University of New England

ABN: 75 792 454 315
Financial Report
for the year ended
31 December 2015

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

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 statements of financial position as at 31 December 2015, the statements of comprehensive income, 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 2015, and of their 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* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, 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 preparing 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 financial statements that give a true and fair view and 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 an 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 management, 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 University or the consolidated entity
- that they carried out their activities effectively, efficiently and economically
- about the effectiveness of the 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 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.

S Bond .

Sally Bond
Director, Financial Audit Services

21 March 2016
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 2015.

Members

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

Mr James Harris - Chancellor
Ms Jan McClelland - Deputy-Chancellor
Professor Annabelle Duncan - Vice-Chancellor
Mr Robert Finch
Professor Donald Hine
Dr Jack Hobbs
Mr Michael Kirk
Ms Rosemary Leamon
Dr Robyn Muldoon
Ms Anne Myers
Professor Margaret Sims
Professor Nick Reid
Mr Les Ridgeway
Mr Stuart Robertson
Ms Meredith Symons
Dr Jeannet van der Lee

The following persons were members in 2015:

Dr Geoffrey Fox - resigned 08/02/2015

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 2015, and the numbers of meetings attended by each member is attached.

Principal Activities

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

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

Review of Operations

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

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

The year 2016 will be the first of the new 'UNE strategic plan 2016-2020: Together we can do this'. The new integrated agricultural education precinct is nearing completion. Changes as a result of the May 2014 Australian Government budget were deferred one year and UNE expects any changes will be made final as soon as the legislative framework is clear.

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
Aboriginal and Torres Strait Islander Heritage Protection Act 1984
Australian Heritage Council Act 2003
Environment Protection and Biodiversity Conservation Act 1999
National Environment Protection Council Act 1994
National Greenhouse and Energy Reporting Act 2007
 National Greenhouse and Energy Reporting Amendment Act 2008
 National Greenhouse and Energy Reporting Amendment Act 2009
 Acts Interpretation Amendment Act 2011
 Carbon Credits (Carbon Farming Initiative) Act 2011
 Clean Energy Act 2011 (amended July 2012)
 Clean Energy Amendment Regulation 2012
 Climate Change Authority Act 2011
Natural Heritage Trust of Australia Act 1997
Renewable Energy (Electricity) Act 2000
 Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000
 Renewable Energy (Electricity) (Charge) Act 2000
 Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010
Water Act 2007

State – New South Wales
Animal Research Act 1985
Catchment Management Authorities Act 2003
Contaminated Land Management Act 1997 (some amendments made in 2008)
Crown Lands Act 1989
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
Forestry Act 2012
Heritage Act 1977
 Heritage Amendment Act 2011 No 71
 Heritage Regulation 2012
Local Government Act 1993
 Local Government Amendment (Environmental Upgrade Agreements) Act 2010
Local Land Services Act 2013
Nature Conservation Trust Act 2001
National Parks and Wildlife Act 1974
 National Parks and Wildlife Amendment (Adjustment of Areas) Act 2010
National Trust of Australia (New South Wales) Act 1990
Native Vegetation Regulation 2013
Noxious Weeds Act 1993
 Noxious Weeds Amendment Act 2012
Pesticides Act 1999

Environmental Regulation (continued)

State – New South Wales (continued)
Protection of the Environment Operations Act 1997
Protection of the Environment Operations (Waste) Regulation 2005
Protection of the Environment Operations (General) Regulation 2009
Protection of the Environment Operations (Clean Air) Regulation 2010
Protection of the Environment Operations (Clean Air) Amendment (Emissions Standards) Regulation 2010
Protection of the Environment Operations Amendment (Environmental Monitoring) Act 2010
Protection of the Environment Operations (Waste) Amendment (Australian Packaging Covenant) Regulation 2011
Protection of the Environment Operations Amendment (Miscellaneous) Regulation 2011
Rural Fires Act 1997
Rural Fires Amendment Act 2013
Rural Lands Protection Act 1998
Soil Conservation Act 1938
Soil Conservation Amendment Act 1989
Threatened Species Conservation Act 1995
Threatened Species Conservation Regulation 2010
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2010
Water Management (General) Regulation 2011
Wilderness Act 1987

Local – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2012
Armidale Dumaresq DRAFT Liquid Trade Waste 2009
The Community Strategic Plan (CSP) 2013-2028
Lifestyle 2350
State of the Environment 2013/2014

Insurance of Officers

The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the group. The annual premium of $34,600 for Directors and Officers Insurance covered the period 1 November 2014 to 31 October 2015. Insurance has been renewed for the period 1 November 2015 to 31 October 2016 at a cost of $36,200. 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.

Mr James Harris
Chancellor
Member of Council of the University of New England
Armidale NSW
18 March 2016

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committees held during the year ended 31 December 2015, and the numbers of meetings attended by each Council member were:

Council Member	Council		Infrastructure		Finance		Audit & Risk		Standing*		HDTT**		Remuneration		Tender		Nominations		Convocation	
	Meetings of committees																			
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
The Chancellor									Flying minutes only						Reports provided 13/2/15 and 29/4/15 to Committee Members, but no meeting of Tender Committee of Council held in 2015 Tender Committee ceased as at 29/05/2015 in leiu of Management Tender Committee reporting to Finance Committee.					
Mr James Harris (from 20/11/14)	5	5	6	6	6	6					2	2	4	4			2	2		
The Deputy-Chancellor																				
Ms Jan McClelland (from 20/11/14)	5	5	6	6	6	6	6	6			2	2	4	4			2	2		
Official Members																				
Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14)	5	5	6	6	6	6	6	6			2	2	4	4			2	2		
Professor Nick Reid, Chair Academic Board	5	5	6	6	6	6					2	2					2	2		
Members appointed by the Minister																				
Ms Anne Myers	5	5	4	5			1	1					2	2						
Ms Meredith Symons	5	5			6	6														
Ms Rosemary Leamon	5	5	6	6	6	6	1	1												
Mr Les Ridgeway	5	5	5	6																
Members elected by academic staff																				
Professor Donald Hine	5	5																		
Professor Margaret Sims	5	5	4	6																
Members elected by the graduates																				
Professor Robyn Muldoon	5	5									2	2	4	4					3	3
Dr Jack Hobbs	5	5					6	6											3	3
Member elected by non-academic staff																				
Dr Jeannet van der Lee	5	5																		
Member elected by the post graduate students																				
Mr Stuart Robertson	5	5																		
Member elected by the undergraduate students																				
Mr Michael Kirk	4	5																		
Additional external members																				
Mr Robert Finch	4	5			6	6	6	6					4	4						

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.
** Honorary Degrees, Titles and Tributes Committee

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 2015 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 Regulation 2015 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period" issued by the Australian Government Department of Education and Training;

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.

Mr James Harris Chancellor	Professor Annabelle Duncan 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 1983, as amended.

University of New England
Armidale, NSW
18 March 2016

Income Statement
for the year ended 31 December 2015

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	163,749	154,772	163,749	154,772
HELP - Australian Government payments	3	72,770	71,641	72,770	71,641
State and local government financial assistance	4	2,557	3,043	2,557	3,043
HECS-HELP - Student payments		8,987	8,886	8,987	8,886
Fees and charges	5	45,388	43,518	41,512	39,531
Investment revenue	6	5,089	4,750	4,159	3,744
Royalties, trademarks and licences	7	263	99	270	110
Consultancy and contracts	8	2,035	1,376	668	704
Other revenue	9	24,243	20,568	9,256	6,360
Gains on disposal of assets		4	271	-	271
Share of profit or loss on investments accounted for using the equity method	21	-	-	-	-
Other income	9	228	78	2,563	2,386
Total income from continuing operations		325,313	309,002	306,491	291,448
Expenses from continuing operations					
Employee related expenses	10	179,721	179,270	170,347	168,994
Depreciation and amortisation	11	24,817	21,265	24,073	20,219
Repairs and maintenance	12	8,657	6,450	8,197	6,143
Borrowing costs	13	1,126	523	1,126	523
Impairment of assets	14	450	294	1,624	281
Losses on disposal of assets		55	-	55	-
Investment losses	6	188	48	-	-
Deferred superannuation expense	10, 40	225	371	225	371
Other expenses	15	92,865	96,071	84,717	94,041
Total expenses from continuing operations		308,104	304,292	290,364	290,572
Net result before income tax		17,209	4,710	16,127	876
Income tax expense		-	-	-	-
Net result after income tax for the period attributable to members of the University of New England	29(b)	17,209	4,710	16,127	876

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

Statement of Comprehensive Income

for the year ended 31 December 2015

		Consolidated		Parent entity	
	Notes	**2015**	2014	**2015**	2014
		$000	$000	**$000**	$000
Net result after income tax for the period		17,209	4,709	16,127	876
Items that may be reclassified to profit or loss					
Gain (loss) on value of available-for-sale financial assets		4,891	3,392	4,902	2,645
Total		4,891	3,392	4,902	2,645
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of land, buildings and infrastructure		5,274	17,226	4,903	17,521
Net Actuarial losses (gains) recognised in respect of defined benefit plans		373	(573)	373	(573)
Transfer from reserves		-	835	-	811
Total		5,647	17,488	5,276	17,759
Total other comprehensive income		10,538	20,880	10,178	20,404
Total comprehensive income attributable to members of the University of New England		27,747	25,589	26,305	21,280

The above statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 31 December 2015

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Assets					
Current assets					
Cash and cash equivalents	**16**	74,487	59,990	63,064	49,264
Receivables	**17**	13,167	11,569	10,725	9,738
Inventories	**18**	357	403	132	143
Other financial assets	**19**	60,360	53,480	57,000	51,000
Other non-financial assets	**20**	6,840	7,230	5,897	6,830
Biological assets	**22**	927	605	927	605
Total current assets		156,138	133,277	137,745	117,580
Non-current assets					
Receivables	**17**	342,579	328,597	342,612	328,656
Other financial assets	**19**	19,367	15,221	9,798	6,086
Investments accounted for using the equity method	**21**	-	-	-	-
Property, plant and equipment	**23**	309,522	306,335	305,545	302,217
Intangible assets	**24**	1,541	1,967	836	980
Total non-current assets		673,009	652,120	658,791	637,939
Total assets		829,147	785,397	796,536	755,519
Liabilities					
Current liabilities					
Trade and other payables	**25**	9,284	7,001	7,858	6,052
Provisions	**27**	33,691	33,046	32,085	31,453
Other liabilities	**28**	15,727	16,793	14,072	15,448
Total current liabilities		58,702	56,840	54,015	52,953
Non-current liabilities					
Borrowings	**26**	20,000	20,000	20,000	20,000
Provisions	**27**	350,105	336,463	349,918	336,268
Other liabilities	**28**	425	-	-	-
Total non-current liabilities		370,530	356,463	369,918	356,268
Total liabilities		429,232	413,303	423,933	409,221
Net assets		399,915	372,094	372,603	346,298
Equity					
Reserves	**29(a)**	82,543	72,393	81,249	71,444
Retained earnings	**29(b)**	317,372	299,701	291,354	274,854
Parent entity interest		399,915	372,094	372,603	346,298
Total equity		399,915	372,094	372,603	346,298

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 2015

	Consolidated			Parent entity		
	Reserves $000	Retained earnings $000	Total $000	Reserves $000	Retained earnings $000	Total $'000
Balance at 1 January 2014	52,610	294,651	347,261	52,089	273,740	325,829
Retrospective changes	-	-	-	-	-	-
Balance as restated	52,610	294,651	347,261	52,089	273,740	325,829
Net result	-	4,709	4,709	-	876	876
Gain/(loss) on revaluation of land, buildings and infrastructure	17,226	-	17,226	17,521	-	17,521
Gain / (loss) on revaluation of available-for-sale financial assets	3,392	-	3,392	2,645	-	2,645
Remeasurements of Defined Benefit Plans	-	(573)	(573)	-	(573)	(573)
Transfers to / (from) reserves	(835)	814	(21)	(811)	811	-
Total comprehensive income	19,783	4,950	24,733	19,355	1,114	20,469
Transfer to / (from) retained earnings						
Distributions to owners	-	100	100	-	-	-
Balance at 31 December 2014	72,393	299,701	372,094	71,444	274,854	346,298
Balance at 1 January 2015	72,393	299,701	372,094	71,444	274,854	346,298
Retrospective changes	(15)	89	74	-	-	-
Net result	-	17,209	17,209	-	16,127	16,127
Gain / (loss) on revaluation of land, buildings and infrastructure	5,274	-	5,274	4,903	-	4,903
Gain / (loss) on revaluation of available-for-sale financial assets	4,891	-	4,891	4,902	-	4,902
Remeasurements of Defined Benefit Plans	-	373	373	-	373	373
Transfers to / (from) reserves	-	-	-	-	-	-
Total comprehensive income	10,150	17,671	27,821	9,805	16,500	26,305
Transfer to / (from) retained earnings						
Distributions to owners	-	-	-	-	-	-
Balance at 31 December 2015	82,543	317,372	399,915	81,249	291,354	372,603

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 2015

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Cash flows from operating activities					
Australian Government grants	3(g)	236,191	228,754	236,191	228,754
OS-Help (net)	3(g)	631	388	631	388
Superannuation supplementation	3(g)	2,526	-	2,526	-
State Government grants		2,556	3,043	2,556	3,043
HECS-HELP - Student payments		8,484	8,296	8,484	8,296
Receipts from student fees and other customers		71,616	65,933	53,267	48,409
Dividends received		539	246	310	39
Interest received		4,208	4,361	3,666	3,935
Payments to suppliers and employees (inclusive of GST)		(284,811)	(293,773)	(265,315)	(279,761)
Interest and other costs of finance		(1,126)	(523)	(1,126)	(523)
GST recovered		5,336	6,441	5,357	6,398
Net cash provided by / (used in) operating activities	36	46,150	23,166	46,547	18,978
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		6	2,377	3	2,377
Payments for property, plant and equipment		(27,035)	(34,022)	(26,750)	(33,949)
Proceeds from sale of financial assets		56,737	332	51,000	27,000
Payments for financial assets		(61,362)	(59,734)	(57,000)	(51,000)
Loans to related parties		-	-	-	(150)
Net cash provided by / (used in) investing activities		(31,654)	(91,047)	(32,747)	(55,722)
Cash flows from financing activities					
Proceeds from borrowings		-	20,000	-	20,000
Net cash provided by / (used in) financing activities		-	20,000	-	20,000
Net increase / (decrease) in cash and cash equivalents		14,496	(47,881)	13,800	(16,744)
Cash and cash equivalents at the beginning of the financial year		59,991	107,871	49,264	66,008
Cash and cash equivalents at the end of the financial year		74,487	59,990	63,064	49,264

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), and
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015.

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 18 March 2016.

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.

