Less: Accumulated depreciation	(957,170)	(1,166,972)
	472,232	173,941
Motor Vehicles – At cost	35,278	35,278
Less: Accumulated depreciation	(35,278)	(35,278)
	-	-
Leasehold improvements - At cost	637,123	623,375
Less: Accumulated depreciation	(277,803)	(186,263)
	359,320	437,112
Work in progress - At cost	94,538	-
	94,538	-
Total Property Plant & Equipment	926,090	611,053

Reconciliation

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

	2013 $	2012 $
Plant and Equipment		
Carrying amount at beginning of year	173,941	157,338
Additions	389,873	84,720
Disposals	-	-
Depreciation	(91,582)	(68,117)
Carrying amount at end of year	472,232	173,941
Motor vehicles		
Carrying amount at beginning of year	-	1,047
Additions	-	-
Disposals	-	-
Depreciation	-	(1,047)
Carrying amount at end of year	-	-

	Notes	2013 $	2012 $
Property, plant and equipment (continued)			
Leasehold improvements			
Carrying amount at beginning of year		437,112	455,434
Additions		32,970	41,646
Disposals		(11,322)	-
Depreciation		(99,440)	(59,968)
Carrying amount at end of year		359,320	437,112

Note 16. Intangible assets

	Notes	2013 $	2012 $
	1(k)		
Australia Post Licence – At cost		25,000	25,000

Note 17. Trade and other payables

	2013 $	2012 $
Current		
Trade Payables	269,796	252,828
Other Payables	94,538	-
Total current trade and other payables	364,334	252,828

Note 18. Provisions

	Notes	2013 $	2012 $
	1(m)		
Current provisions expected to be settled wholly within 12 months			
Employee benefits			
Annual leave		90,719	-
Long service leave		-	-
Subtotal		90,719	-
Current provisions expected to be settled wholly after more than 12 months			
Employee benefits			
Annual leave		-	88,961
Long service leave		33,000	44,229
Subtotal		33,000	133,190
Total Current Provision		123,719	133,190
Non-current provisions			
Employee benefits			
Long service leave		34,000	-
Total non-current provision		34,000	-
Total provisions		157,719	133,190

Note 19. Reserves and retained surplus

	2013 $	2012 $
Retained surplus		
Movements in retained surplus were as follows:		
Retained surplus at 1 January	2,775,324	2,755,892
Net operating surplus / (deficit) for the year	(115,500)	19,432
Retained Surplus at 31 December	2,659,824	2,775,324

Note 20. Economic Dependency

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

Note 21. 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
Peter Enlund
Sue Nelson
David Cushway

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 with the exception of Peter Enlund and David Cushway did not receive benefits and fees from a related body corporate who received remuneration in their capacity of employees of the University of New England.

Remuneration of Board Members

	2013	2012
	No.	**No.**
Nil to $9,999	5	5
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-

Remuneration of executive officers	**No.**	**No.**
$130,000 to $139,999	-	1
$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	149,516	135,864

Note 22. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	24,835	23,600
Total remuneration for audit services	24,835	23,600

Note 23. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to Services UNE Limited had been identified. A Bank Guarantee from the National Australia Bank for $20,000 in favour of Road Show Film Distributor in place through into 2013 has been lifted.

	2013 $	2012 $

Note 24. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2013 of $6,000 (2012: $11,924).

(b) Lease Commitments

	2013 $	2012 $
(i) Operating Leases		
Within one year	113,974	111,592
Between one and five years	19,033	130,456
Later than five years	-	-
Total operating leases	133,007	242,048

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.

(ii) Finance Leases

There were no commitments for Finance Leases at 31 December 2013, (2012: Nil).

	2013 $	2012 $
Total commitments	133,007	242,048

No lease arrangements, existing as at 31 December 2013, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

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

Note 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:

	2013	2012
Transactions during the period	**$**	$
University of New England		
UNE - Commercial transactions	378,500	200,737
UNE Support	576,010	351,758
Payments made	(223,532)	(190,043)
Net	730,978	362,452
With other related parties		
Income received	48,030	28,023
Payments made	-	(11,238)
Net	48,030	16,785

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

University of New England		
Receivables	43,762	35,109
Payables	345	611
With other related parties		
Receivables	-	535
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.

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

Note 26. Reconciliation of operating result after income tax to net cash flows from operating activities

Operating surplus / (deficit) for the period	(115,500)	19,432
Depreciation and amortisation	191,022	129,132
Provision for impaired receivables and inventory	(3,989)	(1,378)
Net (gain) / loss on sale of non-current assets	11,322	-
Increase/(Decrease) in Payables and Prepaid Income	16,968	(18,020)
Increase/(Decrease) in Provision for Employee Entitlements	24,529	9,734
(Increase)/Decrease in Receivables and Prepaid Expenses	(74,462)	(9,083)
(Increase)/Decrease in Inventories	27,245	23,616
Net cash provided by / (used in) operating activities	77,135	153,433

Note 27. Events subsequent to reporting period

At the end of the financial year Services UNE Limited commenced proceedings and made application to become a proprietary limited corporation, the proposed conversion is still in progress. In addition there have been a number of departments that since balance date have come under the control of the University of New England Student Association (UNESA) these include; the second hand bookshop, radio station, and employment of student support officers.

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	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables (Excludes statutory receivables and prepayments)	11	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	10	Deposits at Call 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 **3.6**% and 3.9%. Average maturity of 243 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2013.	
Creditors and Accruals (Excludes statutory payables and unearned revenue)	17	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 there under. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

(c) Liquidity Risk

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

- will not have sufficient funds to settle a transaction on the due date

Financial risk management (continued)

- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

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

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	3.50%	731,170				18,310	749,480
Investments-Term Deposits	3.70%		1,104,315				1,104,315
Receivables & other non-financial assets						143,516	143,516
Unlisted shares						500	500
Total Financial Assets		731,170	1,104,315			162,326	1,997,811
Financial Liabilities							
Borrowings			-	-			-
Payables						364,334	364,334
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		364,334	364,334
Net Financial Assets(Liabilities)		731,170	1,104,315	-		(202,008)	1,633,477

Comparative figures for the previous year are as follows:

31 December 2012	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%	319,565				15,910	335,475
Investments - Term Deposits	4.50%		1,864,028				1,864,028
Receivables						70,801	70,801
Unlisted shares						500	500
Total Financial Assets		319,565	1,864,028			87,211	2,270,804
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					252,828	252,828
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		252,828	252,828
Net Financial Assets(Liabilities)		319,565	1,864,028	-		(165,617)	2,017,976

(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.

Financial risk management (continued)

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	
	2013	2012	2013	2012
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,853,795	2,199,503	1,853,795	2,199,503
Receivables	143,516	70,801	143,516	70,801
Other financial assets	500	500	500	500
Total financial assets	1,997,811	2,270,804	1,997,811	2,270,804
Financial liabilities				
Payables	364,334	252,828	364,334	252,828
Total financial liabilities	364,334	252,828	364,334	252,828

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 2013	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	749,480	(7,495)	(7,495)	7,495	7,495	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	1,104,315	(11,043)	(11,043)	11,043	11,043	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	143,516					-	-	-	-				
Listed Shares	500												
Total Financial Assets	1,997,811												
Financial Liabilities													
Borrowings	-	-		-	-								
Payables	364,334												
Other Amounts Owing	-												
Total Financial Liabilities	364,334												
Total increase / (decrease)	1,633,477	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2012	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	335,475	(3,355)	(3,355)	3,355	3,355	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,864,028	(18,640)	(18,640)	18,640	18,640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	70,801					-	-	-	-				
Listed Shares	500												
Total Financial Assets	2,270,804												
Financial Liabilities													
Borrowings	-	-		-	-								
Creditors	252,828												
Other Amounts Owing	-												
Total Financial Liabilities	252,828												
Total increase / (decrease)	2,017,976	-	-	-	-	-	-	-	-	-	-	-	-

END OF THE AUDITED FINANCIAL STATEMENTS

Sport UNE Limited

ABN: 73 138 308 899
Annual Financial Report for the year ended 31 December 2013

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 profit and loss, statement of other comprehensive income, statement of financial position as at 31 December 2013, 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.

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 2013 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 a 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 give a true and fair view and 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 Company'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 company'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.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

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 other information that 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, the *Corporations Act 2001* and 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 10 March 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.

Karen Taylor
Director, Financial Audit Services

13 March 2014
SYDNEY

Directors Report

The Director of Sport UNE Limited present their report with the financial report for the financial year ended 31 December 2013 and the Auditors Report thereon.

Directors

No Directors were Directors of the entity during the whole year

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

David Cushway	- appointed 13th August 2013

The following Director was appointed during the year:

Charlotte Egan	- appointed 27th March 2013

The following Directors held office during the year until the date of their resignation:

David Schmude	- resigned 13th August 2013
John Hobbs	- resigned 13th August 2013
Kevin Dupe`	- resigned 13th August 2013
David Munday	- resigned 13th August 2013
Charlotte Egan	- resigned 13th August 2013
Claire Parker	- resigned 10th July 2013
Peter Enlund	- resigned 1st February 2013
Emma Gillogly	- resigned 2nd January 2013
Jayne Heagney	- resigned 27th March 2013

Information on Directors

David Schmude	
Qualifications	Significant sport administration and people management skills and Masters in International Sports Management.
Experience	Current Chief Executive Officer of Sport UNE with extensive experience in the sports sector.
Special Responsibilities	Chief Executive Officer
John Hobbs	
Qualifications	B.Sc., Cert.Ed., M.Sc., Ph.D., J.P.
Experience	Member of Sport UNE since 1965. Extensive experience with Sport UNE clubs and committees, including as President. Also extensive experience in UNE management
Special Responsibilities	Deputy-Chairman
Jayne Heagney	
Qualifications	Current Undergraduate at University of New England.
Experience	Student Representative.
Special Responsibilities	Nil
Claire Parker	
Qualifications	PhD [Sports Studies], M.A [Sports Studies] B.Ed Hons [Physical Education]
Experience	Course Coordinator for Bachelor Sports Studies UNE, extensive experience in working in tertiary and secondary education sector in sport and physical education programs.
Special Responsibilities	Nil
Kevin Dupe`	
Qualifications	Bachelor of Economics (ANU); Advanced Management Diploma (INSEAD); Fellow AICD; Fellow AMI.
Experience	CEO of the Community Mutual Group for 11 years to current. Extensive experience in banking and public policy. Current member of UNE Council. Joined Board in 2009, and Chairman of Future Staff (RTO) for 11 years prior.
Special Responsibilities	Chairman

Information on Directors (continued)

David Munday	
Qualifications	Bachelor Commerce (UNE), Post Graduate Degree Applied Corporate Governance (Institute Chartered Secretaries Australia) – Chartered Secretary, Bachelor Law (part completed).
Experience	Executive Manager Legal, Compliance and Corporate Services and Company Secretary Community Mutual Group. Extensive experience in the Credit Union sector, providing a broad knowledge of company secretarial, legal, compliance and corporate governance processes and practices.
Special Responsibilities	Nil
Emma Gillogly	
Qualifications	Bachelor General Studies/Teaching. Currently studying Bachelor Sport Science
Experience	University of New England Council - Undergraduate representative 2007-2010 College sport, Australian Women's Rugby Sevens representative 2012.
Special Responsibilities	Nil
Peter Enlund	
Qualifications	Fellow of the Institute of Chartered Accountants.
Experience	Chief Operating Officer of UNE. Extensive experience in the education sector.
Special Responsibilities	Nil
David Cushway	
Qualifications	Bachelor of Business, Masters Public Administration, GAICD
Experience	Chief Operating Officer of UNE.
Special Responsibilities	Nil
Bradley Smith	
Qualifications	Current Undergraduate at University of New England.
Experience	Student Representative.
Special Responsibilities	Nil
Charlotte Egan	
Qualifications	Current Undergraduate at University of New England.
Experience	Student Representative.
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:

	Ordinary Meetings	
Director	**A**	**B**
David Schmude	3	3
John Hobbs	3	3
David Cushway	1	1
Charlotte Egan	1	2
Jayne Heagney	1	1
Claire Parker	2	2
Emma Gillogly	0	0
Peter Enlund	0	0
Kevin Dupe`	3	3
David Munday	3	3

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

Principal Activities

The principal activities of the entity during the course of the financial year were to 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.

The entity's short term objectives are to:

- Enhance the reputation and profile of the University through maintaining and marketing first-rate facilities in sport and healthy lifestyle;
- Add value to the educational experience of students through the development of their 'life skills' via club and committee involvement, and participation in sports administration, coaching, refereeing and other accreditation courses;
- Work closely with the wider University to enhance facilities for academic programs; and
- Cooperate with the local community to further develop sports facilities and programs that benefit the wider region
- Maintain and enhance the Universities sports marketing projects to allow for the use of sport as a business conduit

The entity's long term objectives are to:

- Work with the University to integrate the Exercise & Sports Science programs with the creation of the Centre of Excellence for Elite Athletes;
- Distinguish ourselves by the quality of our on-campus experience;
- Lead the nation in the innovative use of educational technology for distance education;
- Set the standard for social inclusiveness and access for all to higher education;
- Achieve international distinction in all our specialist fields of research; and
- Foster business processes that maximise efficiency, promote a service culture and meets the needs of students and staff.