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 2015 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 control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

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

Note 1. Summary of significant accounting policies (continued)

(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.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

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) Collaborations

The Group has interests in Cooperative Research Centres (CRC) which requires the Group to contribute in cash and in-kind 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 operates ('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

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 receipts (portion thereof) is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Note 1. Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(iv) Royalties, trademarks and licences

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

(v) Consultancy and Contracts/ Fee for Service

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Other human resources revenue is recognised when the service is provided.

(vi) Investment income

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

(vii) Other revenue

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

(e) Income tax

The University of New England and its controlled entities do not provide for Australian income tax as the University of New England is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997.

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 33). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

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

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal 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. Alternatively, intangible assets are carried at a revalued amount after initial recognition and are revalued by reference to an active market on a regular basis, so that the carrying amount of the asset does not differ materially from its fair value at 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 (debt remains unpaid 90 days after invoice date) 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.

Note 1. Summary of significant accounting policies (continued)

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

(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 end of the reporting period 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.

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

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

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

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

Changes in the fair value of a monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (other than interest). The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount (other than interest) are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Note 1. Summary of significant accounting policies (continued)

(l) Investments and other financial assets (continued)

Fair Value
The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

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 end of the reporting period (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 end of the reporting period. 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 and Infrastructure 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, including Works of Art and Museum assets, are stated at historical cost less depreciation. A policy change in 2014 saw all Works of Art and Museum assets restated at cost and not valuation. The impact of this change was not considered to be material. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The University holds assets for scientific or research purposes that are not recognised in the statement of financial position because the University is unable to reliably measure the value for these assets. The Herbarium, Zoological and Geological collections have nil balance recorded in the University's asset register. The changing scientific value over time, the uniqueness of the time of collection and the changing nature of the physical characteristics of the original collection sites (for example, changes due to climate change or habitat destruction) result in these collections not being capable of a reliable valuation.

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.

Note 1. Summary of significant accounting policies (continued)

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

Land, buildings under construction, rare books, works of art and museum 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 2 - 40 yrs
- Infrastructure 5 - 20 yrs
- Computing Implementation Costs & Software - 10 yrs
- Motor Vehicles - 5 yrs
- Library Collection - 10 yrs
- Furniture and Fittings - 7-20 yrs
- Other Plant and Equipment - 5 - 15 yrs
- Computing Equipment / Software - 5 - 15 yrs

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

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 2015 by Global Valuation Services Pty Ltd.

Buildings controlled by the University were revalued as at 31 December 2015, by Global Valuation Services Pty Ltd.

Infrastructure assets, existing at 31 December 2015, were revalued by Global Valuation Services Pty Ltd.

(p) Repairs and Maintenance

Repairs and maintenance costs are recognised as expenses are incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses are incurred.

(q) Intangible assets

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

(ii) Development
Expenditure on development activities is capitalised when incurred. The capitalised amount comprises all directly attributable costs, including costs of materials, services, direct labour and a proportion of overheads. The capitalised amount is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocated the cost over the life of the expected benefit.

(iii) 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.

(iv) 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, an impairment is recognised in accordance with note 1(g).

(v) Leasehold improvements
Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

(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.

Note 1. Summary of significant accounting policies (continued)

(s) Borrowings (continued)

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 are measured 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 is recognised in other payables. Liabilities for sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations
Employee benefits are long term if they are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave and long service leave liabilities.

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
Most 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. Most employees of the parent entity are 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. 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 statement of financial position.

Past service costs are recognised in income immediately.

Note 1. Summary of significant accounting policies (continued)

(v) Employee benefits (continued)

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) Deferred government benefit for 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 and Training (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 relate 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 40.

An arrangement exists between the Australian Government and the NSW State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme, SSS, SASS and SANCS, 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 31 December 2015 net asset position of the University and its controlled entities. The Australian Government arrangement previously excluded SANCS. However a Memorandum of Understanding was agreed and this scheme is now recognised as a liability with a corresponding receivable.

(x) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within twelve months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

(y) 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.

(z) 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.

(aa) Rounding of amounts

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

(ab) 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.

(ac) New accounting standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting period. The University has elected not to early adopt any of these standards. The University has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2015.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2015	2014	**2015**	2014	**2015**	2014
	$000	$000	**$000**	$000	**$000**	$000
Australia	323,927	307,801	17,073	4,619	829,147	785,397
US/Canada	641	582	63	44	-	-
Unallocated	745	619	73	47	-	-
Total	325,313	309,002	17,209	4,710	829,147	785,397

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

	Notes	Consolidated		Parent entity	
	Notes	**2015**	2014	**2015**	2014
		$000	$000	**$000**	$000
(a) Commonwealth Grant Scheme and Other Grants	**41a**				
Commonwealth Grant Scheme #1		104,448	100,321	104,448	100,321
Indigenous Support Program		1,239	1,219	1,239	1,219
Partnership & Participation Program # 2		4,392	2,799	4,392	2,799
Disability Support Program		257	145	257	145
Diversity and Structural Adjustment Fund #3		-	-	-	-
Promotion of Excellence in Learning and Teaching		554	153	554	153
Total Commonwealth Grant Scheme and Other Grants		110,890	104,637	110,890	104,637
(b) Higher Education Loan Programs	**41b**				
HECS-HELP		64,866	62,671	64,866	62,671
FEE-HELP #4		7,595	8,611	7,595	8,611
SA-HELP		309	359	309	359
Total Higher Education Loan Programs		72,770	71,641	72,770	71,641
(c) Scholarships	**41c**				
Australian Postgraduate Awards		2,581	2,563	2,581	2,563
International Postgraduate Research Scholarship		202	201	202	201
Commonwealth Education Cost Scholarships #5		85	(69)	85	(69)
Commonwealth Accommodation Scholarships #5		51	45	51	45
Indigenous Access Scholarships		130	78	130	78
Total Scholarships		3,049	2,818	3,049	2,818
(d) EDUCATION Research	**41d**				
Joint Research Engagement Program		3,388	3,134	3,388	3,134
Research Training Scheme		6,307	6,604	6,307	6,604
Research Infrastructure Block Grants		1,507	1,092	1,507	1,092
Sustainable Research Excellence in Universities		1,266	993	1,266	993
Total EDUCATION Research Grants		12,468	11,823	12,468	11,823

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

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
(e) Australian Research Council	**41f**				
***(i)* Discovery**	**41f(a)**				
Project		1,569	1,788	1,569	1,788
Fellowships #6		278	270	278	270
Total Discovery		1,847	2,058	1,847	2,058
***(ii)* Linkages**	**41f(b)**				
Projects		201	295	201	295
Future fellowships		290	670	290	670
Total linkages		491	965	491	965
Total ARC		2,338	3,023	2,338	3,023
(f) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		4,235	4,691	4,235	4,691
Other Research Financial Assistance		14,237	14,729	14,237	14,729
Non-Research Financial Assistance		16,531	13,051	16,531	13,051
Total		35,003	32,471	35,003	32,471
Capital					
Non-Research Financial Assistance		-	-	-	-
Total		-	-	-	-
Total other Australian Government financial assistance		35,003	32,471	35,003	32,471
Total Australian Government financial assistance		236,518	226,413	236,518	226,413

#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 Early Career Researcher Award.

	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Reconciliation				
Australian Government grants	163,749	154,772	163,749	154,772
HECS-HELP payments	64,866	62,671	64,866	62,671
FEE-HELP payments	7,595	8,611	7,595	8,611
SA-HELP payments	309	359	309	359
Total Australian Government financial assistance	236,519	226,413	236,519	226,413

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000

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

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
(g) Australian Government Grants received - cash					
CGS and other EDUCATION Grants		110,747	105,411	110,747	105,411
Higher Education Loan Programs		71,773	72,259	71,773	72,259
Scholarships		3,050	2,819	3,050	2,819
EDUCATION research		12,468	11,822	12,468	11,822
ARC grants - Discovery		1,846	2,058	1,846	2,058
ARC grants - Linkages		492	965	492	965
Other Australian Government grants		35,815	33,420	35,815	33,420
Total Australian Government grants received - cash basis		236,191	228,754	236,191	228,754
OS-HELP (Net)		631	388	631	388
Superannuation Supplementation		2,526	-	2,526	-
Total Australian Government funding received - cash basis		239,348	229,142	239,348	229,142

Note 4. State and Local Government financial assistance

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Non-capital		2,557	3,043	2,557	3,043
Capital		-	-	-	-
Total State and Local Government financial assistance		2,557	3,043	2,557	3,043

Note 5. Fees and charges

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Course fees and charges					
Fee-paying onshore overseas students		13,962	12,992	13,962	12,992
Fee-paying domestic postgraduate students		3,061	3,442	3,088	3,442
Fee-paying domestic undergraduate students		238	151	238	151
Fee-paying domestic non-award students		278	201	278	201
Other domestic course fees and charges		4,771	5,745	1,826	1,440
Total course fees and charges		22,310	22,531	19,392	18,226
Other non-course fees and charges					
Amenities and service fees		23	68	61	192
Student service fees from students		46	43	46	43
Parking fees		363	370	364	373
Conference income		101	72	101	72
College residential rental		13,900	13,107	13,961	13,170
Other fees and charges		8,645	7,327	7,587	7,455
Total other fees and charges		23,078	20,987	22,120	21,305
Total fees and charges		45,388	43,518	41,512	39,531

Note 6. Investment revenue and other investment income

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Interest income:					
Interest		4,320	4,177	3,849	3,705
Dividend from equity investments		769	573	310	39
Total investment revenue		5,089	4,750	4,159	3,744
Other investment gains and losses					
Net gain/(loss) arising on financial assets designated at fair value through profit or loss		(188)	(48)	-	-
Total other investment income/(loss)		(188)	(48)	-	-
Net investment income		4,901	4,702	4,159	3,744

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000

Note 7. Royalties, trademarks and licences

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Royalties		212	59	219	70
Licences		3	3	3	3
Commission fees		48	37	48	37
Total royalties, trademarks and licences		263	99	270	110

Note 8. Consultancy and contracts

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Consultancy		1,858	1,205	491	533
Contract research		177	171	177	171
Total consultancy and contracts		2,035	1,376	668	704

Note 9. Other revenue and income

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Other revenue					
Donations and bequests		1,141	781	513	108
Scholarships and prizes		10	18	10	18
Non-government grants		5,494	2,349	5,494	2,349
Sundry trading income		17,598	17,420	3,239	3,885
Total other revenue		24,243	20,568	9,256	6,360
Other income					
Other income		228	78	2,563	2,386
Total other income		228	78	2,563	2,386
Total other revenue and income		24,471	20,646	11,819	8,746

Note 10. Employee related expenses

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Academic					
Salaries		62,015	60,027	62,015	59,782
Contribution to superannuation and pension schemes					
Contributions to funded schemes		10,885	8,433	10,885	8,433
Contributions to unfunded schemes		-	-	-	-
Payroll tax		4,386	4,227	4,386	4,227
Worker's compensation		277	410	277	410
Long service leave expense		1,272	3,116	1,272	3,116
Annual leave		4,758	5,166	4,758	5,166
Other (allowances, penalties and fringe benefits tax)		71	82	71	82
Total academic		83,664	81,461	83,664	81,216
Non-academic					
Salaries		73,064	73,805	65,113	65,316
Contribution to superannuation and pension schemes					
Contributions to funded schemes		11,209	9,623	10,414	8,834
Contributions to unfunded schemes		-	-	-	-
Payroll tax		4,763	4,894	4,298	4,425
Worker's compensation		289	434	267	422
Long service leave expense		1,196	3,107	1,218	3,098
Annual leave		5,441	5,821	5,306	5,598
Other (allowances, penalties and fringe benefits tax)		95	125	67	85
Total non-academic		96,057	97,809	86,683	87,778
Total employee related expenses		179,721	179,270	170,347	168,994
Deferred superannuation expense	40	225	371	225	371
Total employee related expenses, including deferred government employee benefits for superannuation		179,946	179,641	170,572	169,365

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Note 11. Depreciation and amortisation					
Depreciation					
Buildings		10,884	9,002	10,801	8,915
Infrastructure		2,182	773	2,178	762
Plant and equipment		7,641	6,485	7,375	6,218
Leased plant and equipment		-	24	-	24
Library		3,582	3,589	3,582	3,589
Total depreciation		24,289	19,873	23,936	19,508
Amortisation					
Leasehold improvements		106	74	-	-
Intangibles		422	1,318	137	711
Total amortisation		528	1,392	137	711
Total depreciation and amortisation		24,817	21,265	24,073	20,219
Note 12. Repairs and maintenance					
Buildings		893	1,125	890	1,125
Heritage assets		33	9	33	9
Infrastructure		961	883	961	883
Library collection		2	83	2	-
Plant, furniture and equipment		1,117	1,499	746	1,339
Contracts		4,654	2,052	4,654	2,052
Grounds		214	215	128	151
Computer service costs		783	584	783	584
Total repairs and maintenance		8,657	6,450	8,197	6,143
Note 13. Borrowing costs					
Interest expense		1,126	523	1,126	523
Total borrowing costs expensed		1,126	523	1,126	523
Note 14. Impairment of assets					
Bad debts		247	1,515	232	1,505
Doubtful debts		203	(1,221)	203	(1,224)
Impairment of investments		-	-	1,189	-
Total impairment of assets		450	294	1,624	281

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Note 15. Other expenses					
Scholarships, grants and prizes		9,809	11,283	9,802	11,174
Non-capitalised equipment		2,774	3,529	2,683	3,434
Advertising, marketing and promotional expenses		8,100	6,257	7,871	5,988
Utilities		6,466	7,221	5,866	6,667
Inventory used		6,365	7,177	4,025	5,283
Postal and telecommunications		1,874	2,356	1,355	1,806
Travel and entertainment		7,638	8,432	7,434	8,106
Books, serials and other library media		6,096	7,060	5,946	6,969
Operating lease rental charges		455	148	332	4
Consultants		9,786	11,711	7,921	10,716
External contributions		7,596	7,105	9,632	9,103
Catering services		2,245	3,115	2,309	3,158
Fees for services		8,530	11,486	6,562	9,754
Asset derecognition		4,934	436	4,018	-
Computer licensing		6,344	4,311	6,344	4,311
Inter entity transfer		38	-	38	4,289
Other expenditure		3,815	4,444	2,579	3,279
Total other expenses		92,865	96,071	84,717	94,041

Note 16. Cash and cash equivalents

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Cash and cash equivalents	1(h)				
Cash at bank and on hand		8,767	5,209	4,064	3,264
Short-term deposits at call		65,720	54,781	59,000	46,000
Total cash and cash equivalents		74,487	59,990	63,064	49,264

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

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

Balances as above	74,487	59,990	63,064	49,264
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	74,487	59,990	63,064	49,264

(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 2.83% and 3.00% (2014: 3.55% and 3.65%).
These deposits have an average maturity of 193 days (2014: 181 days).
Deposits throughout the year were bearing floating interest rates between 2.80% and 3.65% (2014 - 3.50% and 4.30%) with an average maturity of 186 days (2014: 173 days).

Note 17. Receivables

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Current					
Trade and other debtors	1(i)	14,430	12,631	11,851	10,667
Less: Provision for impaired receivables		(1,263)	(1,062)	(1,242)	(1,039)
Subtotal		13,167	11,569	10,609	9,628
Other receivables		-	-	116	110
Total current receivables		13,167	11,569	10,725	9,738

Note 17. Receivables (continued)

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Non-current					
Other receivables		-	-	33	59
Deferred government benefit for superannuation defined benefit plan	**40**	342,579	328,597	342,579	328,597
Total non-current receivables		342,579	328,597	342,612	328,656
Total receivables		355,746	340,166	353,337	338,394

As of 31 December 2015, current receivables of $0.173m (2014: $0.265m) 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 2015	Consolidated 2014	Parent entity 2015	Parent entity 2014
3 to 6 months	367	693	173	256
6 to 12 months	289	101	-	-
Over 12 months	-	-	-	-
Total past due but not impaired current receivables	656	794	173	256

(a) Impaired receivables

As at 31 December 2015 current receivables of the group with a nominal value of $1.415m (2014: $1.300m) were impaired. The amount of the provision was $1.242m (2014: $1.062m). The individually impaired receivables mainly relate to international entities, 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 entity in 2015 was $1.415m (2014:$1.295m).

The ageing of these receivables is as follows:

	Consolidated 2015	Consolidated 2014	Parent entity 2015	Parent entity 2014
3 to 6 months	1,130	939	1,004	939
6 to 12 months	522	375	411	356
Over 12 months	-	-	-	-
Total current impaired receivables	1,652	1,314	1,415	1,295

Movements in the provision for impaired receivables are as follows:

	Consolidated 2015	Consolidated 2014	Parent entity 2015	Parent entity 2014
As at 1 January	(1,093)	(2,320)	(1,039)	(2,264)
Provision for impairment recognised during the year	(769)	(1,028)	(780)	(1,039)
Receivables written off during the year as uncollectible	219	1,496	232	1,505
Unused amount reversed	345	759	345	759
At 31 December	(1,298)	(1,093)	(1,242)	(1,039)

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	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Note 18. Inventories	1(j)				
Current					
Petrol and oils		-	3	-	3
Motor pool		-	7	-	7
College larder		-	3	-	3
Fodder and produce		132	130	132	130
Other stocks		225	260	-	-
Total current inventories		357	403	132	143
Note 19. Other financial assets	1(l)				
Current					
Held-to-maturity		60,360	53,480	57,000	51,000
Total current other financial assets		60,360	53,480	57,000	51,000
Non-current					
Held-to-maturity		546	1,734	-	-
Investments in subsidiaries		-	-	10	1,569
Shares in private companies		1	3,685	1	3,686
Available for sale		18,820	9,802	9,787	831
Total non-current other financial assets		19,367	15,221	9,798	6,086
Note 20. Other non-financial assets					
Current					
Accrued income		3,147	2,422	2,664	2,094
Prepaid expenses		3,693	4,808	3,233	4,736
Total current other non-financial assets		6,840	7,230	5,897	6,830

Note 21. Investments accounted for using the equity method

Name of associated entity	Place of business and country of incorporation	Measurement Method	Ownership Interest % 2015	Ownership Interest % 2014
Remarkspdf Pty Ltd	Australia	Cost	30	30

The investment in Remarkspdf Pty Ltd accounted for using the equity method is immaterial and no value was taken up in 2015.

Note 22. Biological assets

	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Trees	-	5	-	5
Livestock	927	600	927	600
Total biological assets	927	605	927	605
Reconciliation of changes in the carrying amount of biological assets				
Trees - Balance at 31 December	-	5	-	5
Livestock - Balance as at 1 January	600	620	600	620
Purchases	96	8	96	8
Natural increases	115	355	115	355
Sales	(211)	(362)	(211)	(362)
Increment/(decrement) in fair value of biological assets	327	(21)	327	(21)
Balance as at 31 December	927	600	927	600
Total biological assets	927	605	927	605

At 31 December 2015 livestock held for sale comprised 210 cattle and 7,381 sheep (2014: 137 cattle and 6,954 sheep).

Note 23. Property, plant and equipment

Consolidated	Infrastructure $000	Freehold land $000	Freehold buildings $000	Plant and equipment* $000	Leasehold improvements $000	Leased plant & equipment $000	Library Collections $000	Library rare books $000	Other** $000	Work in Progress $000	Total $000
At 1 January 2014											
- Cost	866	-	18,748	54,310	760	2,756	35,892	-	1,111	21,111	**135,554**
- Valuation	22,217	20,906	169,995	-	-	-	-	1,769	1,647	-	**216,534**
Accumulated depreciation and impairment	(1,468)	-	(16,649)	(30,091)	(378)	(2,732)	(24,702)	-	-	-	**(76,020)**
Net book amount	**21,615**	**20,906**	**172,094**	**24,219**	**382**	**24**	**11,190**	**1,769**	**2,758**	**21,111**	**276,068**
Year ended 31 December 2014											
Opening net book amount	21,615	20,906	172,094	24,219	382	24	11,190	1,769	2,758	21,111	**276,068**
Depreciation written back on disposal	-	-	147	2,741	-	-	-	-	-	-	**2,888**
Impaired assets disposed	-	-	244	-	-	-	-	-	-	-	**244**
Transfers	-	-	9,653	-	82	-	-	-	-	(9,653)	**82**
Disposals	-	-	(566)	(3,508)	(77)	-	-	-	(93)	-	**(4,244)**
Assets classified as held for sale and other disposals	-	-	-	(14)	-	-	-	-	-	-	**(14)**
Revaluation surplus	596	(894)	17,922	-	-	-	-	-	(398)	-	**17,226**
Additions	681	-	22,212	9,985	-	-	-	-	(170)	1,313	**34,021**
Depreciation charge	(773)	-	(9,002)	(6,460)	(87)	(24)	(3,589)	-	-	-	**(19,935)**
Closing net book amount	**22,119**	**20,012**	**212,703**	**26,963**	**300**	**-**	**7,601**	**1,769**	**2,097**	**12,771**	**306,335**
At 31 December 2014											
- Cost	1,239	-	30,563	62,596	786	2,756	35,892	-	2,097	12,771	**148,700**
- Valuation	21,135	20,012	182,625	-	-	-	-	1,769	-	-	**225,541**
Accumulated depreciationand impairment	(255)	-	(485)	(35,633)	(486)	(2,756)	(28,291)	-	-	-	**(67,906)**
Net book amount	**22,119**	**20,012**	**212,703**	**26,963**	**300**	**-**	**7,601**	**1,769**	**2,097**	**12,771**	**306,335**

Note 23. Property, plant and equipment (continued)

Consolidated	Infrastructure $000	Freehold land $000	Freehold buildings $000	Plant and equipment* $000	Leasehold improvements $000	Leased plant & equipment $000	Library Collections $000	Library rare books $000	Other** $000	Work in Progress $000	Total $000
Year ended 31 December 2015											
Opening net book amount	22,119	20,012	212,703	26,963	300	-	7,601	1,769	2,097	12,771	**306,335**
Depreciation written back on disposal	-	-	-	7,913	-	-	-	-	-	-	**7,913**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	**-**
Impaired assets disposed	-	-	-	-	-	-	-	-	-	-	**-**
Transfers	130	-	8,793	488	-	-	-	-	-	(9,411)	**-**
Derecognition	-	-	-	-	-	-	(4,018)	-	-	-	**(4,018)**
Disposals	-	-	-	(7,957)	-	-	-	-	-	-	**(7,957)**
Revaluation surplus	580	-	4,324	-	-	-	-	-	-	-	**4,904**
Additions	885	-	2,027	7,632	9	-	-	-	-	16,137	**26,690**
Impairment losses	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(2,182)	-	(10,883)	(7,617)	(79)	-	(3,583)	-	-	-	**(24,344)**
Closing net book amount	**21,532**	**20,012**	**216,963**	**27,422**	**230**	**-**	**-**	**1,769**	**2,097**	**19,497**	**309,522**
At 31 December 2015											
- Cost	2,254	-	41,305	58,131	795	2,756	-	-	2,097	19,497	**126,835**
- Valuation	19,695	20,012	177,544	-	-	-	-	1,769	-	-	**219,020**
Accumulated depreciation and impairment	(417)	-	(1,886)	(30,709)	(565)	(2,756)	-	-	-	-	**(36,333)**
Net book amount	**21,532**	**20,012**	**216,963**	**27,422**	**230**	**-**	**-**	**1,769**	**2,097**	**19,497**	**309,522**

Note 23. Property, plant and equipment (continued)

	Infrastructure $000	Freehold land $000	Freehold buildings $000	Plant and equipment* $000	Leased plant & equipment $000	Library collections $000	Library rare books $000	Other** $000	Work in Progress $000	Total $000
Parent entity										
At 1 January 2014										
- Cost	786	-	18,657	49,729	2,756	35,892	-	1,017	21,111	**129,948**
- Valuation	22,147	20,506	167,202	-	-	-	1,769	1,647	-	**213,270**
Accumulated depreciation and impairment	(1,450)	-	(16,492)	(26,900)	(2,732)	(24,702)	-	-	-	**(72,276)**
Net book amount	**21,483**	**20,506**	**169,367**	**22,829**	**24**	**11,190**	**1,769**	**2,664**	**21,111**	**270,942**
Year ended 31 December 2014										
Opening net book amount	21,483	20,506	169,367	22,829	24	11,190	1,769	2,664	21,111	**270,942**
Depreciation written back on disposal	-	-	147	2,741	-	-	-	-	-	**2,888**
Impaired assets disposed	-	-	244	-	-	-	-	-	-	**244**
Transfers	-	-	9,653	-	-	-	-	-	(9,653)	**-**
Disposals	-	-	(566)	(3,149)	-	-	-	-	-	**(3,715)**
Land and buildings held for sale	-	-	-	-	-	-	-	-	-	**-**
Revaluation surplus	637	(894)	18,175	-	-	-	-	(398)	-	**17,520**
Additions	682	-	22,178	9,841	-	-	-	(170)	1,313	**33,844**
Depreciation charge	(763)	-	(8,915)	(6,217)	(24)	(3,589)	-	-	-	**(19,508)**
Closing net book amount	**22,039**	**19,612**	**210,283**	**26,046**	**-**	**7,601**	**1,769**	**2,097**	**12,771**	**302,217**
At 31 December 2014										
- Cost	1,239	-	30,563	56,422	2,756	35,892	-	2,097	12,771	**141,740**
- Valuation	21,055	19,612	180,205	-	-	-	1,769	-	-	**222,640**
Accumulated depreciation and impairment	(255)	-	(485)	(30,376)	(2,756)	(28,291)	-	-	-	**(62,163)**
Net book amount	**22,039**	**19,612**	**210,283**	**26,046**	**-**	**7,601**	**1,769**	**2,097**	**12,771**	**302,217**

Note 23. Property, plant and equipment (continued)

	Infrastructure $000	Freehold land $000	Freehold buildings $000	Plant and equipment* $000	Leased plant & equipment $000	Library collections $000	Library rare books $000	Other** $000	Work in Progress $000	Total $000
Parent entity										
Year ended 31 December 2015										
Opening net book amount	22,039	19,612	210,283	26,046	-	7,601	1,769	2,097	12,771	**302,217**
Depreciation written back on disposal	-	-	-	7,913	-	-	-	-	-	**7,913**
Transfers	130	-	8,793	488	-	-	-	-	(9,411)	**-**
Derecognition	-	-	-	-	-	(4,018)	-	-	-	**(4,018)**
Disposals	-	-	-	(7,957)	-	-	-	-	-	**(7,957)**
Revaluation surplus	580	-	4,324	-	-	-	-	-	-	**4,904**
Additions	885	-	2,027	7,373	-	-	-	-	16,137	**26,422**
Depreciation charge	(2,178)	-	(10,801)	(7,375)	-	(3,583)	-	-	-	**(23,937)**
Closing net book amount	**21,456**	**19,612**	**214,626**	**26,488**	**-**	**-**	**1,769**	**2,097**	**19,497**	**305,545**
At 31 December 2015										
- Cost	2,254	-	41,305	56,327	2,756	-	-	2,097	19,497	**124,236**
- Valuation	19,615	19,612	175,124	-	-	-	1,769	-	-	**216,120**
Accumulated depreciation and impairment	(413)	-	(1,803)	(29,839)	(2,756)	-	-	-	-	**(34,811)**
Net book amount	**21,456**	**19,612**	**214,626**	**26,488**	**-**	**-**	**1,769**	**2,097**	**19,497**	**305,545**

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2014 has seen Museums and Artwork restated at cost and not valuation.

Note 24. Intangible assets

	Notes	Software Development	Licences	Goodwill	Course Development	Total
	1(q)	$000	$000	$000	$000	$000
Consolidated						
At 1 January 2014						
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
Year ended 31 December 2014						
Opening net book amount		1,575	525	793	222	3,114
Additions - internal development		91	-	-	65	156
Additions - separately acquired		40	-	-	-	40
Disposals		(50)	-	-	-	(50)
Impairment losses		-	-	(317)	-	(316)
Amortisation charge		(892)	-	-	(86)	(977)
Closing net book amount		764	525	476	201	1,967
At 31 December 2014						
Cost		14,269	525	1,047	479	16,320
Accumulated amortisation and impairment		(13,505)	-	(570)	(278)	(14,353)
Net book amount		764	525	477	201	1,967
Year ended 31 December 2015						
Opening net book amount		764	525	477	201	1,967
Additions - internal development		221	-	-	8	229
Disposals		(161)	-	-	(53)	(214)
Impairment losses		-	-	(86)	-	(86)
Amortisation charge		(269)	-	-	(86)	(355)
Closing net book amount		555	525	391	70	1,541
At 31 December 2015						
Cost		11,987	525	477	209	13,198
Accumulated amortisation and impairment		(11,431)	-	(86)	(140)	(11,657)
Net book amount		556	525	391	69	1,541

Intangible assets

	Notes	Software Development	Licences	Total
	1(q)	$000	$000	$000
Parent				
At 1 January 2014				
Cost		12,858	500	13,358
Accumulated amortisation and impairment		(11,680)	-	(11,680)
Net book amount		1,178	500	1,678
Year ended 31 December 2014				
Opening net book amount		1,178	500	1,678
Additions - internal development		63	-	63
Disposals		(50)	-	(50)
Amortisation charge		(711)	-	(711)
Closing net book amount		480	500	980
At 31 December 2014				
Cost		11,795	500	12,295
Accumulated amortisation and impairment		(11,315)	-	(11,315)
Net book amount		480	500	980

Note 24. Intangible assets (continued)

Parent	Notes	Software Development $000	Licences $000	Total $000
	1(q)			
Year ended 31 December 2015				
Opening net book amount		480	500	980
Additions		152	-	152
Disposals		(160)	-	(160)
Amortisation charge		(136)	-	(136)
Closing net book amount		336	500	836
At 31 December 2015				
Cost		11,635	500	12,135
Accumulated amortisation and impairment		(11,299)	-	(11,299)
Net book amount		336	500	836

Note 25. Trade and other payables

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Current					
Trade payables	1(r)	8,211	6,563	6,785	5,614
Refundable receipts		10	6	10	6
OS-HELP liability to Australian Government		1,063	432	1,063	432
Total current trade and other payables		9,284	7,001	7,858	6,052

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 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
US dollars	-	-	-	-
Australian dollars	9,284	7,001	7,858	6,052
Total current trade and other payables	9,284	7,001	7,858	6,052

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

Note 26. Borrowings

	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Non-current				
Unsecured bank loans	20,000	20,000	20,000	20,000
Total non-current borrowings	20,000	20,000	20,000	20,000
Total borrowings	20,000	20,000	20,000	20,000

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2015.