Strategy for achieving those objectives;

Students

- Assist students to maintain a healthy lifestyle
- Develop and provide students with programs, resources and tools to promote and increase participation in sport
- Build, promote and maintain participation pathways that include grassroots, through to high performance opportunities
- Continue to grow our Club participation

Teaching and Research Support
- Develop strong partnerships with academic departments to facilitate delivery of sport related undergraduate and postgraduate programs
- Provide a range of opportunities for students to develop their educational portfolio through meaningful student internships
- Co-develop proposal for Centre of Sport Excellence in Education and sports delivery

Performance measures
The following measures are used within the Company to monitor performance:
- Membership numbers are regularly reviewed with a focus on retention
- Number of new enrolments for the University attributed to the Focus on Sports Business
- Student and Community participant numbers in organised sporting events
- Visitors to the centre per annum

Review of Operations

The operating surplus of the entity for the financial year was $268,973(2012: ($215,524 deficit)). The surplus can be attributed to a twenty three percent growth in membership revenue as well as increased funding from the University and the Student Amenities Fee. 2013 also involved running an increasing amount of programs for the University these included; Lighting the Fire, Back Track, Parramatta Eels training camp and NRL Trial match

Matters Subsequent to the End of the Financial Year

2014 will see the company will transfer operations to a proprietary limited company.
This will result in a change of governance for the company but will not significantly affect the operations of the entity

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

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

COMMONWEALTH
Environment Protection and Biodiversity Conservation Act 1999
National Environment Protection Council Act 1994
National Greenhouse and Energy Reporting Act 2007
- Clean Energy Act 2011(amended July 2012)
- Clean Energy Amendment Regulation 2012
- Carbon Credits (Consequential Amendments) Act 2011
- Acts Interpretation Amendment Act 2011
- National Greenhouse and Energy Reporting Amendment Act 2009
- National Greenhouse and Energy Reporting Amendment Act 2008

STATE – New South Wales
Animal Research Act 1985
Catchment Management Authorities Act 2003
Contaminated Land Management Act 1997 (some amendments made in 2008)
Energy and Utilities Administration Act 1987
Environmental Planning and Assessment Act 1979
- Environmental Planning and Assessment Amendment Act 2008
- Environmental Planning and Assessment Amendment Act 2012

Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
- Environmentally Hazardous Chemicals Amendment Act 1996 No 16

Heritage Act 1977
- Heritage Amendment Act 2011 No 71

Local Government Act 1993
National Parks and Wildlife Act 1974
National Parks and Wildlife (Adjustment of Areas) Act 2005
Native Vegetation Act 2003
Noxious Weeds Act 1993
Noxious Weeds Amendment Act 2012
Pesticides Act 1999
Protection of the Environment Operations Act 1997
Rural Fires Act 1997
Rural Lands Protection Act 1998
Road Transport (Safety and Traffic Management) Act 1999

Soil Conservation Act 1938
Soil Conservation Amendment Act 1989
Threatened Species Conservation Act 1995
Threatened Species Conservation Amendment Act 2002
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2008
Water Management Amendment Act 2010
Water Management (General) Regulation 2011

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2012
Armidale Dumaresq DRAFT Liquid Trade Waste 2009

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 $30,600 for Directors and Officers Insurance covered the period 1 November 2012 to 31 October 2013. Insurance has been renewed for the Group for the period 1 November 2013 to 31 October 2014 at a cost of $34,600. 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.

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 $1.00 liability should the company be wound up. At 31 December 2013, the collective liability of members was $1 (2012: $1).

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 2013.

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

....
David Cushway
Director

....
David Schmude
Chief Executive Officer

11 March 2014

AUDITOR-GENERAL
NEW SOUTH WALES

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 2013, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

Karen Taylor
Director, Financial Audit Services

10 March 2014
SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | f 02 9275 7179 | e mail@audit.nsw.gov.au | **audit.nsw.gov.au**

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 2013;

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.

....
David Cushway
Director

11 March 2014

....
David Schmude
Chief Executive Officer

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 2013 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.

....
David Cushway
Director

....
David Schmude
Chief Executive Officer

11 March 2014

Statement of Profit or Loss

For the year ended 31 December 2013

	Notes	2013 $	2012 $
Revenue from continuing operations			
Trading Income	**2**	3,190,980	2,141,320
Investment revenue and income	**3**	13,072	11,874
Total revenue from continuing operations		3,204,052	2,153,194
Expenses from continuing operations			
Personnel services	**4**	1,469,067	1,320,687
Depreciation and amortisation	**5**	64,726	56,543
Repairs and maintenance	**6**	159,578	127,110
Impairment of assets	**7**	1,441	5,645
Other expenses	**8**	1,240,267	858,733
Total expenses from continuing operations		2,935,079	2,368,718
Operating surplus/(deficit) attributable to Sport UNE Limited	**17**	268,973	(215,524)

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

Statement of other Comprehensive Income

For the year ended 31 December 2013

	Notes	2013 $	2012 $
Operating surplus/(deficit) for the year		268,973	(215,524)
Other comprehensive income		-	-
Total comprehensive income for the year		268,973	(215,524)

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

Statement of Financial Position

As at 31 December 2013

	Notes	**2013**	2012
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	**9**	273,939	106,894
Receivables	**10**	43,695	34,185
Inventories	**11**	21,803	7,871
Total current assets		339,437	148,950
Non-current assets			
Plant, equipment & motor vehicle	**12**	643,172	519,542
Total non-current assets		643,172	519,542
Total assets		982,609	668,492
LIABILITIES			
Current liabilities			
Trade and other payables	**13**	177,999	177,178
Borrowings	**14**	-	36,942
Personnel services payable	**15**	111,975	117,398
Other liabilities	**16**	280,469	204,781
Total current liabilities		570,443	536,299
Non-current liabilities			
Personnel services payable	**15**	37,000	26,000
Total non-current liabilities		37,000	26,000
Total liabilities		607,443	562,299
Net assets		375,166	106,193
EQUITY			
Retained earnings	**17**	375,166	106,193
Total equity		375,166	106,193

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 2013

	Reserves	Retained Earnings	Total
Balance at 1 January 2012	-	321,717	321,717
Surplus	-	(215,524)	(215,524)
Total comprehensive income	-	(215,524)	(215,524)
Balance at 31 December 2012	-	106,193	106,193
Balance at 1 January 2013	-	106,193	106,193
Surplus	-	268,973	268,973
Total comprehensive income	-	268,973	268,973
Balance at 31 December 2013	-	375,166	375,166

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 2013

	Notes	**2013**	2012
		$	$
Cash flows from operating activities			
Receipts from customers		3,346,581	2,422,701
Interest received		12,790	11,874
Payments to suppliers and personnel services (inclusive of GST)		(2,918,387)	(2,412,694)
Net cash provided by / (used in) operating activities	**24**	440,984	21,881
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		8,290	24,545
Payment for property, plant & equipment		(245,287)	(97,829)
Net cash provided by / (used in) financing activities		(236,997)	(73,284)
Cash flows from financing activities			
Repayment of loans		(36,942)	(46,061)
Net cash provided by / (used in) financing activities		(36,942)	(46,061)
Net increase / (decrease) in cash and cash equivalents		167,045	(97,464)
Cash and cash equivalents at the beginning of the financial year		106,894	204,358
Cash and cash equivalents at the end of the financial year		273,939	106,894

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Sport UNE Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 15 July 2009 and is domiciled in Australia.

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

The principal address of Sport UNE Limited is: Sport UNE Drive, Armidale NSW 2351, Australia.

The financial report for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Board on 11 March 2014.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with the Corporations Act 2001, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010.

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

(b) Foreign currency translation

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Trading income
Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of services is recognised upon the delivery of the service to customers.

(ii) Investment income
Interest income is recognised when the Entity's right to receive payment has been established.

(iii) Other revenue

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

(d) Income tax

Sport UNE Limited has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

For statement of cash flow 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 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

Raw materials and stores, work in progress and finished goods

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

(j) Property, plant and equipment

Land, buildings and infrastructure currently utilised by the entity are owned by the University of New England. These assets are utilised and maintained by Sport UNE Limited under an agreement.

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

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

Property, plant and equipment (continued)
Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as follows:

Other Plant and Equipment - 6 to 10 yrs,
Motor Vehicles - 7 yrs,

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

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

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

(k) 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.

(l) 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 Entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Provisions

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

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

(n) Employee benefits

Employees of the University of New England work within the Entity. For the purpose of the financial statements, these employees have been treated as employees of the University therefore employee related expenses are recognised as personnel services in Sport UNE Limited.

(o) Goods and Services Tax (GST)

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

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

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

(p) Comparative amounts

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

(q) Going Concern

The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

(r) New standards and interpretations not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 /	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilitie. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-	1 July 2013	This standard allows certain entities to reduce disclosures.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced	1 July 2013	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and	1 July 2013	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of	1 July 2014	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

Notes to the financial statements
31 December 2013
(continued)

		2013 $	2012 $
Note 2.	**Trading income**		
	University contribution	1,414,603	800,000
	Membership fees	846,143	695,441
	Facility fees & equipment hire	358,754	292,388
	Vacation Care	-	1,138
	Café sales	185,966	166,693
	Twilight Sports & Sports camps	102,866	78,983
	University sporting programs	52,353	47,086
	Commercial programs & events	230,093	56,163
	Sundry	202	3,428
	Total trading income	3,190,980	2,141,320
Note 3.	**Investment revenue and income**		
	Interest	13,072	11,874
	Total investment revenue	13,072	11,874
Note 4.	**Personnel services**		
	Personnel services	1,469,067	1,320,687
	Total personnel services	1,469,067	1,320,687
Note 5.	**Depreciation and amortisation**		
	Plant and Equipment	55,962	47,352
	Motor Vehicles	8,764	9,191
	Total depreciation	64,726	56,543
Note 6.	**Repairs and maintenance**		
	Infrastructure/Plant & Equipment	73,022	65,449
	Grounds	86,556	61,661
	Total repairs and maintenance	159,578	127,110
Note 7.	**Impairment of assets**		
	Bad Debts	1,200	3,857
	Doubtful debts	241	1,788
	Total impairment of assets	1,441	5,645
Note 8.	**Other expenses**		
	Non-capitalised equipment	22,149	40,883
	Advertising, marketing and promotional expenses	119,634	66,350
	Motor Vehicles and Utilities	358,692	296,166
	Inventory Used	117,807	97,480
	Interest Expense	1,062	4,511
	Postal and Telecommunications	8,718	8,151
	Travel and Entertainment	6,316	10,614
	Software & Computer expenses	10,964	16,141
	Camps & University Sporting Programs	218,818	117,217
	Office Expenses	7,652	13,061
	Subscriptions & Associations	21,724	20,176
	Scholarships & Donations	48,097	4,958
	Sports Business	168,309	81,354
	Insurance	18,634	13,741
	Audit	18,900	18,000
	Loss on disposal of asset	48,641	1,871
	Other Expenditure	44,150	48,059
	Total other expenses	1,240,267	858,733

		Notes	2013 $	2012 $
Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand		1,400	1,150
	Cash at bank		242,483	105,744
	At call investments		30,056	-
	Total cash and cash equivalents		273,939	106,894

(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	273,939	106,894
Less: Bank Overdraft	-	-
Balance per cash flow statement	273,939	106,894

(b) Cash on hand

These are non-interest bearing.	1,400	1,150

(c) At call investments
The deposits at call can be withdrawn at anytime with short notice. Deposits are at fixed interest rates with an average rate of 3.85%

		Notes	2013 $	2012 $
Note 10.	**Receivables**			
	Current			
	Trade Debtors		40,092	33,457
	Less: Provision for impaired receivables	1(h)	(2,029)	(1,788)
	GST Receivable		5,350	2,516
	Interest Accrued		282	-
	Total current receivables		43,695	34,185
	Total receivables		43,695	34,185

Impaired receivables

As at 31 December 2013 the entity held provisions of $2,029 (2012: $1,788) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

The ageing of these receivables is as follows:		
Current	-	-
3 to 6 months	336	30
Over 6 months	1,693	1,758
	2,029	1,788

As at 31 December 2013, trade receivables of $14,757 (2012: $22,568) 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:

3 to 6 months	414	11,877
Over 6 months	14,343	10,691
	14,757	22,568

Movements in the provision for impaired receivables are as follows:

At 1 January	1,788	4,200
Provision for impairment recognised during the year	1,441	1,788
Receivables written off during the year as uncollectible	(1,200)	(4,200)
At 31 December	2,029	1,788

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	2013 $	2012 $
Note 11.	**Inventories**	1(i)		
	Other stocks		21,803	7,871
	Total current inventories		21,803	7,871
Note 12.	**Plant, Equipment & Motor Vehicle**			
	Plant & Equipment:			
	At cost		688,925	518,657
	Accumulated depreciation		(102,371)	(64,497)
	At cost - 31 December		586,554	454,160
	Motor Vehicle			
	At cost		75,446	75,447
	Accumulated depreciation		(18,828)	(10,065)
	At cost - 31 December		56,618	65,382
	Total plant, equipment & motor vehicle		643,172	519,542

Movements in Carrying Amounts

Movement in the carrying amounts plant and equipment between the beginning and the end of the current financial year:

	Plant & Equip	Motor Vehicle	Total
Balance 1 January 2012	450,670	54,001	504,671
Additions	50,842	46,988	97,830
Depreciation expense	(47,352)	(9,191)	(56,543)
Disposal	-	(29,731)	(29,731)
Depreciation written back on disposal	-	3,315	3,315
Carrying amount at 31 December 2012	454,160	65,382	519,542
Balance 1 January 2013	454,160	65,382	519,542
Additions	245,288	-	245,288
Depreciation expense	(55,962)	(8,764)	(64,726)
Disposals	(75,020)	-	(75,020)
Depreciation written back on disposal	18,088	-	18,088
Carrying amount at 31 December 2013	586,554	56,618	643,172

		Notes	2013 $	2012 $
Note 13.	**Trade and other payables**			
	Trade Payables		177,999	177,178
	Total current trade and other payables		177,999	177,178

Refer note 22 for disclosure of amount owing to the University of New England

			2013 $	2012 $
Note 14.	**Borrowings**			
	Current			
	Commercial Loan with the University of New England		-	36,942
			-	36,942

		Notes	2013 $	2012 $
Note 15.	**Personnel services payable**	1(n)		
	Current Personnel services payable		111,975	106,082
	Other payables		-	11,316
	Total current payables		111,975	117,398
	Non-current payables			
	Non-current personnel services payable		37,000	26,000
	Total non-current payable		37,000	26,000
	Total payable		148,975	143,398
Note 16.	**Other Liabilities**			
	Members subscriptions in advance		129,869	121,387
	Other Accrued Expenditure		38,479	67,329
	PAYG Payable		18,350	16,065
	Funds held in Trust		93,771	-
	Total current other liabilities		280,469	204,781
Note 17.	**Retained Earnings**			
	Movements in retained earnings were as follows:			
	Retained earnings at 1 January		106,193	321,717
	Net operating surplus/(deficit) for the year		268,973	(215,524)
	Retained Earnings at 31 December		375,166	106,193

Note 18. Key management personnel disclosures

(a) Names of responsible persons

The following person was a responsible person and executive officer of Sport UNE Limited from the beginning of the year to the reporting dates:

Executive Officer
Mr David Schmude

The following persons were appointed to the board during the year:
Mr David Cushway
Ms Charlotte Egan

The following persons resigned from the board during the year:
Mr David Schmude
Mr John Hobbs
Mr Kevin Dupe`
Mr David Munday
Ms Charlotte Egan
Ms Claire Parker
Mr Peter Enlund
Mr Emma Gillogly
Mr Jayne Heagney

Chief Executive Officer
Mr David Schmude

Other Key Management Personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of Sport UNE Limited during the financial year:

- Mrs Kathie Hunt
- Mr Ashley Clee

Key management personnel disclosures (continued)

(b) Remuneration of Directors and Executives

Remuneration of Directors
The Directors of the entity act in an honorary capacity and receives no benefits or fees for their services.
The Directors did not receive benefits and fees from a related body corporate except for Mr David Schmude in his capacity as Chief Executive Officer of Sport UNE Limited.

	2013 No.	2012 No.
Nil to $9,999	10	9
	10	9

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

Remuneration of executive officers	**No.**	**No.**
$150,000 to $175,999	-	1
$175,999 to $199,999	1	-
	1	1

Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	180,631	174,604

Note 19. Remuneration of auditors
During the year, the following fees were paid for services provided by the auditor of Sport UNE Limited, its related practices and non-related audit firms:

	2013 $	2012 $
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	18,900	18,000
Total remuneration for audit services	18,900	18,000

Note 20. 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 Sport UNE Limited had been identified.

Note 21. Commitments
(a) Capital Commitments
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2013 $	2012 $
Property, Plant and Equipment Payable:		
Within one year	38,280	-
Later than one year	-	-
	38,280	-

(b) Lease Commitments	**2013 $**	2012 $
(i) Operating Leases		
Within one year	11,539	4,786
Between one and five years	-	-
Later than five years	-	-
Total operating leases	11,539	4,786
Total lease commitments	11,539	4,786

No lease arrangements existing as at 31 December 2013 that contains contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

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

Note 22. 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 18.

(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:

	2013	2012
Transactions during the period	**$**	$
University of New England		
Income received	1,552,105	942,450
Payments made	(1,847,366)	(1,627,705)
Net	(295,261)	(685,255)
Services UNE		
Income received	-	-
Payments made	(48,030)	(28,023)
Net	(48,030)	(28,023)

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

University of New England		
Receivables	19,987	14,712
Payables	103,962	139,335
Services UNE		
Receivables	-	-
Payables	15,372	-

(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 23. Events subsequent to reporting period

Subsequent to reporting period the Company has lodged with Australian Investments & Securities Commission to become a Proprietary Limited Company limited by 120 shares. These shares are wholly owned by the University of New England (Parent Entity).
This will see the governance structure change to a sole director, being the University representative.

Note 24. Reconciliation of operating result after income tax to net cash flows from operating activities

	2013	2012
	$	$
Operating surplus/(deficit) for the period	268,973	(215,524)
Depreciation and amortisation	64,726	56,543
Net (gain) / loss on sale of non-current assets	48,641	1,871
Increase/(Decrease) in Payables and Prepaid Income	(20,099)	59,096
Increase/(Decrease) in Provision for Employee Entitlements	16,892	29,021
Increase/(Decrease) in Other Provisions	82,697	(2,204)
(Increase)/Decrease in Receivables and Prepaid Expenses	(6,915)	82,895
(Increase)/Decrease in Inventories	(13,931)	10,183
Net cash provided by / (used in) operating activities	440,984	21,881

Note 25. 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
Deposits At Call	9	Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Financial Liabilities			
Borrowings	14	Borrowings are carried at present value.	Minimum repayments are required on a quarterly basis with an option for additional repayments
Creditors and Accruals **	15 & 16	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

(ii) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

As Sport UNE Limited recognises all transactions, assets and liabilities in Australian dollars only, it has minimal exposure to foreign exchange risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. The economic entity has no direct exposure to equity securities or commodity price risk.

Financial risk management (continued)

(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 there under. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

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

The following tables summarise the maturity of the Entity's financial assets and financial liabilities:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	1.40%	242,483				1,400	243,883
Investments - term deposits	3.85%		13,837	16,219			30,056
Receivables						38,345	38,345
Total Financial Assets		242,483	13,837	16,219	-	39,745	312,284
Financial Liabilities							
Borrowings	0.00%		-	-			-
Payables						177,999	177,999
Total Financial Liabilities		-	-	-	-	177,999	177,999
Net Financial Assets(Liabilities)		242,483	13,837	16,219	-	(138,254)	134,285

Comparative figures for the previous year are as follows:

31 December 2012	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	2.10%	105,744				1,150	106,894
Receivables						31,669	31,669
Total Financial Assets		105,744	-	-	-	32,819	138,563
Financial Liabilities							
Borrowings	6.38%		36,942	-			36,942
Payables						177,178	177,178
Total Financial Liabilities		-	36,942	-	-	177,178	214,120
Net Financial Assets(Liabilities)		105,744	(36,942)	-	-	(144,359)	(75,557)

(d) Fair Values of Financial Assets and Liabilities

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

The fair value of financial instruments traded in active markets (such as 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 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 exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

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	
	2013	2012	2013	2012
	$	$	$	$
Financial assets				
Cash and cash equivalents	273,939	106,894	273,939	106,894
Receivables	38,345	31,669	38,345	31,669
Total financial assets	312,284	138,563	312,284	138,563
Financial liabilities				
Payables	177,999	177,178	177,999	177,178
Borrowings	0	36,942		36,942
Total financial liabilities	177,999	214,120	177,999	214,120

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 2013	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	243,883	(2,439)	(2,439)	2,439	2,439	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	30,056	(301)	(301)	301	301	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	38,345					N/A	N/A	N/A	N/A				
Total Financial Assets	312,284												
Financial Liabilities													
Borrowings	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payables	177,999					N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Financial Liabilities	177,999												
Total increase / (decrease)	134,285	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2012	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	106,894	(1,069)	(1,069)	1,069	1,069	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	31,669					N/A	N/A	N/A	N/A				
Total Financial Assets	138,563												
Financial Liabilities													
Borrowings	36,942	(369)	(369)	369	369								
Payables	177,178												
Total Financial Liabilities	214,120												
Total increase / (decrease)	(75,557)	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report for the year ended 31 December 2013

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Foundation Limited (the Company), which comprise income statement, the statement of comprehensive income, the statement of financial position as at 31 December 2013, 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 2013 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 a 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 give a true and fair view and 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 Company'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 company'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.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

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 other information that 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, the *Corporations Act 2001* and 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 the Company on, would be in the same terms if provided to the directors as at the time of this auditor's report.

Karen Taylor
Director Financial Audit Services

28 March 2014
SYDNEY

UNE FOUNDATION LIMITED

Directors Report

The Directors present their report for the financial year ended 31 December 2013 and the Auditors Report thereon.

Directors

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

Dr Geoffrey Fox (Chairman)
Mr Paul Barratt
Mr Geoff Gorrie
Ms Kerrie Murphy
Ms Caroline Ralph
Ms Janine Wilson

The following Director was appointed in March 2014 and continues in office at the date of this report:

Professor Annabelle Duncan - appointed 13 March 2014

The following Directors held office during the year until the date of their resignation:

Professor James Barber - resigned 13 March 2014
Mr Matthew Irwin - resigned 13 February 2013

Company Secretary
Mrs Anita Taylor

Information on Directors

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

Dr Geoffrey Fox has served as Chairman of the Board since 27 August 2008.

Geoff 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. In 2011 he was appointed a Director of the Agricultural Business Research Institute.

Appointed a Director of UNE Foundation Ltd on 26 February 2008.

Special responsibilities : Chairman of the Board since 27 August 2008 ; 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 UNE Foundation Ltd on 4 February 2010. Resigned on 13 March 2014.

Special responsibilities : None

Mr Paul Barratt
BSc (Hons) (UNE) BA (ANU) FAICD FCDA

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

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

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

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

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

Appointed a Director of UNE Foundation Ltd on 5 September 2006. Resigned on 7 May 2013 after serving the maximum number of terms. Mr Barratt was then re-appointed (after a special resolution) on 13 September 2013.

Special responsibilities : None

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

Matthew is Group Business Reviews Manager for Leighton Holdings, reviewing the financial performance of all projects in the Leighton Group to ensure consistency with the Group's core values. Prior to this, Matthew held senior roles with Transfield Services, including Chief Executive, Investments and Chief Financial Officer.

Matthew has also been a Director of Transfield Services Infrastructure Fund. He has over 20 years experience in senior positions in finance, administration and banking.

Appointed a Director of UNE Foundation Ltd on 12 May 2009. Resigned on 13 February 2013.

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

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

Geoff was awarded the Public Service Medal on Australia Day 2002. He retired as Deputy Secretary of the Australian Government Department of Agriculture, Fisheries and Forestry in January 2003.

Appointed a Director of UNE Foundation Ltd on 12 May 2009.

Special responsibilities : None

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

Kerrie Murphy has been in the education sector for many years, including Head of Department, Director of Curriculum and, for four years, Deputy Principal at St Catherine's School Waverly. In 2001, Kerrie became the Principal of the International Grammar School in Sydney until her retirement at the end of 2010.

She brings extensive industry experience to the Board together with proven leadership, strategic development and communication skills.

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

Appointed a Director of UNE Foundation Ltd on 24 November 2010.

Special responsibilities : None

Ms Caroline Ralph
BComm BA Grad Dip Applied Finance (Finsia)

Caroline is an Investment Manager at New Zealand Trade & Enterprise, promoting investment opportunities, exports and trade across the Tasman. Prior to joining NZTE, Caroline worked at JPMorgan for six years as a relationship banker, looking after resources companies in Perth, superannuation funds in Melbourne and the New Zealand client base. Between 2000 and 2004, she was the research analyst for the JBWere Private Equity Fund.