(b) Financing arrangements

The University has a floating rate debt facility for $20m with the National Australia Bank which is 100% swapped to fixed rate with a 5 year forward start interest rate swap. Both expire in 2019.

(c) Specify class of borrowings

The $20m was fully utilised in 2014 to complete the construction of the student accommodation facility.

(d) Fair value

The carrying amounts of borrowings at the date of statement of financial position are approximate to their fair value.

(e) Risk exposure

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 38.

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Note 27. Provisions	1(u)				
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		9,971	9,778	9,364	9,226
Long service leave		3,557	3,039	3,308	2,857
Staffing		1,146	18	1,146	18
Other		4	4	-	-
Subtotal		14,678	12,839	13,818	12,101
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		4,805	4,750	4,495	4,430
Long service leave		14,208	15,457	13,772	14,922
Deferred government benefits for superannuation		-	-	-	-
Subtotal		19,013	20,207	18,267	19,352
Total current provisions		33,691	33,046	32,085	31,453
Non-current provisions					
Employee benefits					
Long service leave		4,946	5,167	4,759	4,972
Deferred government benefits for superannuation		343,274	328,597	343,274	328,597
Professorial superannuation		1,885	2,699	1,885	2,699
Total non-current provisions		350,105	336,463	349,918	336,268
Total provisions		383,796	369,509	382,003	367,721
Note 28. Other liabilities					
Current					
(i) **Accrued liabilities**					
Salary related		3,439	2,995	3,436	2,928
Other accrued expenditure		1,500	3,542	1,362	3,510
		4,939	6,537	4,798	6,438
(ii) **Monies received in advance**					
Australian Government unspent financial assistance		775	1,365	775	1,365
Fees in advance		9,043	7,555	7,634	6,458
		9,818	8,920	8,409	7,823
(iii) **Trust funds**					
Security deposits		17	16	17	16
Employee deduction clearing accounts		622	735	622	735
Associated entities		11	11	11	11
Other		320	574	215	425
		970	1,336	865	1,187
Total current other liabilities		15,727	16,793	14,072	15,448
Non Current					
Fees in advance		425	-	-	-
Total other liabilities		16,152	16,793	14,072	15,448

Note 29. Reserves and retained earnings

(a) Reserves

	Notes	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Revaluation reserve - investments		9,859	4,612	9,730	4,828
Revaluation reserve - buildings		49,415	45,040	48,598	44,275
Revaluation reserve - land		11,661	11,661	11,342	11,342
Revaluation reserve - infrastructure		11,608	11,080	11,579	10,999
Revaluation reserve - works of art		-	-	-	-
Total reserves		82,543	72,393	81,249	71,444

Movements

	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Asset revaluation reserve - investments				
Balance 1 January	4,612	1,244	4,828	2,183
Transfer from reserves	-	(24)	-	-
Increment/(decrement) on revaluation	5,247	3,392	4,902	2,645
Balance 31 December	9,859	4,612	9,730	4,828
Asset revaluation reserve - buildings				
Balance 1 January	45,040	27,517	44,275	26,447
Increment/(decrement) on revaluation	4,375	17,870	4,323	18,175
Transfer to/(from) retained earnings on disposal	-	(347)	-	(347)
Balance 31 December	49,415	45,040	48,598	44,275
Asset revaluation reserve - land				
Balance 1 January	11,661	13,019	11,342	12,699
Increment/(decrement) on revaluation	-	(894)	-	(893)
Transfer to/(from) retained earnings on disposal	-	(464)	-	(464)
Balance 31 December	11,661	11,661	11,342	11,342
Asset revaluation reserve - infrastructure				
Balance 1 January	11,080	10,433	10,999	10,362
Increment/(decrement) on revaluation	528	647	580	637
Balance 31 December	11,608	11,080	11,579	10,999
Asset revaluation reserve - works of art				
Balance 1 January	-	398	-	398
Decrement on transfer to cost	-	(398)	-	(398)
Balance 31 December	-	-	-	-

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated 2015 $000	Consolidated 2014 $000	Parent entity 2015 $000	Parent entity 2014 $000
Retained earnings at 1 January	299,701	294,652	274,854	273,741
Actuarial changes for defined benefit superannuation plans	373	(573)	373	(573)
Other	89	100	-	-
Transfer to/(from) retained earnings on disposal or revalued assets	-	813	-	810
Net result for the year	17,209	4,709	16,127	876
Retained earnings at 31 December	317,372	299,701	291,354	274,854

(c) Nature and purpose of reserves

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

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 30. Key management personnel disclosures

(a) Responsible persons

A list of the Members of the University Council are included in the University's Annual Report.

(b) Names of executive officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of the University of New England during the financial year.

Professor Annabelle Duncan
Professor Sue Thomas
Professor Catherine MacKenzie
Professor Heiko Daniel
Mr Trevor Goldstone
Professor Peter Creamer
Ms Michelle Clarke
Mr Brendan Peet
Ms Gabrieli Rolan (until 30 June 2015)
Mr Anthony Smith (until 20 September 2015)
Professor Alison Sheridan (until 8 November 2015)
Professor Faith Trent (until 30 June 2015)
Mr Robert Irving (until 9 July 2015)

All of the above persons were also key management persons during the year ended 31 December 2015.

(c) Remuneration of Council Members and Executives

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
i) Remuneration of council members	**No.**	**No.**	**No.**	**No.**
Nil to $9,999	21	37	1	9
$10,000 to $19,999	9	5	9	5
$20,000 to $29,999	1	3	1	3
$30,000 to $39,999	1	-	1	-
	32	45	12	17

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

	$000	$000	**$000**	$000
Aggregate remuneration of Council Members				
Total aggregate remuneration	211	236	181	187

ii) Remuneration of executive officers	**No.**	**No.**	**No.**	**No.**
$130,000 to $139,999	3	1	-	-
$140,000 to $149,999	2	-	2	-
$150,000 to $159,999	1	-	1	-
$160,000 to $169,999	-	1	-	-
$180,000 to $189,999	-	1	-	-
$190,000 to $199,999	2	-	1	-
$200,000 to $209,999	-	2	-	1
$210,000 to $219,999	2	1	1	1
$220,000 to $229,999	1	1	-	1
$250,000 to $259,999	1	-	1	-
$270,000 to $279,999	-	2	-	2
$290,000 to $299,999	1	3	1	3
$300,000 to $309,999	1	1	1	1
$320,000 to $329,999	1	1	1	1
$470,000 to $479,999	-	1	-	1
$630,000 to $639,999	-	1	-	1
$720,000 to $729,999	1	-	1	-
	16	16	10	12

(d) Key management personnel compensation	**$000**	$000	**$000**	$000
Short-term employee benefits	3,855	4,067	2,579	2,930
Post-employment benefits	364	446	364	447
Termination benefits	-	538	-	446
Total key management personnel compensation	4,219	5,051	2,943	3,823

(e) Loans to key management personnel

The University has not made any loans to key management personnel.

Note 31. Remuneration of auditors

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

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Audit of the Financial Statements				
Fees paid to the Audit Office of NSW	342	384	238	265
Total remuneration for audit services	342	384	238	265
Other audit and assurance services				
Forsyths Business Services Pty Ltd	21	-	21	-
Total remuneration for audit-related services	21	-	21	-
Total audit fees	363	384	259	265

Note 32. Contingencies

There are two claims pending as at 31 December 2015. The estimate of the maximum exposure on proceedings against the University amounts to $1 million in the event that these proceedings are successful.

Note 33. Commitments

(a) Capital commitments

Commitments are GST-inclusive where relevant. Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated 2015	Consolidated 2014	Parent entity 2015	Parent entity 2014
Property, plant and equipment				
Within one year	14,806	9,886	14,806	9,886
Between one and five years	132	924	132	924
Later than five years	22	-	22	-
Total Property, plant and equpment commitments	14,960	10,810	14,960	10,810

(b) Lease commitments

	Consolidated 2015	Consolidated 2014	Parent entity 2015	Parent entity 2014
(i) Operating leases				
Within one year	1,233	998	1,039	769
Between one and five years	2,605	3,151	2,279	2,586
Later than five years	-	98	-	98
Total operating leases	3,838	4,247	3,318	3,453
Total lease commitments	3,838	4,247	3,318	3,453

No lease arrangements, existing as at 31 December 2015, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 34. Related parties

(a) Parent entities

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

(b) Subsidiaries

Interest in subsidiaries are set out in note 35.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 30.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Sale of goods and services	2,672	1,753	2,441	1,741
Purchase of goods and services	3,597	6,556	2,224	6,527
Total	6,269	8,309	4,665	8,268

(e) Loans to/from related parties

Loans to subsidiaries				
Beginning of the year	-	50	-	50
Loans advanced	-	175	-	175
Loan forgiven	-	(225)	-	(225)
End of year	-	-	-	-

The University of New England signed an unsecured loan agreement with UNE Partnerships on 24th December 2015. This provides a $600,000 draw down facility at commercial rates of interest. At balance date UNE Partnerships had not drawn any funds under the agreement.

(f) Outstanding balances

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

Current receivables (sale of goods and services)				
Subsidiaries	13	271	13	259
Total current receivables	13	271	13	259
Current payables (purchases of goods)				
Subsidiaries	8	91	8	79
Total current payables	8	91	8	79

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

(g) Guarantees

In a letter of comfort to the controlled entities, the University of New England has undertaken to support the controlled entities to ensure they can operate as a going concern.

(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 35. Subsidiaries

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

Name of entity	Principal place of business	Ownership interest 2015 %	2014 %
UNE Partnerships Pty Ltd	Armidale, NSW	100	100
Agricultural Business Research Institute	Armidale, NSW	100	100
UNE Life Pty Ltd	Armidale, NSW	100	100
Sport UNE Pty Ltd	Armidale, NSW	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Armidale, NSW	100	100
UNE Open Pty Ltd	Armidale, NSW	-	100
UNE Health Pty Ltd	Armidale, NSW	-	100

UNE Open Pty Ltd ceased trading ion 18 November 2014 and was deregistered by ASIC on 13 April 2015

UNE Health Pty Ltd ceased trading on 23 December 2014 and was deregistered by ASIC on 24 February 2015.

Note 36. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	Consolidated		Parent entity	
	2015 $000	2014 $000	**2015 $000**	2014 $000
Net result for the period	17,209	4,709	16,127	876
Depreciation and amortisation	24,817	20,885	24,073	20,219
Asset capitalisation	-	(292)	-	-
Impairment of investment	-	-	1,189	-
Provision for impaired receivables	205	(1,224)	202	(1,224)
Actuarial gain / (loss) on deferred superannuation	373	(574)	373	(574)
Capitalisation and reinvestment of dividend	(298)	-	-	-
Net transfer of assets from/to controlled entity	-	(382)	-	-
Loss / (gain) on revaluation/derecognition	4,206	484	4,018	-
Net (gain) / loss on disposal of non-current assets	50	(276)	55	(270)
Increase / (decrease) in payables and prepaid income	749	(2,106)	751	(2,373)
Increase / (decrease) in provision for employee entitlements	12,989	107,402	12,951	107,553
Increase / (decrease) in provision for annual/long service leave	207	1,351	203	1,351
Increase / (decrease) in other provisions	1,101	(1,294)	1,128	(1,330)
Increase / (decrease) in trust funds	(323)	(1,548)	(323)	(1,548)
(Increase) / decrease in receivables and prepaid expenses	(15,180)	(103,959)	(14,211)	(103,672)
(Increase) / decrease in inventories	45	(10)	11	(30)
Net cash provided by / (used in) operating activities	46,150	23,166	46,547	18,978

Note 37. Events occurring after the balance date

At balance date, a loan agreement had been signed between University of New England and UNE Partnerships providing for a $600,000 credit facility to UNE Partnerships which had not been drawn upon. On 8 February 2016 a draw down of $275,000 occurred.

Note 38. 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:

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 deposit 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 2.83 % and 3.00%. Average maturity of 186 days.
Listed shares	19	Listed shares are carried at bid price.	
Unlisted shares	19	These are available-for-sale financial assets carried at fair value.	
Financial liabilities			
Borrowings	26	Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. In 2014 UNE entered into a 5 year forward start interest rate swap to hedge against the fluctuations in future interest payments on a $20m loan which expires in 2019.	
Finance leasing	26	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	25 & 28(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(a) Market risk

(i) 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.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. For the parent entity, diversification of the porfolio is done in accordance with the limits set by the University Finance Committee.

(iii) 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 range of financial instruments with varying degrees of potential returns.

Note 38. Financial risk management - (continued)

(iv) 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 2015	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	8,767	(88)	(88)	88	88	-	-	-	-	-	-	-	-
Short term deposits - at call	65,720	(657)	(657)	657	657	-	-	-	-	-	-	-	-
Receivables	13,167	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	60,360	(604)	(604)	604	604	-	-	-	-	-	-	-	-
Held-to-maturity - non-current	546	(5)	(5)	5	5	-	-	-	-	-	-	-	-
Listed shares	18,820	-	-	-	-	-	-	-	-	(188)	(188)	188	188
Unlisted shares	1	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Borrowings	20,000	-	-	-	-	-	-	-	-	-	-	-	-
Payables	9,284	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	5,909	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,354)	(1,354)	1,354	1,354	-	-	-	-	(188)	(188)	188	188

Comparative figures for the previous year are as follows:

31 December 2014	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	5,209	(52)	(52)	52	52	-	-	-	-	-	-	-	-
Short term deposits - at call	54,782	(548)	(548)	548	548	-	-	-	-	-	-	-	-
Receivables	11,569	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	53,480	(535)	(535)	535	535	-	-	-	-	-	-	-	-
Held-to-maturity - non-current	1,734	(17)	(17)	17	17	-	-	-	-	-	-	-	-
Listed shares	9,802	-	-	-	-	-	-	-	-	(98)	(98)	98	98
Unlisted shares	3,685	-	-	-	-	-	-	-	-	(37)	(37)	37	37
Financial liabilities													
Borrowings	20,000	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	7,001	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	7,873	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,152)	(1,152)	1,152	1,152	-	-	-	-	(135)	(135)	135	135

Note 38. Financial risk management - continued

(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 Ltd, Agricultural Business Research Institute, UNE Life Pty Ltd, Sport UNE Ltd, UNE Foundation and UNE Foundation Ltd, 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, or
- 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 sufficient cash reserves are held to meet the ongoing operations and obligations of the University as they fall due.