Caroline has been involved in student mentoring through the Australian Business and Community Network. She completed an Advice Bank project with the Victorian State Library foundation and has been an active member of the Committee of Convocation at Melbourne University. She founded the Wine & Philosophy Club at

Appointed a Director of UNE Foundation Ltd on 27 September 2011.

Special responsibilities : None

Janine Wilson
BSc (La Trobe), MBA (Melb.)

Janine is the Executive Director, Donor Services for the Australian Red Cross Blood Service (ARCBS), for whom she has worked since 2005. In this role, she manages about 2,000 staff in more than 100 blood donor centres across Australia, as well as leading the organisation's marketing function. She established the first national Customer Service function for ARCBS, which facilitates the consistent provision of blood components and products to over 300 Australian hospitals. Her leadership in marketing raised public awareness and education during the 2009 "Year of the Blood Donor".

Prior to joining the ARCBS, she worked at the New York Blood Center in the area of Business Strategy and Development, as well as with McKinsey & Company as an Associate/Engagement Manager. Additionally, Janine spent four years in the field of Physiotherapy, based in Melbourne and London.

Janine has completed the Company Directors Course through the Australian Institute of Company Directors.

Appointed a Director of the Company on 27 September 2011.

Special responsibilities : None

Directors Meetings

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

Board of Directors	Board Meetings A	Board Meetings B
Dr Geoffrey Fox	3	3
Professor James Barber	3	3
Mr Paul Barratt	3	3
Mr Geoff Gorrie	3	3
Mr Matthew Irwin	0	0
Ms Kerrie Murphy	2	3
Ms Caroline Ralph	3	3
Ms Janine Wilson	3	3

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

The entity's objectives are:

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

Long-term
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 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.

Principal Activities

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

Review of Operations

During 2013, the company continued to operate as trustee of UNE Foundation and had no financial results.

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 2013, the collective liability of members was $800 ($100 per member, maximum number of members is 8).

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2013.

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

Geoffrey Fox	A Duncan
....	....
Dr Geoffrey Fox	Professor Annabelle Duncan
Chair - Director	*Director*

26 March 2014

AUDITOR-GENERAL
NEW SOUTH WALES

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 2013, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

Karen Taylor
Director, Financial Audit Services

24 March 2014
SYDNEY

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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 2013;

(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 Geoffrey Fox
Chair - Director

26 March 2014

Professor Annabelle Duncan
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 2013 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.

Dr Geoffrey Fox
Chair - Director

26 March 2014

Professor Annabelle Duncan
Director

Income Statement
For the year ended 31 December 2013

	2013 **$**	2012 $
Revenue from continuing operations	-	-
Expenses from continuing operations	-	-
Operating surplus / (deficit) 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 2013

	2013 **$**	2012 $
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 2013

	2013 **$**	2012 $
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 2013

	Reserves	Retained Earnings	Total
Balance as 1 January 2012	-	-	-
Total comprehensive income			
Surplus / (deficit)	-	-	-
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 2012	-	-	-
Balance at 1 January 2013	-	-	-
Surplus / (deficit)	-	-	-
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 2013	-	-	-

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 2013

	2013 **$**	2012 $
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 2013 were authorised for issue in accordance with a resolution of the Board on 26 March 2014.

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

2.0 Auditors remuneration

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

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2013 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

4.0 Directors remuneration

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

5.0 Employee benefits

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

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.

Notes to the financial statements
31 December 2013
(continued)

7.0 Commitments

The entity has not identified material commitments at 31 December 2013 (2012: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2013 (2012: Nil).

9.0 Events subsequent to reporting period

There are no reportable events occurring after balance date.

10.0 New standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2013 reporting period.

The company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

11.0 Economic Dependency

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

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation

ABN: 42 536 278 085
Annual Financial Report for the year ended 31 December 2013

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 income statement, statement of comprehensive income, statement of financial position as at 31 December 2013, 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 Trustee's statement.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 31 December 2013, and its financial performance and its cash flows 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 2013

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

Other Matter

I qualified my opinion on the financial statements for the year ended 31 December 2012. The basis for the qualified opinion was a limitation of scope regarding completeness of voluntary donations revenue. In that year, the Foundation, like many other entities that have donations and fundraising as sources of revenue, found it impracticable to maintain an effective system of internal controls over these sources of revenue until recorded in the financial records.

The Trustee's Responsibility for the Financial Statements

The Trustee is responsible for the preparation of the financial statements that give a true and fair view 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 give a true and fair view and 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 Foundation'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 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 of the CF Act and CF Regulation other than those specified
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that 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 2013.

Opinion

In my opinion:

- the Foundation has properly kept the ledgers and associated records during the year ended 31 December 2013 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 2013 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 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.

Other Matter

I qualified my opinion on the financial statements for the year ended 31 December 2012. The basis for the qualified opinion was a limitation of scope regarding completeness of voluntary donations revenue. In that year, the Foundation, like many other entities that have donations and fundraising as sources of revenue, found it impracticable to maintain an effective system of internal controls over these sources of revenue until recorded in the financial records.

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 control over the conduct of all fundraising appeals; ensuring 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 the Foundation will be able to pay its debts as and when they fall due.

Auditor's Responsibility

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

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

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

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.

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 roles by the possibility of losing clients or income.

Karen Taylor
Director Financial Audit Services

28 March 2014
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 2013 was a surplus of $627,939 (2012 $498,361).

Investment related revenue was $450,948 in 2013 (2012: $489,463). This was a 7.87 percent decrease on the 2012 financial year.

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 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

In accordance with the special resolution of 26 November 2013, the Trustee changed object 2.1(b) of it's constitution from "to raise funds to be applied..." and replaced it with "to hold funds raised that are to be applied...".

Environmental Regulation

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

Insurance of Officers

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

Legal proceedings on behalf of the Trust

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

By resolution of the Board of the UNE Foundation Limited, as Trustee of UNE Foundation.

Dr Geoffrey Fox
Chair - Director

Professor Annabelle Duncan
Director

26 March 2014

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 2013 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 26 March 2014.

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

Dr Geoffrey Fox
Chair - Director

Professor Annabelle Duncan
Director

26 March 2014

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 the financial results of the Trust with respect to fundraising activities for the year ended 31 December 2013;

(2) The financial statements are properly drawn up and the associated records have been properly kept for the year from 1 January 2013 to 31 December 2013 in accordance with the *Charitable Fundraising Act 1991* and the Regulations under that Act and the conditions attached to the authority have been compiled with for the period 1 January 2013 to 31 December 2013;

(3) 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 activities, and

(4) The Trust has operated in accordance with its constitution and policies of the Trustees.

Dr Geoffrey Fox
Chair of the Trustee
UNE Foundation Limited

26 March 2014

Income Statement
For the year ended 31 December 2013

	Notes	2013 $	2012 $
Revenue from continuing operations			
Donations and fundraising	**2**	1,058,810	944,465
Investment income	**3**	350,435	467,114
Other revenue	**4**	100,513	22,349
Total revenue from continuing operations		1,509,758	1,433,928
Expenses from continuing operations			
Administrative expenses	**5**	48,759	48,175
Other expenditures	**6**	-	43,662
Total expenses from continuing operations		48,759	91,837
Operating result from continuing operations before distributions to UNE		1,460,999	1,342,091
Less distribution to UNE	**7**	833,060	843,730
Operating surplus / (deficit) for the year after distribution to UNE		627,939	498,361

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

Statement of Comprehensive Income
For the year ended 31 December 2013

	Notes	2013 $	2012 $
Operating surplus/ (deficit) for the year after distribution to UNE		627,939	498,361
Items that may be reclassified to profit or loss			
Gain in fair value of available for sale financial assets	**12 (a)**	133,145	127,856
Items that will not be reclassified to profit or loss			
Transfer from reserves	**12 (a)**	(21,735)	-
Total other comprehensive income		739,349	626,217
Total comprehensive income for the period		739,349	626,217

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

Statement of Financial Position
As at 31 December 2013

	Notes	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	5,690,591	4,826,936
Trade and other receivables	**9**	91,528	130,452
Total current assets		5,782,119	4,957,388
Non-current assets			
Other financial assets	**10**	1,910,308	1,980,472
Total non-current assets		1,910,308	1,980,472
Total assets		7,692,427	6,937,860
LIABILITIES			
Current liabilities			
Trade and other payables	**11**	41,139	25,921
Total current liabilities		41,139	25,921
Total liabilities		41,139	25,921
Net assets		7,651,288	6,911,939
EQUITY			
Reserves	**12 (a)**	239,266	127,856
Retained earnings	**12 (b)**	7,412,022	6,784,083
Total equity		7,651,288	6,911,939

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 2013

	Reserves	Retained earnings	Total
Balance at 1 January 2012	-	6,285,722	6,285,722
Profit or (loss)	-	498,361	498,361
Gain on available for sale financial assets	127,856	-	127,856
Total comprehensive income	127,856	498,361	626,217
Balance at 31 December 2012	127,856	6,784,083	6,911,939
Balance at 1 January 2013	127,856	6,784,083	6,911,939
Profit or (loss)	-	627,939	627,939
Gain on available for sale financial assets	133,145	-	133,145
Transfer from reserves on disposal of available for sale financial assets	(21,735)	-	(21,735)
Total comprehensive income	111,410	627,939	739,349
Balance at 31 December 2013	239,266	7,412,022	7,651,288

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 2013

	Notes	**2013 $**	2012 $
Cash flows from operating activities			
Fundraising		1,038,588	945,265
Dividends received		10,024	26,010
Interest received		247,814	308,290
Other inflows		49,901	4,342
Payments to suppliers		(52,319)	(51,948)
Distribution to beneficiary		(819,133)	(836,252)
Net cash provided by / (used in) operating activities	**17**	474,875	395,707
Cash flows from investing activities			
Purchase of financial assets		-	(585,866)
Proceeds from sale of financial assets		388,780	798,709
Net cash provided by / (used in) investing activities		388,780	212,843
Net increase / (decrease) in cash and cash equivalents		863,655	608,550
Cash and cash equivalents at the beginning of the financial year		4,826,936	4,218,386
Cash and cash equivalents at the end of the financial year	**8**	5,690,591	4,826,936

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 6 December 2000 and is domiciled in Australia.

UNE Foundation Limited acts as Trustee to the Trust. The Trust is for the benefit of the University of New England. The 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 2013 were authorised for issue by the Trustee on 26 March 2014.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2010.*

The Financial Statements have been prepared in accordance with the historical cost convention except for available for sale financial assets which have been measured at fair value. All amounts are in Australian currency.

(b) Revenue recognition

The Trust receives all donations by way of cheques, direct deposits and electronic funds transfer. All donations are recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the Trust.

Interest income is recognised on an accrual basis. Dividends and distributions are recognised as revenue when the Trust's right to receive payment is established. Refunds of imputation credits arising from investment income received, are recognised as revenue when the application for refund is lodged with the Australian Taxation Office.

Gains and losses on realisation of investments are taken to the income statement when the investment is disposed of. The gain or loss is the difference between the net proceeds of disposal and the carrying value of the investment.

(c) Cash and cash equivalents

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

(d) Receivables

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

(e) 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.

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.

Investments and other financial assets (continued)

Subsequent measurement

Available-for-sale financial assets are carried at fair value.

Fair Value

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

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.

(f) 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.

(g) 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.

(h) 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.

(i) Income Tax

The Trust is exempt from Income Tax. The Trust does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the Trust does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(j) 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.

(k) New standards and interpretations not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	1 July 2013	This standard allows certain entities to reduce disclosures.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	1 July 2013	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	1 July 2013	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

		Notes	**2013**	2012
			$	$
2.0	**Donation and fundraising**			
	Donations and fundraising		**1,058,810**	**944,465**
3.0	**Investment income**			
	Interest		216,187	248,076
	Dividend		134,248	219,038
	Total investment income		**350,435**	**467,114**
4.0	**Other revenue**			
	Net surplus on disposal of units		56,012	300
	Franking credits		22,766	22,049
	Other		21,735	-
	Total other revenue		**100,513**	**22,349**
5.0	**Administrative Expenses**			
	Consultancy fees		48,508	47,863
	Bank fees		251	312
	Total administrative expenses		**48,759**	**48,175**
6.0	**Other expenditures**			
	Loss on disposal of available for sale financial assets - Myer Family Company		-	**43,662**
	Total other expenditure		**-**	**43,662**
7.0	**Distribution to beneficiary**			
	University of New England - scholarships and prizes	1(j)	**833,060**	**843,730**
8.0	**Cash and cash equivalents**			
	Cash at bank		2,335,953	1,087,641
	At call investments		3,354,638	3,739,295
	Total cash and cash equivalents		**5,690,591**	**4,826,936**

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:

	2013	2012
Balances as above	5,690,591	4,826,936
Balance per statement of cash flows	**5,690,591**	**4,826,936**

The deposits are bearing floating interest rates between 3.01% and 6.61% (2012 - 4.60% and 6.61%). These deposits have an average maturity of 209 days (2012 - 214 days).

	2013 $	2012 $
9.0 Trade and other receivables		
Trade receivables	12,000	-
Total trade receivables	**12,000**	**-**

Impaired trade receivables
As at 31 December 2013 current receivables of the entity with a nominal value of $12,000 (2011: $Nil) were not impaired.

	2013 $	2012 $
Other receivables		
Other accrued income	22,594	41,657
GST Input Tax Credit	1,258	1,492
Accrued Interest	55,676	87,303
Total other receivables	**79,528**	**130,452**
Total trade and other receivables	**91,528**	**130,452**

10.0 Other financial assets

Non-current

	2013 $	2012 $
Available for sale financial assets - At fair value		
Unit Trust and Domestic Equity	1,747,708	1,841,147
Australian listed equity securities	162,600	139,325
Total non-current other financial assets	**1,910,308**	**1,980,472**

Movement of shares are as follows:

	2013 $	2012 $
Shares as at 1 January	1,980,472	1,915,896
Acquired through purchase, dividend reinvestment and capital distribution	129,459	778,791
Disposed	(332,768)	(842,071)
Impairment loss	-	-
Asset revaluation reserves	133,145	127,856
Fair value of investment at 31 December	**1,910,308**	**1,980,472**

11.0 Trade and other payables

	2013 $	2012 $
Accrued expense for scholarships, prizes and consultancy fees	41,139	25,921
Total trade and other payables	**41,139**	**25,921**

Foreign currency risk

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

	2013 $	2012 $
Australian Dollars	41,139	25,921
	41,139	**25,921**

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

		2013 $	2012 $
12.0	**Reserves and retained earnings**		
(a)	**Reserves**		
	Revaluation Reserve - Investments	**239,266**	**127,856**
	Movements		
	Asset revaluation reserve - Investments		
	Balance 1 January	127,856	-
	Less write back due to disposal of investment	(21,735)	-
	Increment/(decrement) on revaluation	133,145	127,856
	Balance 31 December	**239,266**	**127,856**
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	6,784,083	6,285,722
	Net Operating Result for the year	627,939	498,361
	Retained earnings at 31 December	**7,412,022**	**6,784,083**

(c) Nature and purpose of reserves

Revaluation Reserve
The asset revaluation reserve is used to record increments and decrements, on the revaluation of available for sale financial assets.

13.0 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 2013 was $10,200 (2012: $9,700).

14.0 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.

15.0 Commitments

The entity has not identified material commitments at 31 December 2013 (2012: Nil).

Capital Commitments
There was no capital expenditure contracted for at the reporting date. (2012: Nil).

16.0 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
Mr Paul Barratt
Mr Geoff Gorrie
Mr Matthew Irwin - resigned 13 February 2013
Ms Kerrie Murphy
Ms Caroline Ralph
Ms Janine Wilson

(b) Controlling entity
For the purposes of meeting the requirements of the Australian Accounting Standards, the University of New England is deemed to be the controlling entity of the Trust and its Corporate Trustee, UNE Foundation Limited.

16.0 Related parties (continued)

(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:

	2013	2012
Transactions during the period	**$**	$
University of New England		
Income received from	8,755	20,184
Payments made to	(833,060)	(836,255)
Net	**(824,305)**	**(816,071)**
With other related parties		
Income received - UNEP	200,000	200,000
Income received - Services UNE	10,000	10,000
Payments made	-	-
Net	210,000	210,000

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

University of New England		
Receivables	8,182	275
Payables	27,303	13,376

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

Operating result for the period	627,939	498,361
Less non cash revenue		
Capitalisation and reinvestment of dividend	(129,460)	(192,925)
Net (Gain)/Loss on sale of Units	(77,747)	43,362
Decrease (increase) in trade and other debtors	38,925	37,372
Increase (decrease) in payables	15,218	9,537
Net cash provided by / (used in) operating activities	**474,875**	**395,707**

18.0 Charitable Fundraising Appeals

Results of Fundraising Appeals		
Donations		
Appeals	113,668	207,520
Bequests	56,916	23,713
Sponsorships	834,474	676,718
General - donations	53,752	36,514
Gross Proceeds from Fundraising Appeals	1,058,810	944,465
Cost of Fundraising Appeals *	49,693	38,172
Net Surplus obtained from Fundraising Appeals	1,009,117	906,293

* 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.

Notes to the financial statements
31 December 2013
(continued)

Total cost of services complies with the Charitable Fundraising Regulation 2008.

Ratios

	2013	2012
(a) Total cost of fundraising/gross income from fundraising	49,693	38,172
	1,058,810	944,465
	4.69%	4.04%
(b) Net surplus from fundraising / gross income from fundraising	1,009,117	906,293
	1,058,810	944,465
	95.31%	95.96%
(c) Total cost of services / total expenditure	833,060	843,730
	881,819	935,567
	94.47%	90.18%
(d) Total cost of services / total income received	833,060	843,730
	1,509,758	1,433,928
	55.18%	58.84%

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.

19.0 Events subsequent to reporting period

There are no reportable events occurring after balance 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 3.01% and 6.61%. Average maturity of 209 days.
Other Financial Assets	10	Unit trust and domestic equity carried at market value	
Listed Shares	10	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	11	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year.

(ii) Foreign exchange risk

UNE Foundation Trust recognises all transactions, assets and liabilities in Australian currency only and is not exposed to foreign exchange risk.

(iii) Price risk

The Trust is exposed to Price Risk through its investments classified as available for sale financial assets. The risk is managed through diversification of the portfolio.

(iv) Cash flow and fair value interest rate risk

The entity 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.

Notes to the financial statements
31 December 2013
(continued)

Financial risk management - continued

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	3.01%	-	1,150,610	1,185,343			2,335,953
Investments	4.31%		3,354,638				3,354,638
Receivables						91,528	91,528
Available for sale						1,747,708	1,747,708
Listed Shares						162,600	162,600
Total Financial Assets		-	4,505,248	1,185,343		2,001,836	7,692,427
Financial Liabilities							
Borrowings			-	-			-
Payables						41,139	41,139
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		41,139	41,139
Net Financial Assets(Liabilities)		-	4,505,248	1,185,343		1,960,697	7,651,288

Comparative figures for the previous year are as follows:

31 December 2012	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	4.22%	-	1,087,641				1,087,641
Investments - Term Deposits	5.55%		3,739,295			-	3,739,295
Receivables	-					130,452	130,452
Available for sale						1,841,147	1,841,147
Listed Shares	-					139,325	139,325
Total Financial Assets		-	4,826,936	-		2,110,924	6,937,860
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					25,921	25,921
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		25,921	25,921
Net Financial Assets(Liabilities)		-	4,826,936	-		2,085,003	6,911,939

(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 2013	Carrying Amount 2012	Fair Value 2013	Fair Value 2012
	$	$	$	$
Financial assets				
Available for sale				
Equity securities	1,910,308	1,980,472	1,910,308	1,980,472
Total financial assets	1,910,308	1,980,472	1,910,308	1,980,472

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

	31 Dec 2013	Level 1	Level 2	Level 3
Financial assets				
Available for sale				
Equity securities	1,910,308	162,600	1,747,708	0
Total	1,910,308	162,600	1,747,708	0

	31 Dec 2012	Level 1	Level 2	Level 3
Financial assets				
Available for sale				
Equity securities	1,980,472	139,325	1,841,147	0
Total	1,980,472	139,325	1,841,147	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 2013	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result		Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$		$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	2,335,953	(23,360)	(23,360)	23,360	23,360	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	3,354,638	(33,546)	(33,546)	33,546	33,546	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	91,528					-	-	-	-				
Other financial assets	1,747,708	(17,477)	(17,477)	17,477	17,477								
Listed Shares	162,600		-										
Total Financial Assets	7,692,427												
Financial Liabilities													
Borrowings	-	-	-	-	-								
Payables	41,139	N/A	N/A	N/A	N/A								
Other Amounts Owing	-												
Total Financial Liabilities	41,139												
Total increase / (decrease)	7,651,288	-	-	-	-	-		-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2012	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result		Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	1,087,641	(10,876)	(10,876)	10,876	10,876	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	3,739,295	(37,393)	(37,393)	37,393	37,393	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	130,452					-	-	-	-				
Other financial assets	1,841,147	(18,411)	(18,411)	18,411	18,411								
Listed Shares	139,325												
Total Financial Assets	6,937,860												
Financial Liabilities													
Borrowings	-	-		-	-								
Creditors	25,921	N/A	N/A	N/A	N/A								
Other Amounts Owing	-												
Total Financial Liabilities	25,921												
Total increase / (decrease)	6,911,939	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE
Health Pty Ltd

ABN: 62 161 262 933
Annual Financial Report
for the period
16 November 2012 to
31 December 2013

INDEPENDENT AUDITOR'S REPORT

UNE Health Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the UNE Health Pty Ltd, which comprise the statement of financial position as at 31 December 2013, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 16 November 2012 to 31 December 2013, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the UNE Health Pty Ltd as at 31 December 2013, and of its financial performance and its cash flows for the period 16 November 2012 to 31 December 2013 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 Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 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 members of the Board 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.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

My opinion does *not* provide assurance:

- about the future viability of the UNE Health Pty Ltd
- 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 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 roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

15 April 2014
SYDNEY

UNE Health Pty Ltd

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 2013 and the results of its operations and transactions of the Company for the period 16 November 2012 to 31 December 2013;

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

....	....
Chair and Director	Director

10 April 2014

Income Statement
For the period ended 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
Revenue from continuing operations		
Income from operations	**2**	2,219
Total revenue from continuing operations		2,219
Expenses from continuing operations		
Employee related expenses	**3**	57,652
Other expenses	**4**	6,680
Total expenses from continuing operations		64,332
Operating result before income tax		(62,113)
Income tax expense	**1(d)**	-
Operating result attributable to UNE Health Pty Ltd	**10**	(62,113)

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

Statement of Comprehensive Income
For the period ended 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
Operating surplus/(deficit) for the period		(62,113)
Other comprehensive income		-
Total comprehensive income for the period		(62,113)

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

Statement of Financial Position

As at 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
ASSETS		
Current assets		
Cash and cash equivalents	**5**	2,648
Other receivables	**6**	3
Total current assets		2,651
Total assets		2,651
LIABILITIES		
Current liabilities		
Loans	**7**	50,000
Other liabilities	**8**	11,158
Provision	**9**	3,486
Total current liabilities		64,644
Total liabilities		64,644
Net assets		(61,993)
EQUITY		
Issued capital	**10 (a)**	120
Retained earnings	**10 (b)**	(62,113)
Total equity attributable to equity holders of the company		(61,993)

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

Statement of Changes in Equity

For the period ended 31 December 2013

	Issued Capital	Retained Earnings	Total
Balance at 16 November 2012	-	-	-
Issued capital	120		120
Surplus/(deficit) for the period		(62,113)	(62,113)
Total comprehensive income	-	(62,113)	(62,113)
Balance at 31 December 2013	120	(62,113)	(61,993)

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

Statement of Cash Flows

For the period ended 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
Cash flows from operating activities		
Receipts from customers		1,990
Interest received		229
Payments to suppliers and employees (inclusive of GST)		(49,750)
GST recovered/paid		59
Net cash provided by / (used in) operating activities	**16**	(47,472)
Cash flows from financing activities		
Issued shares		120
Loan		50,000
Net cash provided by / (used in) financing activities		50,120
Net increase / (decrease) in cash and cash equivalents		2,648
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	**5**	2,648

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 Health Pty Ltd, a not for profit entity, was incorporated in Australia as a small proprietory company limited by shares on 16 November 2012 and is domiciled in Australia. The company was formely known as UNE Physician Practice Management Company Pty Ltd. The change of name to UNE Health Pty Ltd was effective from 15 January 2014.

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 Health Pty Ltd is: University of New England, Armidale, NSW 2351, Australia.

The financial report for the period ended 31 December 2013 was authorised for issue in accordance with a resolution of the Board on 10 April 2014.

The financial statements cover the period 16 November 2012 to 31 December 2013.

The intercompany loan balance of $50,000 due from University of New England to UNE Health Pty Ltd is classified as current liabilities because there are no fixed repayment terms and this is considered callable at any time. The directors have received confirmation that there is no intention to demand repayment of the above intercompany loan for a minimum period of twelve months from date of this report. Further letter of comfort has been provided by the directors of University of New England to UNE Health Pty Ltd for debts falling due up to and including 31 December 2014.

On this basis, the directors believe that it is appropriate to present the financial statements of UNE Health Pty Ltd on a going concern.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards, 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 Report has been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

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

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

(c) Revenue recognition

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

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

The future primary sources of revenue for the entity will be private and bulk-bill consultation fees. At this early stage, the entity is reliant on the parent entity for current funding of expenditures.