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

31 December 2015	Average interest rate %	Variable interest rate $000	Less than 1 year $000	1 to 5 years $000	5+ years $000	Non-interest Bearing $000	Total $000
Financial assets							
Cash and cash equivalents	1.75%	8,767	-	-	-	-	8,767
Short term deposits - at call	3.18%	-	65,720	-	-	-	65,720
Receivables		-	-	-	-	13,167	13,167
Held-to-maturity - current	3.20%	-	60,360	-	-	-	60,360
Held-to-maturity - non-current	3.76%	-	-	546	-	-	546
Listed shares		-	-	-	-	18,820	18,820
Unlisted shares		-	-	-	-	1	1
Total financial assets		8,767	126,080	546	-	31,988	167,381
Financial liabilities							
Borrowings		-	-	20,000	-	-	20,000
Payables		-	-	-	-	9,284	9,284
Other amounts owing		-	-	-	-	5,909	5,909
Total financial liabilities		-	-	20,000	-	15,193	35,193
Net financial assets / (liabilities)		8,767	126,080	(19,454)	-	16,795	132,188

Comparative figures for the previous year are as follows:

31 December 2014	Average interest rate %	Variable interest rate $000	Less than 1 year $000	1 to 5 years $000	5+ years $000	Non-interest Bearing $000	Total $000
Financial assets							
Cash and cash equivalents	2.00%	5,209	-	-	-	-	5,209
Short term deposits - at call	3.71%	-	54,782	-	-	-	54,782
Receivables		-	-	-	-	11,569	11,569
Held-to-maturity - current	3.69%	-	53,480	-	-	-	53,480
Held-to-maturity - non-current	3.97%	-	-	1,734	-	-	1,734
Listed shares		-	-	-	-	9,802	9,802
Unlisted shares		-	-	-	-	3,685	3,685
Total financial assets		5,209	108,262	1,734	-	25,056	140,261
Financial liabilities							
Borrowings		-		20,000	-	-	20,000
Payables		-	-	-	-	7,001	7,001
Other amounts owing		-	-	-	-	7,873	7,873
Total financial liabilities		-	-	20,000	-	14,874	34,874
Net financial assets / (liabilities)		5,209	108,262	(18,266)	-	10,182	105,387

Note 39. 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 approximates 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 fair values of financial assets and liabilities at balance date are:

	Carrying amount		Fair value	
Consolidated	**2015**	2014	**2015**	2014
	$000	$000	**$000**	$000
Financial assets				
Cash and cash equivalents	74,487	59,990	74,487	59,990
Receivables	13,167	11,569	13,167	11,569
Other financial assets	79,727	68,701	79,727	68,701
Total financial assets	167,381	140,260	167,381	140,260
Non-financial assets				
Land	20,012	20,012	20,012	20,012
Buildings	216,963	212,703	216,963	212,703
Infrastructure	21,532	22,119	21,532	22,119
Total non-financial assets	258,507	254,834	258,507	254,834
Financial liabilities				
Payables	9,284	7,001	9,284	7,001
Borrowings	20,000	20,000	20,000	20,000
Other financial liabilities	-	-	-	-
Total financial liabilities	29,284	27,001	29,284	27,001

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
• Available-for-sale financial assets
• Land and buildings
• Infrastructure

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.

Fair value measurement of non-financial assets is based on 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.

(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 1 that are observable for the asset or liability either directly or indirectly, or
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 statement of financial position are categorised into the following levels at 31 December 2015.

Fair value measurements at 31 December 2015		**Consolidated**		
Recurring fair value measurements	**2015**	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				
Equity securities	18,820	18,820	-	-
Debt securities	-	-	-	-
Other financial assets	-	-	-	-
Held-to-maturity - current	60,360	60,360	-	-
Held-to-maturity - non-current	546	546	-	-
Shares in private companies	1	-	-	1
Total financial assets	79,727	79,726	-	1
Non-financial assets				
Land	20,012	-	20,012	-
Buildings	216,963	-	33,936	183,027
Infrastructure	21,532	-	2,996	18,536
Total non-financial assets	258,507	-	56,944	201,563
Financial liabilities				
Payables	9,284	-	9,284	-
Borrowings	20,000	-	20,000	-
Total liabilities	29,284	-	29,284	-
Total fair value measurements at 31 December 2015	367,518	79,726	86,228	201,564

Note 39. Fair Value Measurements (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2014	Consolidated			
Recurring fair value measurements	**2014**	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				
Equity securities	9,802	9,802	-	-
Other financial assets				
Shares in private companies	3,685	-	-	3,685
Held-to-maturity - current	53,480	53,480	-	-
Held-to-maturity - non-current	1,734	1,734	-	-
Total financial assets	68,701	65,016	-	3,685
Non-financial assets				
Land	20,012	-	20,012	-
Buildings	212,703	-	31,997	180,706
Infrastructure	22,119	-	3,030	19,089
Total non-financial assets	254,834	-	55,039	199,795
Financial liabilities				
Payables	7,001	-	7,001	-
Borrowings	20,000	-	20,000	-
Total liabilities	27,001	-	27,001	-
Total fair value measurements at 31 December 2014	350,536	65,016	82,040	203,480

There were no transfers between levels 1 and 2 for recurring measurements during the year. For amounts transferred in and out of level 3 measurements, see below.

During 2015, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes \will be recorded as level 2 and level 3 assets.

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 end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

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 26 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.
The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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 end of the reporting period, and
• other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The independent valuer has assessed the assets based on observable market transactions or market information when available (Sales Comparison Approach and Income Capitalisation Approach). These items are generally the 'Off Campus' land and building assets which have established and relatively liquid markets. These are referred to as Level 2 inputs.

Note 39. Fair Value Measurements (continued)

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

For the building and infrastucture assets, market information is not observable, and other valuation techniques (DRC) that maximise the use of relevant observable inputs and minimises the use of unobservable inputs were utilised. These are referred to as Level 3 inputs.

(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 2015 and 2014:

Level 3 fair value measurements 2015	Unlisted equity secutiries $000	Buildings $000	Other financial assets $000	Other $000	Total $000
Opening balance	-	180,706	3,685	19,089	203,480
Acquisitions	-	10,820	-	1,015	11,835
Impaired assets disposed	-	-	-	-	-
Assets restated at cost not valuation	-	-	-	0	0
Transfers from level 3	-	(1,939)	(3,684)	34	(5,589)
Sales	-	-	-	-	-
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses)	-	4,324	-	580	4,904
Recognised in profit or loss	-	(10,884)	-	(2,182)	(13,066)
Recognised in other comprehensive income	-	-	-	-	-
Closing balance	-	183,027	1	18,536	201,564
Level 3 fair value measurements 2014					
Opening balance	-	172,095	-	42,521	214,617
Acquisitions	-	31,865	3,685	681	36,231
Impaired assets disposed	-	244	-	-	244
Assets restated at cost not valuation	-	-	-	0	0
Transfers from level 3	-	(31,997)	-	(23,042)	(55,039)
Sales	-	(419)	-	-	(419)
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses)	-	17,920	-	(298)	17,622
Recognised in profit or loss	-	(9,002)	-	(773)	(9,775)
Recognised in other comprehensive income	-	-	-	-	(1)
Closing balance	-	180,706	3,685	19,089	203,480

(i) Transfers between levels 2 and 3 and changes in valuation techniques
There have been no transfers between level 2 and 3 during 2015. Works of art and museums have been restated at cost not valuation in 2014.

(ii) Valuation inputs and relationships to fair value
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 2015 $000**	**Unobservable inputs***	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Unlisted equities	-			
Other financial assets	-			
Land	20,012	Global Valuations	+-5%	Increase in value of land by 5% per square metre would increase value by $1 million. Decrease in value of land by 5% per square metre would decrease value by $1 million. Increase in replacement cost of buildings would increase value by $9.1 million. Decrease in replacement cost of buildings would decrease value by $9.1 million.
Buildings	177,544	Global Valuations	+-5%	
Infrastructure	19,695	Global Valuations	n/a	
Buildings	39,419	Value of transfers from WIP	n/a	
Infrastructure	1,837	Value of additions from WIP	n/a	
Total	**258,507**			

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

(iii) Valuation processes
In assessing fair value, Global Valuations has determined current replacement cost of the assets based on actual costs for similar assets for the Group and similar organisations. This includes references to Global Valuations database of construction cost and other databases such as the Rawlinsons Construction Handbook.

Note 40. Defined Benefit Plans

a) Fund specific disclosure

Most employees are entitled to benefits from superannuation plans 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), and
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.

These 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 Spouse Pension (VSP) that allows members to provide an income benefit to their spouse in the event of their death, funded by the member and the University; an optional Additional Contributory Pension (ACP) payable from age 60, 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 $Nil in 2015, (2014: $0.233 million) to the defined benefit plan during the year.

The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year $000	Between 1 and 2 years $000	Between 2 and 5 years $000	Over 5 years $000	Total $000
Defined benefit obligation - 31 Dec 2015	20,386	20,431	60,778	341,530	443,125
Defined benefit obligation - 31 Dec 2014	19,970	20,386	60,965	365,940	467,261

b) Categories of certain plan assets

For the closed NSW Public Sector Superannuation Schemes pooled fund assets are invested by SAS Trustee Corporation (STC) at arms length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund asets to individual entities. 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 balance date is as follows:

As at 30 November 2015	Total (A$000)	Quoted prices in active markets for identical assets Level 1 (A$000)	Significant observable inputs Level 2 (A$000)	Unobservable inputs Level 3 (A$000)
Short term securities	2,978,554	2,943,012	35,542	-
Australian fixed interest	2,650,946	27,895	2,623,051	-
International fixed interest	828,608	(75)	828,683	-
Australian equities	9,512,077	9,057,851	446,022	8,204
International equities	12,451,510	9,268,278	2,180,440	1,002,792
Property	3,438,598	1,036,559	701,343	1,700,696
Alternatives	7,790,660	557,505	3,108,946	4,124,209
Total *	**39,650,953**	**22,891,025**	**9,924,027**	**6,835,901**

* Actual asset allocation as at 31 December 2015 is not yet available, the latest available as at 30 November 2015 has been used.

Note 40. Defined Benefit Plans (continued)

b) Categories of certain plan assets (continued)

As at 30 November 2014*	Total $000	Quoted price in active markets for identical assets Level 1 $000	Significant observable inputs Level 2 $000	Unobservable Level 3 $000
Short term securities	2,800,451	60,035	2,740,416	-
Australian fixed interest	2,602,827	9,345	2,576,847	16,635
International fixed interest	935,087	(315)	935,402	-
Australian equities	10,448,731	9,989,280	454,401	5,050
International equities	11,841,044	8,954,886	2,885,762	396
Property	3,413,800	970,865	759,838	1,683,097
Alternatives	6,733,061	607,195	3,136,335	2,989,531
Total **	**38,775,001**	**20,591,291**	**13,489,001**	**4,694,709**

*Actual asset allocation as at 31 December 2014 is not yet available. The latest available as at 30 November 2014 has been used.

**Additional to the assets disclosed above, at 30 November 2014 the pooled fund has provisions for receivables / (payables) estimated to be around $2.1 billion, giving an estimated assets totalling around $40.9 billion.

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and coroporate bonds; unlisted trusts where quoted prices are available in active markets for indentical assets and liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

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

State schemes (SASS, SANCS, SSS)	**2015 (%)**	2014 (%)
Discount rate(s)		
Expected return on plan assets	6.8	8.3
Expected rate(s) of salary increase	3.0	2.7
Expected return on reimbursement rights	7.8	7.3
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.5	2.5
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	2.5	3.9
Expected rate(s) of salary increase	3.0	4.0

Note 40. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

Impact on defined benefit obligation

	Base case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	2.90%	1.90%	3.90%
Rate if CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	378,055,648	421,891,222	341,443,716

	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate if CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	378,055,648	397,394,960	360,204,520

	Base case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate if CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A$)	378,055,648	379,202,662	376,957,942

	Base case	Scenario G higher mortality*	Scenario H lower mortality**
Defined benefit obligation (A$)	378,055,648	374,501,026	381,611,427

* Assumes the long term pensioner mortality improvement factors for years post 2021 also apply for years 2015 to 2021.
** Assumes the short term pensioner mortality improvement factors for years 2015-2021 also apply for years after 2021.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

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

	31 December 2015
Discount rate	2.90% p.a.
Salary increase rate (exclude promotional increases)	2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% p.a. thereafter
Rate of CPI increase	2.25% 2015/2016; 2.75% 2016/2017; 2.50% p.a. thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

	31 December 2014
Discount rate	2.83% p.a.
Salary increase rate (exclude promotional increases)	2.25% 2014/2015; 2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	2.5% p.a.
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund

Note 40. Defined Benefit Plans (continued)

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2015

	$000 SASS	$000 SANCS	$000 SSS	$000 PSF	$000 Total
Liabilities					
Provision for deferred government benenfits for superannuation	28,771	5,578	343,707	8,133	386,189
Provision for pension entitlements	-	-	-	-	-
Total liabilities	28,771	5,578	343,707	8,133	386,189
Add: oncosts on pension entitlements	-	-	-	-	-
Total pension entitlements (including oncosts)	-	-	-	-	-
Total liabilities recognised in statement of financial position	28,771	5,578	343,707	8,133	386,189
Assets					
Receivable for deferred government contribution for superannuation	23,695	(67)	11,154	6,248	41,030
Total assets recognised in statement of financial position	23,695	(67)	11,154	6,248	41,030
Net liability recognised in the statement of financial position	(5,076)	(5,645)	(332,553)	(1,885)	(345,159)

Net liability - 2015	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	28,771	5,578	343,707	8,133	386,189
Fair value of plan assets	23,695	(67)	11,154	6,248	41,030
Net liability	5,076	5,645	332,553	1,885	345,159
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	**5,076**	**5,645**	**332,553**	**1,885**	**345,159**

Reimbursement rights - 2015	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	3,195	5,582	319,819	-	328,596
Return on reimbursement rights	1,490	(45)	12,538	-	13,983
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	**4,685**	**5,537**	**332,357**	**-**	**342,579**