Revenue for the current period is recognised as follows:

(i) Investment income
Interest income is recognised as it accrues.

(ii) 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 Health Pty Ltd was established solely for the public charitable purpose of exclusively providing funding to the University of New England for educational and research purposes. It is a not for profit entity and is not subject to income tax.

(e) Leases

The entity is currently operating from an office on the University Premises and there is a free of charge leasing arrangements. The operation may be moved to the new facility when it is completed in 2014.

(f) 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.

(g) 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. 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.

(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) 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.

(j) Employee benefits

(i) Wages and salaries

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

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 12 months after the end of the reporting period. It 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.

(k) Goods and Services Tax

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

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

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

(l) New accounting standards and UIG interpretations not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilitie. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	1 July 2013	This standard allows certain entities to reduce disclosures.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	1 July 2013	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	1 July 2013	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

Notes to the financial statements
31 December 2013

		Notes	16-Nov-12 to 31-Dec-13 $
Note 2.	**Income from operations**		
	Other income		1,990
	Interest income		229
	Total income		2,219
Note 3.	**Employee related expenses**		
	Salaries		45,003
	Contribution to funded superannuation		4,163
	Annual leave		3,486
	Relocation Fees		5,000
	Total employee related expenses		57,652
Note 4.	**Other expenses**		
	Audit Fees		6,000
	Agency services		620
	Bank fees		60
	Total other expenses		6,680
Note 5.	**Cash and cash equivalents**	1(f)	
	Cash at bank		2,648
	Total cash and cash equivalents		2,648
Note 6.	**Other receivables**	1(g)	
	Other receivables		-
	GST receivables		3
	Total other receivables		3
Note 7.	**Loan**		
	Current		
	Loan from the University of New England		50,000
	Total loan		50,000
Note 8.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Salary related		5,158
	Other accrued expenditure		6,000
	Total current other liabilities		11,158
Note 9.	**Provision**		
	Current		
	Annual leave		3,486
	Total provision		3,486

		Notes	16-Nov-12 to 31-Dec-13 $
Note 10.	**Reserves and retained earnings**		
(a)	**Issued Capital**		
	120 ordinary shares @ $1.00 each fully paid		120
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 16 November 2012		-
	Net Operating Result for the period 2013		(62,113)
	Retained earnings at 31 December		(62,113)

Note 11. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Health Pty Ltd from the beginning of the period to the reporting date:

Directors
Robert Finch
Rosemary Leitch
Gae Raby
James Treloar

Chief Operating Officer
Roberto Rojas-Morales

Company Secretary
JS Hempel

(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.

	16-Nov-12 to 31-Dec-13
	No.
Nil to $9,999	4
	4
Aggregate Remuneration of Board Members	**$**
Total Aggregate Remuneration	-
Remuneration of executive officer	**No.**
$50,000 to $59,999	1
	1
Aggregate Remuneration of executive officers	**$**
Total Aggregate Remuneration	57,652

	16-Nov-12 to 31-Dec-13 $
Note 12. Remuneration of auditors	
During the period, the following fees were paid for services provided by the auditor of UNE Health Pty Ltd, its related practices and non-related audit firms:	
Audit and review of the Financial Statements	
Fees paid to The Audit Office of NSW:	6,000
Total remuneration for audit services	6,000

Note 13. Contingencies

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

Note 14. Commitments

(a) Capital Commitments
There were no commitments for capital expenditure at 31 December 2013.

(b) Lease Commitments

There were no lease commitments at 31 December 2013.

Note 15. 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 11.

(d) Transactions with related parties
University of New England provided the UNE Health Pty Ltd with a range of administrative support services. These services have been provided at no charge to the Entity.

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

The following transactions occurred with related parties:

Transactions during the period	
University of New England	
Issued capital	120
Loan	50,000
Payments made	-

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

University of New England	
Payables - Loan	50,000

The purpose of the loan is to provide working capital funding to UNE Health Pty Ltd as and when required by the Entity. The loan is to be repaid on the fifth anniversary of the date of the agreement, or such other date as agreed between the parties in writing, unless repaid earlier by UNE Health Pty Ltd.

(e) Guarantees
There have been no guarantees given.

(f) Terms and conditions
Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 16. Reconciliation of operating result after income tax to net cash flows from operating activities

	16-Nov-12 to 31-Dec-13 $
Operating result for the period	(62,113)
Increase/(Decrease) in Payables and Prepaid Income	14,644
(Increase)/Decrease in Receivables and Prepaid Expenses	(3)
Net cash provided by / (used in) operating activities	(47,472)

Note 17. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 18. 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	6	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days.
Financial Liabilities			
Creditors and Accruals	8	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
Loan	7	Loan from Parent Entity are recognised at amounts to be paid under the terms of the loan agreement.	As per the terms of the loan agreement

(ii) Foreign exchange risk

As UNE Health Pty Ltd 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 has no direct exposure to cash flow and fair value interest rate risk as it currently does not invest in term deposits.

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

Financial risk management (continued)

The entity currently receives financial support from the University to ensure sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.25	2,648				-	2,648
Receivables						3	3
Total Financial Assets		2,648	-			3	2,651
Financial Liabilities							
Payables						-	-
Loan						50,000	50,000
Other liabilities						14,644	14,644
Total Financial Liabilities			-	-		64,644	64,644
Net Financial Assets(Liabilities)		2,648	-	-		(64,641)	(61,993)

Comparative figures for the previous year are as follows:

31 December 2012	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	0.00	-				-	0
Investments - Term Deposits	0.00		-				0
Receivables	-					-	0
Total Financial Assets		-	-			-	0
Financial Liabilities							
Payables	-					-	0
Loan	-					-	0
Other liabilities	-					-	0
Total Financial Liabilities			-	-		-	0
Net Financial Assets(Liabilities)		-	-	-		-	0

(d) Net Fair Values of Financial Assets and Liabilities

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

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

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

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

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

	Carrying Amount 2013 $	Fair Value 2013 $
Financial assets		
Cash and cash equivalents	2,648	2,648
Receivables	3	3
Total financial assets	2,651	2,651
Financial liabilities		
Other liabilities	14,644	14,644
Loan	50,000	50,000
Total financial liabilities	64,644	64,644

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 2013	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	2,648	(26)	(26)	26	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	3					-	-	-	-				
Total Financial Assets	2,651												
Financial Liabilities													
Payables	-												
Loan	50,000												
Other Amounts Owing	14,644												
Total Financial Liabilities	64,644												
Total increase/(decrease)	(61,993)	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNEOpen

ABN: 92 161 263 430
Annual Financial Report
for the period
16 November 2012 to
31 December 2013

INDEPENDENT AUDITOR'S REPORT

UNE Open Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Open Pty Limited, which comprise the statement of financial position to as at 31 December 2013, income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 16 November 2012 till 31 December 2013, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of UNE Open Pty Limited as at 31 December 2013, and of its financial performance and its cash flows for period 16 November 2012 till 31 December 2013 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 Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 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 members of the Board 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.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

My opinion does *not* provide assurance:

- about the future viability of the entity
- 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 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 roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

14 April 2014
SYDNEY

UNE Open Pty Limited

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

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 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 2013 and the results of its operations and transactions of the Company for the period 16 November 2012 to 31 December 2013;

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

A Duncan
....
Professor Annabelle Duncan
Chair - Director

....
Mr James Harris
Director

9 April 2014

Income Statement

For the period ended 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
Revenue from continuing operations		
Income from operations	**2**	644
Total revenue from continuing operations		644
Expenses from continuing operations		
Other expenses	**3**	49,677
Total expenses from continuing operations		49,677
Operating surplus/(deficit) before income tax		(49,033)
Income tax expense	**1(d)**	-
Operating surplus/(deficit) attributable to UNE Open Pty Limited	**8 (b)**	(49,033)

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

Statement of Comprehensive Income

For the period ended 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
Operating surplus/(deficit) for the period		(49,033)
Other comprehensive income		-
Total comprehensive income for the period		(49,033)

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

Statement of Financial Position

As at 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
ASSETS		
Current assets		
Cash and cash equivalents	**4**	84,990
Other receivables	**5**	462
Total current assets		85,452
Total assets		85,452
LIABILITIES		
Current liabilities		
Trade and other payables	**6**	17,703
Other liabilities	**7**	16,662
Total current liabilities		34,365
Total liabilities		34,365
Net assets		51,087
EQUITY		
Issued capital	**8 (a)**	100,120
Retained earnings	**8 (b)**	(49,033)
Total equity attributable to equity holders of the company		51,087

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

Statement of Changes in Equity

For the period ended 31 December 2013

	Issued Capital	Retained Earnings	Total
Balance at 16 November 2012	-	-	-
Issued capital	100,120		100,120
Surplus/(deficit) for the period		(49,033)	(49,033)
Total comprehensive income	-	(49,033)	(49,033)
Balance at 31 December 2013	100,120	(49,033)	51,087

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

Statement of Cash Flows

For the period ended 31 December 2013

	Notes	16-Nov-12 to 31-Dec-13 $
Cash flows from operating activities		
Receipts from customers		495
Interest received		644
Payments to suppliers (inclusive of GST)		(17,063)
GST recovered/paid		914
Net cash provided by / (used in) operating activities	**14**	(15,010)
Cash flows from financing activities		
Issued capital		100,000
Loan		5,000
Repayment of loan		(5,000)
Net cash provided by / (used in) financing activities		100,000
Net increase / (decrease) in cash and cash equivalents		84,990
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	**4**	84,990

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 Open Pty Limited, a not for profit entity, was incorporated in Australia as a small proprietory company limited by shares on 16 November 2012 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 Open Pty Limited is: University of New England, Armidale, NSW 2351, Australia.

The financial report for the period ended 31 December 2013 was authorised for issue in accordance with a resolution of the Board on 09 April 2014.

The financial statements cover the period 16 November 2012 to 31 December 2013.

The directors of UNE Open Pty Ltd have received letter of comfort from the Council of the University of New England for debts falling due up to and including 31 December 2014.

On this basis, the directors believe that it is appropriate to present the financial statements of UNE Open Pty Ltd on a going concern.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards, 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 Report has been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

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

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

(c) Revenue recognition

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

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

Revenue is recognised as follows:

(i) Premium services
UNE Open offers a range of premium services alongside the free subject content enabling a student to connect with academic and teaching staff when they need to. They can choose either one-on-one or group video sessions with academic staff to assist their progression through the subject content.

(ii) Investment income
Interest income is recognised as it accrues.

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

(d) Income tax

Item 15.2 of UNE Open Pty Ltd's constitution states that it is a not for profit entity and as such, is not subject to income tax.

(e) Leases

The entity is currently operating from an office on the University Premises and there is a free of charge leasing arrangements.

(f) 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.

(g) 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. 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.

(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) Goods and Services Tax

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

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

(j) Employee benefits

The University of New England provided and paid for all administrative support for the entity. Some of the directors were remunerated by the entity for their role as directors of the entity.

(k) New accounting standards and UIG interpretations not yet adopted.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilitie. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	1 July 2013	This standard allows certain entities to reduce disclosures.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.

AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	1 July 2013	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	1 July 2013	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

Notes to the financial statements
31 December 2013

		Notes	16-Nov-12 to 31-Dec-13 $
Note 2.	**Income from operations**		
	Other income		-
	Interest income		644
	Total income		644
Note 3.	**Other expenses**		
	Directors fees and other related costs		42,897
	Audit fees		6,000
	ASIC fees		299
	Bank fees		481
	Total other expenses		49,677
Note 4.	**Cash and cash equivalents**	1(f)	
	Cash at bank		84,990
	Total cash and cash equivalents		84,990
Note 5.	**Other receivables**	1(g)	
	Other receivables		462
	Total other receivables		462
Note 6.	**Trade and other payables**		
	Current		
	Trade payables		17,703
	Total current trade and other payables		17,703
Note 7.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Other accrued expenditure		16,662
	Total current other liabilities		16,662
Note 8.	**Reserves and retained earnings**		
(a)	**Issued Capital**		
	100,120 ordinary shares @ $1.00 each fully paid		100,120
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 16 November 2012		-
	Net Operating Result for the period		(49,033)
	Retained earnings at 31 December 2013		(49,033)

Note 9. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Open Pty Limited from 16 November 2012 to the reporting date:

Directors

James Barber
James Harris
Janette McClelland
Peter Wilkinson (appointed 19 February 2013 - resigned 19 December 2013)
Kenneth Colless (appointed 19 February 2013 - resigned 18 December 2013)
Trevor Luker (appointed 16 July 2013 - resigned 23 December 2013)

Executive Officer

James Bell

Company Secretary

Anita Taylor

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

Some of the Directors of the company were paid fees for their services as Directors.