Present value of obligations - 2015	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	28,250	5,704	340,965	9,849	384,768
Current service cost	971	209	506	132	1,818
Past service cost	-	-	-	-	-
Interest expense	760	155	9,408	259	10,582
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	586	(161)	13,818	-	14,243
Actuarial losses/(gains) arising from liability experience	1,429	166	(4,042)	(405)	(2,852)
Actuarial losses/(gains) arising from changes in financial assumptions	(16)	(1)	(2,773)	(656)	(3,446)
Contributions					
Plan participants	360	-	210	-	570
Payments from plan					
Benefits paid	(3,430)	(569)	(15,692)	(1,046)	(20,737)
Tax, premiums and expenses paid	(139)	75	1,307	-	1,243
Closing defined benefit obligation	**28,771**	**5,578**	**343,707**	**8,133**	**386,189**

Present value of plan assets - 2015	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening fair value of plan assets	25,055	122	21,146	7,150	53,473
Interest (income)	680	1	406	166	1,253
Remeasurements					
Return on Fund assets less interest income	395	4	340	-	739
Actuarial (loss)/gain on fund assets	-	-	-	(22)	(22)
Contributions					
Employers	774	300	3,437	-	4,511
Plan participants	360	-	210	-	570
Payments from plan					
Benefits paid	(3,430)	(569)	(15,693)	(1,046)	(20,738)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(139)	75	1,307	-	1,243
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	**23,695**	**(67)**	**11,153**	**6,248**	**41,029**

Note 40. Defined Benefit Plans (continued)

d) Statement of Financial Position amounts (continued)

Amounts recognised in the statement of financial position - 2014

	$000 **SASS**	$000 **SANCS**	$000 **SSS**	$000 **PSF**	$000 **Total**
Liabilities					
Provision for deferred government benenfits for superannuation	28,250	5,704	340,965	9,849	**384,768**
Provision for pension entitlements	-	-	-	-	-
Total liabilities	28,250	5,704	340,965	9,849	384,768
Add: On-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	28,250	5,704	340,965	9,849	384,768
Assets					
Receivable for deferred government contribution for superannuation	25,055	122	21,146	7,150	**53,473**
Total assets recognised in statement of financial position	25,055	122	21,146	7,150	53,473
Net liability recognised in the statement of financial position	(3,195)	(5,582)	(319,819)	(2,699)	(331,295)

Net liability reconciliation - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	28,250	5,704	340,965	9,849	384,768
Fair value of plan assets	25,055	122	21,146	7,150	53,473
Net liability	3,195	5,582	319,819	2,699	331,295
Reimbursement right	-	-	-	-	-
Total net liability /(asset)	**3,195**	**5,582**	**319,819**	**2,699**	**331,295**

Reimbursement rights - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	1,749	-	219,975	-	221,724
Return on reimbursement rights	1,446	5,582	99,844		106,872
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	**3,195**	**5,582**	**319,819**	**-**	**328,596**

Present value of obligations - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	24,813	4,451	254,631	9,414	293,309
Current service cost	924	200	404	314	1,842
Past service cost	-	-	-	-	
Interest expense	1,018	210	12,168	344	13,740
Remeasurements					
Actuarial losses/(gains) arising from liability experience	854	277	1,916	31	3,078
Actuarial losses/(gains) arising from changes in financial assumptions	1,737	524	49,208	1,262	52,731
Restatement of prior period balances	201	666	38,273	-	39,140
Contributions					
Plan participants	381	-	271	-	652
Exchange differences on foreign plans	-	-	-	-	-
Payments from plan					
Benefits paid	(1,522)	(428)	(16,642)	(1,516)	(20,108)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(156)	(196)	736		384
Closing defined benefit obligation	**28,250**	**5,704**	**340,965**	**9,849**	**384,768**

Present value of plan assets - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening fair value of plan assets	23,065	499	34,656	7,992	66,212
Interest income	950	17	1,146	287	2,400
Return on plan assets excluding amounts included in net interest expense	1,575	18	755	-	2,348
Actuarial losses/(gains)	-	-	-	154	154
Contributions					
Employers	762	212	225	233	1,432
Plan participants	381	-	270	-	651
Payments from plan					
Benefits paid	(1,522)	(428)	(16,642)	(1,516)	(20,108)
Taxes, premiums & expenses paid	(156)	(196)	736	-	384
Closing fair value of plan assets	**25,055**	**122**	**21,146**	**7,150**	**53,473**

Note 40. Defined Benefit Plans (continued)

e) Amounts recognised in other statements

	SASS	SANCS	SSS	PSF	Total
	$000	$000	$000	$000	$000
Amounts recognised in the Income Statement – 2015					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v).					
The amounts are included in employee related expenses (note 10).					
Current service cost	971	209	506	132	1,818
Net interest	79	154	9,002	93	9,328
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	1,050	363	9,508	225	11,146
Amounts recognised in the Statement of Comprehensive Income - 2015					
The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 29).					
Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	(1,039)	(1,039)
Actual return on plan assets less interest income	-	-	-	-	-
Total remeasurements in OCI	-	-	-	(1,039)	(1,039)
Total remeasurements recognised in the Statement of Comprehensive Income	-	-	-	(1,039)	(1,039)
Amounts recognised in the Income Statement – 2014					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v).					
The amounts are included in employee related expenses (note 10).					
Current service cost	924	200	404	314	1,842
Net interest	67	193	11,022	57	11,339
Total expense recognised in the Income Statement	991	393	11,426	371	13,181
Amounts recognised in the Statement of Comprehensive Income - 2014					
The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 29).					
Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	1,139	1,139
Actuarial losses (gains) arising from experience adjustment	-	-	-	-	-
Actual return on plan assets less interest income	-	(566)	-	-	(566)
Total remeasurements in OCI	-	(566)	-	1,139	573
Total remeasurements recognised in the Statement of Comprehensive Income	-	(566)	-	1,139	573

Note 40. Defined Benefit Plans (continued)

f) 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 surplus 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 2015, the assets of the DBD in aggregate were estimated to be $1.47 billion above vested benefits, 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 2015, the assets of the DBD in aggregate were estimated to be $3.38 billion above accrued benefits, 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 using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2015. 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; that is, after allowing for realisation costs.

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations

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.

Following the end of the monitoring period commenced in relation to the 30 June 2011 actuarial investigation, the Fund's actuary advised that the Trustee is not required to take any further action under Clause 34 in relation to that monitoring period, and that monitoring period is now ceased.

Note 41. Acquittal of Australian Government financial assistance

41a Education - CGS and Other Education Grants

Parent entity (University) only

	Notes	Commonwealth Grant Scheme #1 2015 $000	Commonwealth Grant Scheme #1 2014 $000	Indigenous Support Program 2015 $000	Indigenous Support Program 2014 $000	Partnership & Participation Program #2 2015 $000	Partnership & Participation Program #2 2014 $000	Disability Support Program 2015 $000	Disability Support Program 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		104,305	101,095	1,239	1,219	4,392	2,799	256	145
Net accrual adjustments		143	(774)	-	-	-	-	-	-
Revenue for the period	3(a)	104,448	100,321	1,239	1,219	4,392	2,799	256	145
Surplus / (deficit) from the previous year		(432)	(1,206)	163	266	1,341	2,027	(167)	134
Total revenue including accrued revenue		104,016	99,115	1,402	1,485	5,733	4,826	89	279
Less expenses including accrued expenses		104,591	99,547	997	1,322	4,547	3,485	177	446
Surplus / (deficit) for reporting period		(575)	(432)	405	163	1,186	1,341	(88)	(167)

 # 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

Parent entity (University) only

	Notes	Capital Development Pool 2015 $000	Capital Development Pool 2014 $000	Diversity and Structural Adjustment Fund #3 2015 $000	Diversity and Structural Adjustment Fund #3 2014 $000	Transitional Cost Program 2015 $000	Transitional Cost Program 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the pogram)		-	-	-	-	-	-
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(a)	-	-	-	-	-	-
Surplus / (deficit) from the previous year		(1,452)	(1,452)	(46)	12,812	-	-
Total revenue including accrued revenue		(1,452)	(1,452)	(46)	12,812	-	-
Less expenses including accrued expenses		(1,452)	-	16	12,858	-	-
Surplus / (deficit) for reporting period		-	(1,452)	(62)	(46)	-	-

 # 3 Includes Collaboration and Structural Adjustment Program.

Parent entity (University) only

	Notes	Promotion of Excellence in Learning and Teaching 2015 $000	Promotion of Excellence in Learning and Teaching 2014 $000	Reward Funding 2015 $000	Reward Funding 2014 $000	Total 2015 $000	Total 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		554	153	-	-	110,746	105,411
Net accrual adjustments		-	-	-	-	143	(774)
Revenue for the period	3(a)	554	153	-	-	110,889	104,637
Surplus / (deficit) from the previous year		112	8	-	-	(480)	12,590
Total revenue including accrued revenue		666	161	-	-	110,409	117,227
Less expenses including accrued expenses		107	49	-	-	108,983	117,707
Surplus / (deficit) for reporting period		559	112	-	-	1,426	(480)

Note 41. Acquittal of Australian Government financial assistance (continued)

Parent entity (University) only

41b Higher Education Loan Programs (excl OS-HELP)	Notes	HECS-HELP (Australian Government payments only) 2015 $000	2014 $000	FEE-HELP #4 2015 $000	2014 $000	SA-HELP 2015 $000	2014 $000	Total 2015 $000	2014 $000
Cash Payable / (Receivable) at beginning of year		904	191	27	(234)	3	-	934	(43)
Financial assistance received in Cash during the reporting period		64,300	63,384	7,468	8,872	314	362	72,082	72,618
Cash available for the period		65,204	63,575	7,495	8,638	317	362	73,016	72,575
Revenue earned	3(b)	64,866	62,671	7,595	8,611	309	359	72,770	71,641
Cash Payable / (Receivable) at end of year		338	904	(100)	27	8	3	246	934

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

Parent entity (University) only

41c Scholarships	Notes	Australian Postgraduate Awards 2015 $000	2014 $000	International Postgraduate Research Scholarships 2015 $000	2014 $000	Commonwealth Education Cost Scholarships #5 2015 $000	2014 $000	Commonwealth Accommodation Scholarships #5 2015 $000	2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		2,581	2,563	202	201	85	(69)	51	45
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(c)	2,581	2,563	202	201	85	(69)	51	45
Surplus / (deficit) from the previous year		405	234	(43)	-	1,252	1,371	189	189
Total revenue including accrued revenue		2,986	2,797	159	201	1,337	1,302	240	234
Less expenses including accrued expenses		2,557	2,392	160	244	71	50	45	45
Surplus / (deficit) for reporting period		429	405	(1)	(43)	1,266	1,252	195	189

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

Note 41. Acquittal of Australian Government financial assistance (continued)

Parent entity (University) only

41c Scholarships (continued)	Notes	Indigenous Access Scholarships 2015 $000	Indigenous Access Scholarships 2014 $000	Total 2015 $000	Total 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		130	78	3,049	2,818
Net accrual adjustments		-	-	-	-
Revenue for the period	3(c)	130	78	3,049	2,818
Surplus / (deficit) from the previous year		(94)	(94)	1,709	1,700
Total revenue including accrued revenue		36	(16)	4,758	4,518
Less expenses including accrued expenses		130	78	2,963	2,809
Surplus / (deficit) for reporting period		(94)	(94)	1,795	1,709

Parent entity (University) only

41d Education Research #6	Notes	Joint Research Engagement 2015 $000	Joint Research Engagement 2014 $000	Research Training Scheme 2015 $000	Research Training Scheme 2014 $000	Research Infrastructure Block Grants 2015 $000	Research Infrastructure Block Grants 2014 $000	Sustainable Research Excellence in Universities 2015 $000	Sustainable Research Excellence in Universities 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		3,388	3,134	6,307	6,604	1,507	1,092	1,266	993
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,388	3,134	6,307	6,604	1,507	1,092	1,266	993
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		3,388	3,134	6,307	6,604	1,507	1,092	1,266	993
Less expenses including accrued expenses		3,388	3,134	6,307	6,604	1,507	1,092	1,266	993
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

Note 41. Acquittal of Australian Government financial assistance (continued)

41d Education Research #6 (continued)

	Notes	Parent entity (University) only – Total 2015 $000	2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		12,468	11,823
Net accrual adjustments		-	-
Revenue for the period	3(d)	12,468	11,823
Surplus / (deficit) from the previous year		-	-
Total revenue including accrued revenue		12,468	11,823
Less expenses including accrued expenses		12,468	11,823
Surplus / (deficit) for reporting period		-	-

#6 The reported surpluses for [program names] of $x.xxx million for 2015 are expected to be rolled over for future use by Education and the surpluses for [program names] of $x.xxx million for 2015 are expected to be returned to Education.

41e Other Capital Funding

		Parent entity (University) only			
		Teaching and Learning Capital Fund		Total	
	Notes	2015 $000	2014 $000	2015 $000	2014 $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)	(3,496)	(3,496)	(3,496)
Total revenue including accrued revenue		(3,496)	(3,496)	(3,496)	(3,496)
Less expenses including accrued expenses		-	-	-	-
Surplus / (deficit) for reporting period		(3,496)	(3,496)	(3,496)	(3,496)

Note 41. Acquittal of Australian Government financial assistance (continued)

41f Australian Research Council Grants

Parent entity (University) only

(a) Discovery	Notes	Projects 2015 $000	Projects 2014 $000	ARC Discovery Early Career Researcher Award 2015 $000	ARC Discovery Early Career Researcher Award 2014 $000	Total 2015 $000	Total 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		1,569	1,788	278	270	1,847	2,058
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(i)	1,569	1,788	278	270	1,847	2,058
Surplus / (deficit) from the previous year		898	720	201	127	1,099	847
Total revenue including accrued revenue		2,467	2,508	479	397	2,946	2,905
Less expenses including accrued expenses		1,574	1,610	355	196	1,929	1,806
Surplus / (deficit) for reporting period		893	898	124	201	1,017	1,099

Parent entity (University) only

(b) Linkages	Notes	Projects 2015 $000	Projects 2014 $000	ARC Future Fellowships 2015 $000	ARC Future Fellowships 2014 $000	Total 2015 $000	Total 2014 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		201	295	290	670	491	965
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(ii)	201	295	290	670	491	965
Surplus / (deficit) from the previous year		159	156	568	151	727	307
Total revenue including accrued revenue		360	451	858	821	1,218	1,272
Less expenses including accrued expenses		349	292	340	253	689	545
Surplus / (deficit) for reporting period		11	159	518	568	529	727

Note 41. Acquittal of Australian Government financial assistance (continued)

Parent entity (University) only

41g OS-HELP

	Notes	2015 $000	2014 $000
Cash Received during the reporting period		1,731	1,363
Cash Spent during the reporting period		(1,100)	(975)
Net Cash received	3(g)	631	388
Cash Surplus / (deficit) from the previous period		432	44
Cash Surplus / (deficit) for the reporting period		1,063	432

41h Higher Education Superannuation Program

	Notes	2015 $000	2014 $000
Cash Received during the reporting period		2,526	-
University contribution in respect of current employees		-	-
Cash available		2,526	-
Cash Surplus / (deficit) from the previous period		0	-
Cash available for current period		2,526	-
Contributions to specified defined benefit funds		(2,526)	-
Cash Surplus / (deficit) this period		-	-

41i Student Services and Amenities Fee

	Notes	2015 $000	2014 $000
Unspent / (overspent) revenue from previous period		3,392	4,054
SA-HELP Revenue Earned	3(b)	309	359
Student Services and Amenities Fees direct from Stu	5	503	590
Total revenue expendable in period		4,204	5,003
Student Services expenses during period		2,771	1,611
Unspent / (overspent) Student Services Revenue		1,433	3,392

" End of Audited Financial Statements "

Agricultural Business Research Institute

ABRI

Agricultural Business Research Institute

ABN: 59 781 301 088
Annual Financial Report for the year ended 31 December 2015

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

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

I have audited the accompanying financial statements of the Agricultural Business Research Institute (the Company), which comprise the statement of financial position as at 31 December 2015, 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 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 2015 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 financial statements that give a true and fair view and 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 an 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 management, 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 14 March 2016, would be in the same terms if provided to the Directors as at the time of this auditor's report.