	16-Nov-12 to 31-Dec-13
	No.
$1.00 to $40,999	4
	4
Aggregate Remuneration of Board Members	**$**
Total Aggregate Remuneration	42,897

Note 10. Remuneration of auditors

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

	16-Nov-12 to 31-Dec-13
	$
Audit and review of the Financial Statements	
Fees paid to The Audit Office of NSW:	6,000
Total remuneration for audit services	6,000

Note 11. Contingencies

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

Note 12. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2013.

(b) Lease Commitments

There were no lease commitments at 31 December 2013.

Note 13. 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 9.

(d) Transactions with related parties

University of New England provided the Entity with a range of administrative support services. These services have been provided at no charge to the Entity. The University also absorbed all start-up costs of UNE Open Pty Ltd.

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

The following transactions occurred with related parties:

Transactions during the period	**2013 $**
University of New England	
Purchase of issued capital	100,120
Loan received	5,000
Payments made	5,000
Net	100,120

Outstanding balances

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

University of New England	
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.

Note 14. Reconciliation of operating result after income tax to net cash flows from operating activities

	16-Nov-12 to 31-Dec-13 $
Operating result for the period	(49,033)
Increase/(Decrease) in Payables and Prepaid Income	34,365
(Increase)/Decrease in Receivables and Prepaid Expenses	(342)
Net cash provided by / (used in) operating activities	(15,010)

Note 15. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 16. 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	5	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.
Financial Liabilities			
Creditors and Accruals	6 & 7	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

As UNE Open 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 has no direct exposure to cash flow and fair value interest rate risk as it currently does not invest in term deposits.

(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 Open 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.

Financial risk management (continued)

The entity currently receives financial support from the University to ensure sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.25	84,990				-	84,990
Receivables						-	-
Total Financial Assets		84,990	-			-	84,990
Financial Liabilities							
Payables						17,703	17,703
Total Financial Liabilities			-	-		17,703	17,703
Net Financial Assets(Liabilities)		84,990	-	-		(17,703)	67,287

(d) Net Fair Values of Financial Assets and Liabilities

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

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

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

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

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

	Carrying Amount	Fair Value
	2013	2013
	$	$
Financial assets		
Cash and cash equivalents	84,990	84,990
Receivables	-	-
Total financial assets	84,990	84,990
Financial liabilities		
Payables	17,703	17,703
Total financial liabilities	17,703	17,703

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 2013	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	84,990	(850)	(850)	850	850	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	-					-	-	-	-				
Total Financial Assets	84,990												
Financial Liabilities													
Payables	17,703												
Total Financial Liabilities	17,703												
Total increase/(decrease)	67,287	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships

unepartnerships

ABN: 74 003 099 125
Annual Financial Report
for the year ended
31 December 2013

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Ltd

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

I have audited the accompanying financial statements of UNE Partnerships Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2013, the statement of profit or loss, statement of other 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

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2013, and of its financial performance and its cash flows 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 Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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 roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

20 March 2014
SYDNEY

UNE Partnerships Pty Limited

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

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 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 2013 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 James HARRIS	Professor Alison Nethery
Director	Director

12 March 2014

Statement of Profit or Loss

For the year ended 31 December 2013

	Notes	**2013**	2012
		$	$
Revenue from continuing operations			
Sales revenue	**2**	5,217,660	6,590,819
Investment revenue	**3**	108,682	169,952
Total revenue from continuing operations		5,326,342	6,760,771
Expenses from continuing operations			
Employee related expenses	**4**	3,109,410	2,494,175
Depreciation and amortisation	**5**	254,228	470,435
Impairment of assets	**6**	8,399	9,878
Marketing and promotion		348,142	234,327
Travel and accommodation		292,135	279,647
Scholarships		208,992	203,250
Course delivery expenses		1,570,186	2,264,262
Other expenses	**7**	463,454	610,530
Total expenses from continuing operations		6,254,946	6,566,504
Operating surplus/(loss) attributable to UNE Partnerships Pty Limited	**17(b)**	(928,604)	194,267

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

Statement of Other Comprehensive Income

For the year ended 31 December 2013

	Notes	**2013**	2012
		$	$
Operating surplus/(loss) for the period		(928,604)	194,267
Other comprehensive income		-	-
Total comprehensive income for the period		(928,604)	194,267

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

Statement of Financial Position

As at 31 December 2013

	Notes	**2013** **$**	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	1,836,900	3,130,484
Receivables	**9**	573,764	538,216
Inventories	**10**	36,715	42,747
Other non-financial assets	**11**	61,846	106,116
Total current assets		2,509,225	3,817,563
Non-current assets			
Property, plant and equipment	**12**	90,181	107,959
Intangible assets	**13**	1,014,667	1,114,952
Total non-current assets		1,104,848	1,222,911
Total assets		3,614,073	5,040,474
LIABILITIES			
Current liabilities			
Trade and other payables	**14**	60,265	201,054
Provisions	**15**	396,452	426,683
Other liabilities	**16**	695,940	1,019,756
Total current liabilities		1,152,657	1,647,493
Non-current liabilities			
Provisions	**15**	84,000	86,961
Total non-current liabilities		84,000	86,961
Total liabilities		1,236,657	1,734,454
Net assets		2,377,416	3,306,020
EQUITY			
Issued capital	**17(a)**	1,198,937	1,198,937
Retained earnings	**17(b)**	1,178,479	2,107,083
Total equity attributable to equity holders of the company		2,377,416	3,306,020
Total equity		2,377,416	3,306,020

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 2013

	Issued Capital	Reserves	Retained Earnings	Total
Balance at 1 January 2012	1,198,937	-	1,912,816	3,111,753
Retrospective changes	-	-	-	-
Balance as restated	1,198,937	-	1,912,816	3,111,753
Surplus for the year	-	-	194,267	194,267
Total comprehensive income	-	-	194,267	194,267
Balance at 31 December 2012	1,198,937	-	2,107,083	3,306,020
Balance at 1 January 2013	1,198,937	-	2,107,083	3,306,020
Surplus/(loss) for the year	-	-	(928,604)	(928,604)
Total comprehensive income	-	-	(928,604)	(928,604)
Balance at 31 December 2013	1,198,937	-	1,178,479	2,377,416

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 2013

	Notes	**2013** **$**	2012 $
Cash flows from operating activities			
Receipts from student fees and other customers		5,253,281	7,054,646
Interest received		136,869	158,169
Payments to suppliers and employees		(6,412,064)	(6,359,271)
GST recovered/paid		64,495	181,677
Net cash provided by / (used in) operating activities	**23**	(957,419)	1,035,221
Cash flows from investing activities			
Payments for property, plant, equipment & intangibles		(136,165)	(112,260)
Net cash outflow for goodwill and contracts purchased		(200,000)	(997,173)
Net cash provided by / (used in) investing activities		(336,165)	(1,109,433)
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		(1,293,584)	(74,212)
Cash and cash equivalents at the beginning of the financial year		3,130,484	3,204,696
Cash and cash equivalents at the end of the financial year	**8**	1,836,900	3,130,484

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 statement for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Board on 12 March 2014.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements, prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 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 reports are presented in Australian dollars which is the entity's functional and presentation currency.

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Education services: fee paying students

Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method described in AASB 118 - Revenue. 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) Education services: government funded students
Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(iii) Workshops, Consultancy, Product Sales and Annual enrolment and administration fees
Revenue is recognised as income in the year when the relevant fee becomes payable.

(iv) Interest income
Interest income is recognised as it accrues.

Revenue recognition (continued)

(d) Income tax

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

(e) Leases

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

(f) Impairment of assets

Intangible assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Intangible assets with a definite useful life (e.g. course materials, or contracts transferred during an acquisition) are subject to individual amortisation on a straight line basis over the known life of the asset.

(i) Business combinations

The acquisition method shall be applied to account for each business combination.

The acquisition method requires identification of the acquirer, determining the acquisition date and recognising and measuring the identifiable assets acquired, liabilities assumed, any goodwill or gain from a bargain purchase and any non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree shall be recognised separately from goodwill as of the acquisition date. Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability. Acquisition related costs are expensed in the periods in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Contingent liabilities assumed are recognised as part of the acquisition if there is a present obligation arising from past events and the fair value can be reliably measured. The excess at the acquisition date of the aggregate of the consideration transferred, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the net amounts of identifiable assets acquired and liabilities assumed is recognised as goodwill (refer to note 1(k)).

Consideration transferred in a business combination shall be measured at fair value.

(ii) Other assets

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

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 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 6. 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 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) 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: 2 - 5 yrs
Intangibles: 3 - 5 years

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

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

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

(k) Intangible assets

(i) Research and development

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

Expenditures on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises 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).

(iii) Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(l) Trade and other payables

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

(m) Provisions

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

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

(n) Employee benefits

(i) Wages and salaries

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

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 12 months after the end of the reporting period. It 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) Goods and Services Tax

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.

(p) Comparative amounts

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

(q) New accounting standards and interpretations not yet adopted.
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6
Effective date for entity : 1 January 2015
Requirements : Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.
Impact : The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.

AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11
Effective date for entity : 1 July 2013
Requirements : This standard allows certain entities to reduce disclosures.
Impact : The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.

AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements
Effective date for entity : 1 July 2013
Requirements : Highlights the disclosures not required in AASB 1054 for entities applying the RDR.
Impact : The entity is not adopting the Reduced Disclosure Requirements for the reporting period 31 December 2013 and therefore these standards are not relevant.

AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]
Effective date for entity : 1 July 2013
Requirements : AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.
Impact : Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.

AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]
Effective date for entity : 1 July 2013
Requirements : Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.
Impact : Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.

AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements
Effective date for entity : 1 July 2014
Requirements : This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.
Impact : No impact as the entity is not a public sector entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]
Effective date for entity : 1 January 2014
Requirements : This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.
Impact : There will be no impact to the entity as there are no offsetting arrangements currently in place.

		Notes	2013 $	2012 $
Note 2.	**Sales revenue**			
	Education services (fee paying and government funded)		3,256,520	5,441,523
	Workshops		1,239,214	687,790
	Consultancy		703,196	424,575
	Product sales		18,730	36,931
	Total sales revenue		5,217,660	6,590,819
Note 3.	**Investment revenue and income**			
	Interest		108,682	169,952
	Total investment revenue		108,682	169,952
Note 4.	**Employee related expenses**			
	Salaries		2,410,437	1,885,610
	Contribution to funded superannuation and pension schemes		235,092	186,694
	Payroll tax		154,766	119,255
	Worker's compensation		13,127	14,553
	Long service leave expense		13,685	46,093
	Annual leave		272,002	238,627
	Other (Allowances, penalties and fringe benefits tax)		10,301	3,343
	Total employee related expenses		3,109,410	2,494,175

		2012 result	Re-classified 2012 comparative
	A reclassification of the components of Employee related expenses was made in 2013; 2012 comparatives changed. The purpose is to better-reflect the cost of annual leave and long service leave for 2013.		
	Salaries (2012 expense)	2,132,938	1,885,610
	Long service leave (2012 expense)	25,751	46,093
	Annual leave (2012 expense)	11,641	238,627
	Total employee-related expenses (2012 total unchanged)	2,494,175	2,494,175

		2013 $	2012 $
Note 5.	**Depreciation and amortisation**		
	Depreciation		
	Furniture and Fittings	13,168	13,325
	Computer Equipment	31,747	30,251
	Total depreciation	44,915	43,576
	Amortisation		
	Intellectual property and courseware	96,907	62,903
	Contracts acquired in acquisition	112,406	363,956
	Total amortisation	209,313	426,859
	Total depreciation and amortisation	254,228	470,435
Note 6.	**Impairment of assets**		
	Bad Debts	8,399	9,878
	Total impairment of assets	8,399	9,878
Note 7.	**Other expenses**		
	Non-capitalised equipment	25,663	20,516
	Utilities	116,825	88,944
	Inventory Used	18,903	30,902
	Postal and Telecommunications	54,185	56,443
	Books, Serials and Other Library Media	20,166	75,045
	Consultants	136,427	247,904
	Catering Services	76,592	69,803
	Interest Expense	6,150	6,150
	Repairs & maintenance - plant/furniture/equipment	2,407	3,136
	Other Expenditure	6,136	11,687
	Total other expenses	463,454	610,530

		Notes	2013 $	2012 $
Note 8.	**Cash and cash equivalents**	1(g)		
	Cash on hand		900	921
	Cash at bank		486,438	565,378
	At call investments		1,349,562	2,564,185
	Total cash and cash equivalents		1,836,900	3,130,484

(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	1,836,900	3,130,484
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,836,900	3,130,484

(b) Cash at bank and on hand
Cash at bank (credit funds) is interest-generating; cash on hand is non interest-bearing.

(c) Deposits at call
The deposits are bearing floating interest rates between 3.5% and 4.0% (2012 - 4.3% and 4.9%). These deposits have an average maturity of 99 days.