S Bond.

Sally Bond
Director, Financial Audit Services

21 March 2016
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 2015 and the Auditors Report thereon.

Director details
The following persons were Directors of the company during or since the end of the financial year:

Qualifications and Experience

Name and Occupation:	**Ian Michael LOCKE**
Qualifications:	B. Agric. Econ.
Experience:	Mr Locke 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 a principal of the Wirruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards.
Special Responsibilities	Chairman, IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since June, 2002.
Name and Occupation:	**Hugh Peter NIVISON**
Qualifications:	B.V.Sc. MAICD FARL
Experience:	Mr Nivison has a Veterinary Science degree from Sydney University and is Adjunct Associate Professor in the School of Veterinary Science at the University of Queensland. He has a high level of corporate experience as a Director of Australian Wool Innovation, a board member of the Australian Sheep Industry Co-operative Research Centre, Chairman of UNE Rural Properties, Director and CEO of Australasian Rural Investments Pty Ltd and he is currently Chairman of Australian Farmers Fighting Fund (AFFF). Hugh is a principle of "Mirani" at Walcha, which is recognised as a leading progressive Merino stud and commercial Angus cattle enterprise.
Special Responsibilities	Managing Director Board member since October, 2015.
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. Mr Barwell is a member of the Australian Meat Industry Language and Standards Committee, and represents Cattle Council of Australia on Safemeat, a Government and Industry partnership, where he Chairs a number of committees dealing with food safety and trade access matters. Previously he was the National Co-ordinator of the CATTLECARE and Flockcare programs. He has also been a Director and General Manager of a diverse agricultural company with properties throughout rural New South Wales, New Zealand and Fiji.
Special Responsibilities	IBRS Sub-Committee Board member since May 2004.
Name and Occupation:	**Barry John PAFF**
Experience:	Mr Paff has 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:	**Professor Heiko DANIEL**
Experience:	Professor Daniel is the Pro Vice-Chancellor (Research) (PVCR). In this role, Professor Daniel provides strategic leadership for all aspects of the University's research activities, oversight of the UNE Research Strategic Plan and oversees the strategies and operations of the Research Services Directorate.
Special Responsibilities	IBRS Sub-Committee Board member since June 2015.
Name and Occupation:	**Peter Brett COOMBE**
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Mr Coombe is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Brett has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Association's Technical Committee. Board Member since July 2014
Name and Occupation:	**Morris George MCINNES**
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Mr McInnes 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:	Ms Clarke 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:	**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:	Dr Fox is a rural development and natural resource management specialist working in less developed countries for the World Bank (27 years) and AusAID (6 years). Previously, Chairman of the University of New England Foundation, member of the University of New England Council and its Finance Committee. Currently, a grazier raising beef cattle.
Special Responsibilities	Finance and Admin Sub-Committee Board member since June 2011 Resigned February 2015
Name and Occupation:	**Charles Alexander MCDONALD**
Qualifications:	B.Sc. (Agric)
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	Managing Director, IBRS, Finance and Admin, ILRIC and Dairy Express Sub-Committees Board member since April 2008 Resigned September 2015

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)

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.

There have been no significant changes in the nature of these activities during the year.

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

<u>Object (a)</u> – 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.

<u>Object (b)</u> – 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.

<u>Object (c)</u> - ABRI provides the BREEDPLAN® genetic evaluation service 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.

<u>Object (d)</u> – 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.

<u>Object (e)</u> 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.

Directors' meetings

During the financial year ended 31 December, 2015 five directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Number Attended
Hugh Peter NIVISON	1	1
Charles Alexander MCDONALD	4	4
Robert Anthony BARWELL	5	5
Ian Michael LOCKE	5	5
Barry John PAFF	5	1
Geoffrey Bradfield FOX	1	1
Peter Brett COOMBE	5	5
Morris George MCINNES	5	5
Michelle Denise CLARKE	5	4
Heiko DANIEL	3	3

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has a $100 liability should the company be wound up. At 31 December 2015, the collective liability of members was $700 ($100 per member, maximum number of members 7).

Review of Operations

The operating surplus of the company was $1,043,380 (2014 = $750,438) and the surplus after fair value adjustments on the financial assets was $855,190(2014 = $702,624)

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

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

There are no reportable events occuring after the balance date.

Likely Developments and Expected Results of Operations

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

Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

Indemnification of Officers

The company obtains insurance as part of the University of New England's commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $34,600 for Directors and Officers Insurance covered the period 1 November 2014 to 31 October 2015. Insurance has been renewed for the Group for the period 1 November 2015 to 31 October 2016 at a cost of $36,200. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section *307C of the Corporations Act 2001* is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2015.

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

H P Nivison
Director

R A Barwell
Director

Date: 14th March, 2016

AUDITOR-GENERAL
NEW SOUTH WALES

To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Agricultural Business Research Institute for the year ended 31 December 2015, 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.

SBond

Sally Bond
Director, Financial Audit Services

14 March 2016
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 2015;
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.

H P Nivison
Director

R A Barwell
Director

Date: 14th March, 2016

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 2015 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015;*
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

H P Nivison
Director

R A Barwell
Director

Date: 14th March, 2016

Statement of Profit or Loss

For the Period ended 31 December, 2015

	Notes	**2015** $	2014 $
Revenue from continuing operations			
Investment revenue	**2**	316,832	336,968
Trading revenue	**4**	8,388,893	8,052,476
Total revenue from continuing operations		8,705,725	8,389,444
Expenses from continuing operations			
Employee related expenses	**5**	4,725,524	4,934,402
Depreciation and amortisation	**6**	267,324	373,628
Repairs and maintenance	**7**	108,215	82,636
Impairment of assets	**8**	12,376	8,632
Other expenses	**9**	2,548,906	2,239,708
Total expenses from continuing operations		7,662,345	7,639,006
Surplus from continuing operations		**1,043,380**	**750,438**
Other Gains and Losses			
Other investment loss	**3**	(199,298)	(47,814)
Gain on sale of assets	**3**	11,109	-
Surplus attributable to the ABRI	**19(b)**	**855,190**	**702,624**

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

Statement of Other Comprehensive Income

For the Period ended 31 December, 2015

	Notes	**2015** $	**2014** $
Surplus or (deficit) for the period		855,190	702,624
Items that will not be reclassified to profit or loss			
Gain/(Loss) on revaluation of land, buildings and infrastructure		-	(294,444)
Total other comprehensive income		-	(294,444)
Total comprehensive income for the period		855,190	408,180

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

Statement of Financial Position

As at 31 December 2015

	Notes	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	7,198,302	5,544,003
Receivables	**11**	1,548,853	1,601,035
Other assets	**13**	364,703	262,958
Total current assets		9,111,858	7,407,996
Non-current assets			
Other financial assets	**12**	2,331,829	2,568,830
Property, plant and equipment	**14**	2,988,185	3,077,790
Intangible assets	**15**	170,873	283,608
Total non-current assets		5,490,887	5,930,228
Total assets		14,602,745	13,338,224
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	936,961	552,791
Provisions	**17**	1,134,663	1,164,995
Other liabilities	**18**	342,990	285,497
Total current liabilities		2,414,614	2,003,283
Non-current liabilities			
Provisions	**17**	86,000	88,000
Total non-current liabilities		86,000	88,000
Total liabilities		2,500,614	2,091,283
Net assets		12,102,131	11,246,941
EQUITY			
Asset revaluation reserve	**19(a)**	1,165,896	1,165,896
Retained earnings	**19(b)**	10,936,235	10,081,046
Total equity attributable to equity holders of the company		12,102,131	11,246,942

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, 2015

	Notes	Reserves	Retained Earnings	Total
Balance at 1 January 2014		1,460,340	9,378,422	10,838,761
Surplus or (deficit)		-	702,624	702,624
Revaluation of Land, Buildings and Infrastructure		(294,444)	-	(294,444)
Total comprehensive income		(294,444)	702,624	408,180
Balance at 31 December 2014	19(a)	1,165,896	10,081,046	11,246,941
Balance at 1 January 2015		1,165,896	10,081,046	11,246,942
Surplus or (deficit)		-	855,189	855,189
Balance at 31 December 2015	19(a)	1,165,896	10,936,235	12,102,131

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, 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		9,178,222	8,395,523
Dividends received		136,017	155,956
Interest received		180,814	191,643
Payments to suppliers and employees		(7,824,580)	(8,172,143)
Net cash provided by operating activities	25	1,670,473	570,979
Cash flows from investing activities			
Payments for property, plant and equipment		(64,984)	(148,326)
Proceeds from sales of investments		48,810	-
Net cash used in investing activities		(16,174)	(148,326)
Net increase in cash and cash equivalents		1,654,299	422,653
Cash and cash equivalents at the beginning of the financial year		5,544,003	5,121,350
Cash and cash equivalents at the end of the financial year	10	7,198,302	5,544,003

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

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, 2015 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 2015 was authorised for issue in accordance with a resolution of the Board during March 2016.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2015, 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 profit 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.

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

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

Note 1. Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

Fair Value

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

Impairment

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

(j) Fair value estimation

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

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

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

(k) Property, infrastructure, plant and equipment

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

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

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 - 4 - 15 yrs,
Motor Vehicles - 5 yrs,
Infrastructure - 10 yrs.
Furniture and Fittings - 7-20 yrs,
Other Plant and Equipment - 4 - 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 2015 by Global Valuation Services.

(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).

Note 1. Summary of significant accounting policies (Continued)

(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.
Annual leave is not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. As such it is measured at nominal value, which is not materially different to present value.

(iii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and 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 issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2015.

		Notes	**2015**	2014
Note 2.	**Investment revenue**			
	Interest		180,814	181,012
	Dividend Income		136,017	155,956
	Total investment revenue		316,831	336,968
Note 3.	**Gains and losses**			
	Other investment gains/(losses)		(199,298)	(47,814)
	Gain on sale of assets		11,109	-
	Total gains and losses		(188,189)	(47,814)
Note 4.	**Trading revenue**			
	Fees and charges		8,388,893	8,052,476
	Total trading revenue		8,388,893	8,052,476
Note 5.	**Employee related expenses**			
	Salaries		4,152,963	4,365,516
	Contribution to funded superannuation and pension schemes		380,889	390,055
	Payroll tax		207,150	230,256
	Worker's compensation		6,224	6,499
	Leave accrual expense		(32,332)	(69,865)
	Other (Allowances, penalties and fringe benefits tax)		10,630	11,941
	Total employee related expenses		4,725,524	4,934,402
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Buildings		82,571	86,669
	Infrastructure		4,000	10,267
	Furniture and Fittings		18,885	17,319
	Plant and Equipment		40,557	57,956
	Motor Vehicles		8,577	20,127
	Total depreciation		154,590	192,338
	Amortisation			
	Intangibles		112,735	181,290
	Total amortisation		112,735	181,290
	Total depreciation and amortisation		267,325	373,628
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		108,215	82,636
	Total repairs and maintenance		108,215	82,636
Note 8.	**Impairment of assets**			
	Bad Debts		12,376	8,632
	Total impairment of assets		12,376	8,632
Note 9.	**Other expenses**			
	Non-capitalised equipment		12,864	11,241
	Advertising, marketing and promotional expenses		35,502	41,264
	Utilities		29,803	29,739
	Postal and Telecommunications		462,718	506,160
	Travel and Entertainment		117,047	101,008
	Operating Lease Rental Charges		38,110	33,023
	Consultants		879,413	580,247
	Royalties		411,235	414,703
	Computer and Office Supplies		97,846	87,225
	Other Expenditure		464,368	435,098
	Total other expenses		2,548,906	2,239,708

		Notes	2015 $	2014 $
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash at bank		1,574,091	833,529
	At call investments		5,624,211	4,710,474
	Total cash and cash equivalents		7,198,302	5,544,003

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

	2015 $	2014 $
Balances as above	7,198,302	5,544,003
Less: Bank Overdrafts	-	-
Balance per cash flow statement	7,198,302	5,544,003

(b) Deposits at call
The deposits are bearing floating interest rates between 2.8% and 3.0% (2014: 3.92% and 3.25%). These deposits have an average maturity of 268 days.

		Notes	2015 $	2014 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,565,232	1,614,921
	Less: Provision for impaired receivables	1(h)	(16,379)	(13,886)
	Total current receivables		1,548,853	1,601,035
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		1,548,853	1,601,035

(a) Impaired receivables

As at 31 December 2015 current receivables of the entity with a nominal value of $16,379 (2014: $13,886) were impaired. The amount of the provision was $16,379 (2014: $13,886).

The ageing of these receivables is as follows:

	2015 $	2014 $
3 to 6 months	-	-
Over 6 months	16,379	13,886
	16,379	13,886

As of 31 December 2015, trade receivables of $225,159 (2014: $272,268) 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:

	2015 $	2014 $
	125,575	182,581
3 to 6 months	99,584	89,687
Over 6 months	225,159	272,268

Movements in the provision for impaired receivables are as follows:

	2015 $	2014 $
As at 1 January	13,886	13,835
Provision for impairment recognised during the year	8,633	8,633
Receivables written off during the year as uncollectible	(6,140)	(8,582)
	16,379	13,886

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	2015 $	2014 $
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		2,331,829	2,568,830
Total non-current other financial assets		2,331,829	2,568,830
Note 13. Other assets			
Current			
Accrued Income		344,891	240,670
Prepaid Expenses		19,812	22,288
Total current other non-financial assets		364,703	262,958

Note 14. Property, plant and equipment

	Freehold land $	Freehold buildings $	Infrastructure $	Plant and equipment $	Motor vehicle $	Furniture & fittings $	Total $
Year ended 31 December 2014							
Opening net book amount	400,000	2,726,612	131,237	85,504	58,636	63,526	**3,465,515**
Additions	-	33,530	-	53,709	-	26,304	**113,543**
Revaluation increment/(decrement)	-	(253,473)	(40,970)	-		-	**(294,443)**
Assets classified as held for sale and other disposals	-	-	-	-	(14,484)	-	**(14,484)**
Depreciation charge	-	(86,669)	(10,267)	(57,957)	(20,128)	(17,320)	**(192,341)**
Closing net book amount	**400,000**	**2,420,000**	**80,000**	**81,256**	**24,024**	**72,510**	**3,077,790**
At 31 December 2014							
- Cost	-	-	-	1,471,451	329,006	244,512	**2,044,970**
- Valuation	400,000	2,420,000	80,000	-		-	**2,900,000**
Accumulated depreciation	-	-	-	(1,390,196)	(304,982)	(172,002)	**(1,867,180)**
Net book amount	**400,000**	**2,420,000**	**80,000**	**81,256**	**24,025**	**72,510**	**3,077,790**
Year ended 31 December 2015							
Opening net book amount	400,000	2,420,000	80,000	81,256	24,025	72,510	**3,077,791**
Additions	-	-	-	21,354	30,441	13,189	**64,984**
Depreciation charge	-	(82,571)	(4,000)	(40,557)	(8,577)	(18,885)	**(154,590)**
Closing net book amount	**400,000**	**2,337,429**	**76,000**	**62,053**	**45,889**	**66,814**	**2,988,185**
At 31 December 2015							
- Cost	-	-	-	1,492,805	359,447	257,701	**2,109,954**
- Valuation	400,000	2,337,429	76,000	-	-	-	**2,813,429**
Accumulated depreciation	-	-	-	(1,430,752)	(313,559)	(190,887)	**(1,935,198)**
Net book amount	**400,000**	**2,337,429**	**76,000**	**62,053**	**45,889**	**66,814**	**2,988,185**

Note 15. Intangible assets

	Notes	2015 $	2014 $
	1(l)		
At 1 January			
Cost		2,474,138	2,474,137
Accumulated amortisation and impairment		(2,303,265)	(2,190,529)
Net book amount		170,873	283,608
Year ended 31 December			
Opening net book amount		283,608	396,584
Additions		-	68,314
Amortisation charge		(112,735)	(181,290)
Closing net book amount		170,873	283,608

Note 16. Trade and other payables

	2015 $	2014 $
Current		
Trade Payables	936,961	552,791
Total current trade and other payables	936,961	552,791

Note 17. Provisions

	Notes	2015 $	2014 $
Provisions	1(n)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		326,063	312,395
Long service leave		77,000	75,000
Make good provision		3,600	3,600
Total Current Provision		406,663	390,995
Current provisions expected to be settled wholly after more than 12 Months			
Employee benefits			
Annual leave		310,000	320,000
Long service leave		418,000	454,000
Subtotal		728,000	774,000
Total Current Provision		1,134,663	1,164,995
Non-current provisions			
Employee benefits			
Long service leave		86,000	88,000
Total non-current provision		86,000	88,000
Total provisions		1,220,663	1,252,995

		2015	2014
		$	$
Note 18.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Fees in Advance	234,088	179,133
	GST Payable	108,902	106,364
	Total current other liabilities	342,990	285,497

		2015	2014
Note 19.	**Reserves and retained earnings**		
a)	**Reserves**		
	Revaluation Reserve		
	- Land	320,000	320,000
	- Buildings	816,867	816,867
	- Infrastructure	29,029	29,029
		1,165,896	1,165,896
	Movements in reserves were as follows:		
	Reserves at 1 January - Land	320,000	320,000
	Reserves at 31 December	320,000	320,000
	Reserves at 1 January - Buildings	816,867	1,070,340
	Increment/(decrement) on revaluation	-	(253,473)
	Reserves at 31 December	816,867	816,867
	Reserves at 1 January - Infrastructure	29,029	70,000
	Increment/(decrement) on revaluation	-	(40,971)
	Reserves at 31 December	29,029	29,029
b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	10,081,046	9,378,422
	Net Operating Result for the year	855,189	702,624
	Retained Earnings at 31 December	10,936,235	10,081,046
	Total Equity	12,102,131	11,246,942

	2015	2014
	$	$

Note 20. Key management personnel disclosures

Remuneration of Board Members
The Directors of the company act in an honorary capacity and receive 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 C.A. McDonald and H.P. Nivison in their capacity as Managing Director of ABRI.

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

Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	3,800	2,800

Remuneration of executive officers	**No.**	**No.**
$100,000 to $119,999	2	4
$120,000 to $139,999	-	1
$140,000 to 240,000	1	-
	3	5

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	416,049	667,694

Note 21. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	24,100	23,500
Total remuneration for audit services	24,100	23,500

Note 22. Contingencies

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

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

Note 23. Commitments

	2015 $	2014 $
Operating Leases		
Within one year	4,838	28,886
Later than one year but not later than five years	-	4,838
Total operating leases(Including GST)	4,838	33,724

No lease arrangements, existing as at 31 December 2015, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 24. Related parties

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

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

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

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

The following transactions occurred with related parties:

	2015 $	2014 $
Transactions during the period		
University of New England		
Income received from	-	-
Payments made to	(251,817)	(251,817)
Net	(251,817)	(251,817)

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

	2015 $	2014 $
University of New England		
Payables to	5,616	20,107

(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

	2015 $	2014 $
Operating result for the period	855,189	702,624
Depreciation and amortisation	267,325	354,583
Provision for impaired receivables	2,493	51
(Gain)/Loss on revaluation of investments	188,191	47,814
Increase/(Decrease) in Payables and Prepaid Income	395,479	(132,212)
Increase/(Decrease) in Provision for Employee Entitlements	(36,000)	(2,000)
Increase/(Decrease) in Provision for Annual Leave	3,668	(67,865)
(Increase)/Decrease in Receivables and Prepaid Expenses	(5,872)	(332,016)
Net cash provided by / (used in) operating activities	1,670,473	570,979

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	11 & 13	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(b)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(b)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.8% and 3.0%. Average maturity of 368 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 some 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 2015	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	1.80	1,574,091	-			-	1,574,091
Investments-Term Deposits	2.90	-	5,624,211			-	5,624,211
Receivables						1,548,853	1,548,853
Listed Shares						2,331,829	2,331,829
Accrued Income						344,891	344,891
Total Financial Assets		1,574,091	5,624,211			4,225,573	11,423,875
Financial Liabilities							
Payables						936,961	936,961
Total Financial Liabilities						936,961	936,961
Net Financial Assets(Liabilities)		1,574,091	5,624,211			3,288,612	10,486,914

Comparative figures for the previous year are as follows:

31 December 2014	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	2.45	833,529	-			-	833,529
Investments - Term Deposits	3.60	-	4,710,474			-	4,710,474
Receivables						1,601,035	1,601,035
Listed Shares						2,568,830	2,568,830
Accrued Income						240,670	240,670
Total Financial Assets		833,529	4,710,474			4,410,535	9,954,538
Financial Liabilities							
Borrowings							
Payables						552,791	552,791
Total Financial Liabilities						552,791	552,791
Net Financial Assets(Liabilities)		833,529	4,710,474			3,857,744	9,401,747

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 and other price risk.

31 December 2015	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	1,574,091	(15,741)	(15,741)	15,741	15,741	N/A	N/A	N/A	N/A
Investments-Term Deposits	5,624,211	(56,242)	(56,242)	56,242	56,242	N/A	N/A	N/A	N/A
Receivables	1,548,853								
Listed Shares	2,331,829					(23,318)	(23,318)	23,318	23,318
Accrued Income	344,891								
Total Financial Assets	11,423,875	(71,983)	(71,983)	71,983	71,983	(23,318)	(23,318)	23,318	23,318
Financial Liabilities									
Creditors	936,961	(9,370)		9,370	9,370	N/A	N/A	N/A	N/A
Total Financial Liabilities	936,961								
Total increase / (decrease)	10,486,914	(71,983)	(71,983)	71,983	71,983	(23,318)	(23,318)	23,318	23,318

Comparative figures for the previous year are as follows:

31 December 2014	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	833,529	(8,335)	(8,335)	8,335	8,335	N/A	N/A	N/A	N/A
Investments - Term Deposits	4,710,474	(47,105)	(47,105)	47,105	47,105	N/A	N/A	N/A	N/A
Receivables	1,601,035								
Listed Shares	2,568,830					(25,688)	(25,688)	25,688	25,688
Accrued Income	240,670								
Total Financial Assets	9,954,538	(55,440)	(55,440)	55,440	55,440	(25,688)	(25,688)	25,688	25,688
Financial Liabilities									
Creditors	552,791	(6,225)	(6,225)	6,225	6,225	N/A	N/A	N/A	N/A
Total Financial Liabilities	552,791	(6,225)	(6,225)	6,225	6,225				
Total increase / (decrease)	9,401,747	(49,215)	(49,215)	49,215	49,215	(25,688)	(25,688)	25,688	25,688

Note 28 Fair value measurements

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 Entity measures and recognises the following assets and liabilities at fair value on a recurring basis:
• Financial assets at fair value through profit or loss
• Land and buildings
• Infrastructure

(b) 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).

Listed securities
Fair values have been determined by reference to their quoted bid prices at the reporting date.

Recognised fair value measurements
Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2015.

	31 Dec 2015	Level 1	Level 2	Level 3
	$	$		
Financial assets				
Other financial assets	2,331,829	2,331,829	-	-
Total	2,331,829	2,331,829	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,337,429	-	-	2,337,429
Infrastructure	76,000	-	-	76,000
Total	2,813,429	-	-	2,813,429

	31 Dec 2014	Level 1	Level 2	Level 3
	$	$		
Financial assets				
Other financial assets	2,568,830	2,568,830	-	-
Total	2,568,830	2,568,830	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,420,000	-	-	2,420,000
Infrastructure	80,000	-	-	80,000
Total	2,900,000	-	-	2,900,000

(c) Valuation techniques used to derive level 3
Land, buildings and infrastructure are valued independently at least every three years. At the end of each reporting period, the Entity updates the assessment of the fair value of each property, taking into account the most recent independent valuations.

The best evidence of fair value is current prices is an active market for similar properties. Where such information is not available the Entity 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.

Note 28 Fair value measurements (continued)

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

Level 3 Fair value measurements 2015	**Land**	**Buildings**	**Infrastructure**	**Total**
Opening balance	400,000	2,420,000	80,000	2,900,000
Adoption of AASB 13				
Acquisitions				
Transfers from level 1				
Transfers from level 1				
Sales				
Issues Settlements				
Total gains /(losses)				
Recognised in profit or loss *		(82,571)	(4,000)	(86,571)
Recognised in other comprehensive income				
Closing balance	**400,000**	**2,337,429**	**76,000**	**2,813,429**

Level 3 Fair value measurements 2014	**Land**	**Buildings**	**Infrastructure**	**Total**
Opening balance	400,000	2,718,700	131,237	3,249,937
Acquisitions		33,530		33,530
Total gains /(losses)				
Recognised in profit or loss *		(78,756)	(10,267)	(89,023)
Recognised in other comprehensive income		(253,474)	(40,970)	(294,444)
Closing balance	**400,000**	**2,420,000**	**80,000**	**2,900,000**

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

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**	**Unobservable inputs**	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Land	400,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,337,429	Global Valuation	3	
Infrastructure	76,000	Global Valuation	3	

END OF AUDITED FINANCIAL STATEMENTS

Sport UNE Pty Ltd

ABN: 73 138 308 899
Annual Financial Report for the year ended 31 December 2015

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Sport UNE Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sport UNE Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 management, 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 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.

S Bond.

Sally Bond
Director, Financial Audit Services

14 March 2016
SYDNEY

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 2015 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015;*

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

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

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

Signed in accordance with a resolution of the Directors.

Anita Taylor
Director

David Schmude
Director

9 March 2016

Statement of Profit or Loss
For the year ended 31 December 2015

	Notes	**2015** **$**	2014 $
Revenue from continuing operations			
Trading Income	**2**	2,806,248	2,713,417
Investment revenue	**3**	10,373	7,777
Total revenue from continuing operations		2,816,621	2,721,194
Expenses from continuing operations			
Personnel services	**4**	1,524,710	1,570,550
Depreciation	**5**	92,441	92,442
Repairs and maintenance	**6**	181,844	100,301
Impairment of assets	**7**	2,377	3,019
Other expenses	**8**	846,654	1,007,622
Total expenses from continuing operations		2,648,026	2,773,934
Surplus or (deficit) attributable to Sport UNE Pty Ltd	**16**	168,595	(52,740)

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 2015

	Notes	**2015** **$**	2014 $
Surplus or (deficit) for the period		168,595	(52,740)
Other comprehensive income		-	-
Total comprehensive income for the year		168,595	(52,740)

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

Statement of Financial Position
As at 31 December 2015

	Notes	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	**9**	484,407	289,566
Receivables	**10**	101,189	58,686
Inventories	**11**	15,046	13,017
Total current assets		600,642	361,269
Non-current assets			
Plant, equipment & motor vehicle	**12**	458,289	550,730
Total non-current assets		458,289	550,730
Total assets		1,058,931	911,999
LIABILITIES			
Current liabilities			
Trade and other payables	**13**	23,457	91,460
Personnel services payable	**14**	115,917	110,321
Other liabilities	**15**	395,416	328,672
Total current liabilities		534,790	530,453
Non-current liabilities			
Personnel services payable	**14**	33,000	59,000
Total non-current liabilities		33,000	59,000
Total liabilities		567,790	589,453
Net assets		491,141	322,546
EQUITY			
Retained earnings	**16**	491,021	322,426
Share Capital	**17**	120	120
Total equity		491,141	322,546

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 2015

	Shares	Retained Earnings	Total
Balance at 1 January 2014	-	375,166	375,166
Surplus / (Deficit)	-	(52,740)	(52,740)
Issue of Share Capital	120	-	120
Total comprehensive income	120	(52,740)	(52,620)
Balance at 31 December 2014	120	322,426	322,546
Balance at 1 January 2015	120	322,426	322,546
Surplus / (Deficit)	-	168,595	168,595
Issue of Share Capital	-	-	-
Total comprehensive income	-	168,595	168,595
Balance at 31 December 2015	120	491,021	491,141

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 2015

	Notes	**2015**	2014
		$	$
Cash flows from operating activities			
Receipts from customers		2,901,327	2,996,254
Interest received		10,373	7,777
Payments to suppliers and personnel services (inclusive of GST)		(2,716,859)	(2,988,404)
Net cash provided by / (used in) operating activities	**24**