		Notes	2013 $	2012 $
Note 9.	**Receivables**			
	Current			
	Trade and Other Debtors		578,104	557,342
	Less: Provision for impaired receivables	1(h)	(4,340)	(19,126)
	Total receivables		573,764	538,216

(a) Impaired receivables

As at 31 December 2013 current receivables of the entity with a nominal value of $7630 (2012: $186,333) were impaired. The amount of the provision was $4340 (2012: $19,126). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

3 to 6 months	3,030	-
Over 6 months	4,600	186,333
	7,630	186,333

As of 31 December 2013, trade receivables of $169,696 (2012: $162,952) 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:

3 to 6 months	111,213	35,874
Over 6 months	58,483	127,078
	169,696	162,952

Movements in the provision for impaired receivables are as follows:

As at 1 January	19,126	64,157
Provision for impairment recognised/(derecognised) during the year	8,399	(29,423)
Receivables written off during the year as uncollectible	(23,185)	(15,608)
As at 31 December	4,340	19,126

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	2013 $	2012 $
Note 10.	**Inventories**	1(i)		
	Current			
	Stock of course materials		36,715	42,747
	Total current inventories		36,715	42,747
Note 11.	**Other non-financial assets**			
	Current			
	Accrued Income		24,118	67,220
	Prepaid Expenses		37,728	38,896
	Total current other non-financial assets		61,846	106,116
Note 12.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		45,209	45,208
	Accumulated depreciation		(38,823)	(37,627)
			6,386	7,581
	Computer cost			
	At cost		221,371	212,292
	Accumulated depreciation		(160,268)	(139,097)
			61,103	73,195
	Leasehold Improvements			
	At cost		122,701	115,219
	Accumulated depreciation		(100,009)	(88,036)
			22,692	27,183
	Total Plant & equipment		90,181	107,959

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	Leasehold Improv.	Total
Balance at 1 January 2012	9,169	65,822	38,920	113,911
Additions	-	22,593	-	22,593
Acquisitions through business combinations		15,031		15,031
Depreciation expense	(1,588)	(30,251)	(11,737)	(43,576)
Derecognition	-	-	-	-
Depreciation written back on disposal	-	-	-	0
Balance at 31 December 2012	7,581	73,195	27,183	107,959
Balance 1 January 2013	7,581	73,195	27,183	107,959
Additions	-	19,655	7,482	27,137
Acquisitions through business combinations		-		0
Depreciation expense	(1,195)	(31,747)	(11,973)	(44,915)
Derecognition	-	(10,575)	-	(10,575)
Depreciation written back on disposal	-	10,575	-	10,575
Carrying amount at 31 December 2013	6,386	61,103	22,692	90,181

		Notes	2013 $	2012 $
Note 13.	**Intangible assets**			
	Course Development Expenses			
	Cost		525,578	416,550
	Accumulated amortisation		(303,628)	(206,721)
	Net carrying value		221,950	209,829
	Reconciliation of course development expenses			
	Balance at the beginning of year		209,829	117,176
	Additions		109,028	155,556
	Amortisation charge		(96,907)	(62,903)
	Closing carrying value at 31 December		221,950	209,829
	Acquisition Expenses			
	Goodwill at cost (incl contingent portion)		584,504	584,504
	Accumulated impairment losses		-	-
	Value of contracts and client relationships, at cost		684,575	684,575
	Accumulated amortisation		(476,362)	(363,956)
	Net carrying value		792,717	905,123
	Reconciliation of acquisition outlays			
	Balance as at the beginning of year		905,123	-
	Additions		-	1,269,079
	Amortisation charge		(112,406)	(363,956)
	Closing carrying value at 31 December		792,717	905,123
	Total net carrying value		**1,014,667**	**1,114,952**
Note 14.	**Trade and other payables**			
	Current			
	Trade Payables		60,265	201,054
	Total current trade and other payables		60,265	201,054

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

		Notes	2013 $	2012 $
Note 15.	**Provisions**	1(m)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		174,306	202,828
	Long service leave		191,000	223,855
	Subtotal		365,306	426,683
	Current provisions expected to be settled wholly after more than 12 months			
	Employee benefits: Annual leave and Long Service Leave		31,146	-
	Subtotal		31,146	-
	Total Current Provision		396,452	426,683
	Non-current provisions			
	Employee benefits			
	Long service leave		84,000	86,961
	Total non-current provision		84,000	86,961
	Total provisions		480,452	513,644
Note 16.	**Other liabilities**			
	Current			
	Accrued liabilities			
	Salary Related		57,611	41,482
	Other Accrued Expenditure		78,281	294,065
	Income received in advance		560,048	684,209
	Total current other liabilities		695,940	1,019,756
Note 17.	**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		2,107,083	1,912,816
	Net Operating Result for the year		(928,604)	194,267
	Retained earnings at 31 December		1,178,479	2,107,083

Note 18. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Partnerships Pty Limited from the beginning of the year to the reporting date:

Directors

Dr James R. HARRIS - Chairman
Philip M. ATTARD
Richard J. DOYLE
Suzanne A. JONES (appointed 30 April 2013)
Janette McClelland (appointed 11 December 2013)
Professor Alison J. NETHERY
Gary P. SMITH (resigned 15 February 2013)

Executive Officer

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 K Hogan
Mr GJ Kendall
Ms P Klass
Ms M Michell
Ms D Swanson
Ms D Yeomans

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

The non-executive directors of the company are entitled to earn Directors' Fees but elected to waive payment of those fees in 2013.

	2013	2012
	No.	**No.**
Nil to $9,999	6	5
	6	5
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-

Remuneration of executive officers	**No.**	**No.**
$175,000 to $189,999	1	-
$220,000 to $229,999	-	1
	1	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	182,524	223,419

Note 19. 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:

	2013	2012
	$	$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW	27,000	27,420
Total remuneration for audit services	27,000	27,420
Other audit and assurance services		
Fees paid to: WHK Camerons Audit Services	5,000	10,000
Total remuneration for non-audit services	5,000	10,000

Services relate to internal reviews of financial systems and controls.

Note 20. 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 21. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2013 (2012: Nil).

(b) Lease Commitments

Operating Leases		
Within one year	96,569	39,474
Between one and five years	89,251	25,140
Later than five years	-	-
Total operating leases	185,820	64,614
Total lease commitments	185,820	64,614

No lease arrangements, existing as at 31 December 2013, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

The Managing Director is compensated in part via a bonus plan reflecting the performance of the business. The liability for 2013 will be recommended by the Remuneration and Nominations Committee of the Board and will be recognised as an expense in 2014 when the amount has been determined. No bonus is expected to be earned for the 2013 year.

Note 22. 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 18.

(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:

	2013	2012
Transactions during the period	**$**	$
University of New England		
Sales to University of New England	140,562	8,582
Payments to University of New England	(136,726)	(272,268)
Net	3,836	(263,686)
UNE Foundation Limited		
Payments to UNE Foundation	(200,000)	(200,000)
Net	(200,000)	(200,000)
ServicesUNE		
Sales to ServicesUNE	-	1,238
Net	-	1,238

With other related parties: A company controlled by Mr GP Smith, a director of UNE Partnerships Pty Limited.

Payments to Mr Smith's company (incl $7415 during his period as director in 2013)	(65,932)	(40,467)
Net	(65,932)	(40,467)

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

University of New England		
Owed to University of New England	(1,714)	(12,170)
Owed by University of New England	7,174	

(e) Guarantees
There have been no guarantees given.

(f) Terms and conditions
Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 23. Reconciliation of operating result after income tax to net cash flows from operating activities

	2013	2012
	$	$
Operating result for the period	(928,604)	194,267
Depreciation and amortisation	254,228	470,435
Provision for impaired receivables	4,340	19,126
Increase/(Decrease) in Payables and Prepaid Income	(264,608)	7,812
Increase/(Decrease) in Provision for Employee Entitlements	(33,190)	23,811
(Increase)/Decrease in Interest Receivable	28,187	(11,783)
(Increase)/Decrease in Receivables and Prepaid Expenses	(23,804)	343,133
(Increase)/Decrease in Inventories	6,032	(11,579)
Net cash provided by / (used in) operating activities	(957,419)	1,035,222

Note 24. Events subsequent to reporting period

At date of signing, the University of New England proposes to transfer 'uneOpen Pty Limited' to UNE Partnerships Pty Limited. Directors of UNE Partnerships Pty Limited are currently performing due diligence checks before deciding whether to accept the transfer, which would make uneOpen Pty Ltd a controlled entity of UNE Partnerships Pty Limited.

uneOpen Pty Limited has been formed to offer Australian degrees to overseas-domiciled students. During 2014, the commercial model for the entity will be developed and tested, with operating costs to be reimbursed to the entity by University of New England.

Note 25. Business Combination

(a) Summary of acquisition

During 2012, the company purchased a trading entity known as 'Contracting and Tendering Services'. During 2013, the vendors became entitled to the $200,000 'contingent portion' of the purchase price which was disclosed in 2012 year end accounts. That payment occurred in July 2013.

The acquisition traded profitably during 2013.

The value of contracts acquired in the acquisition continue to be amortised in accordance with the known life of each contract. In 2013, a further $112,406 was expensed, with an equal sum added to 'Accumulated Amortisation'.

A review of the carrying value of Goodwill was conducted in December 2013 and no impairment indicators are considered to exist at that date.

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 (excl statutory receivables and prepayments)	9	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days; some clients can establish instalment plans spanning 10 months.
Deposits At Call	8	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	8	Term Deposits are stated at cost	Term deposits are for a period of up to seven months. Interest rates are between 3.5% and 4.0%. Average maturity of 99 days.
Financial Liabilities			
Creditors and Accruals (excludes statutory payables and unearned revenue)	14 & 16	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 statement summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

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

(c) Liquidity Risk

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

Finance personnel monitor the actual and forecast cash flow of the economic entity on a frequent basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.00	486,438				900	487,338
Investments-Term Deposits	3.73		1,349,562				1,349,562
Receivables						587,149	587,149
Total Financial Assets		486,438	1,349,562			588,049	2,424,049
Financial Liabilities							
Payables						60,265	60,265
Other Amounts Owing						135,892	135,892
Total Financial Liabilities			-	-		196,157	196,157
Net Financial Assets(Liabilities)		486,438	1,349,562	-		391,892	2,227,892

Comparative figures for the previous year are as follows:

31 December 2012	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	3.63	565,378				921	566,299
Investments - Term Deposits	4.78		2,564,185				2,564,185
Receivables	-					579,788	579,788
Total Financial Assets		565,378	2,564,185			580,709	3,710,272
Financial Liabilities							
Payables	-					201,054	201,054
Other Amounts Owing	-					335,547	335,547
Total Financial Liabilities			-	-		536,601	536,601
Net Financial Assets(Liabilities)		565,378	2,564,185	-		44,108	3,173,671

Financial risk management (continued)

(d) Net Fair Values of Financial Assets and Liabilities

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

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

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

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

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

	Carrying Amount		Fair Value	
	2013	2012	2013	2012
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,836,900	3,130,484	1,836,900	3,130,484
Receivables	587,149	579,788	587,149	579,788
Total financial assets	2,424,049	3,710,272	2,424,049	3,710,272
Financial liabilities				
Payables	60,265	201,054	60,265	201,054
Other financial liabilities	135,892	335,547	135,892	335,547
Total financial liabilities	196,157	536,601	196,157	536,601

(e) Fair value hierarchy

The entity categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Recognised fair value measurements
Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2013. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

Fair value measurements at 31 December 2013

	2013	Level 1	Level 2	Level 3
Financial assets	**$'000**	$'000	$'000	$'000
Investments-Term Deposits	1,349,562	1,349,562	0	0
Total financial assets	1,349,562	1,349,562	0	0

Fair value measurements at 31 December 2012

	2012	Level 1	Level 2	Level 3
Financial assets	**$'000**	$'000	$'000	$'000
Investments-Term Deposits	2,564,185	2,564,185	0	0
Total financial assets	2,564,185	2,564,185	0	0

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 2013	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	487,338	(4,873)	(4,873)	4,873	4,873	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	1,349,562	(13,496)	(13,496)	13,496	13,496	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	587,149					-	-	-	-				
Total Financial Assets	2,424,049												
Financial Liabilities													
Payables	60,265												
Other Amounts Owing	135,892												
Total Financial Liabilities	196,157												
Total increase/(decrease)	2,227,892	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2012	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	566,299	(5,663)	(5,663)	5,663	5,663	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	2,564,185	(25,642)	(25,642)	25,642	25,642	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	579,789					-	-	-	-				
Total Financial Assets	3,710,273												
Financial Liabilities													
Payables	201,054												
Other Amounts Owing	335,547												
Total Financial Liabilities	536,601												
Total increase / (decrease)	3,173,672	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS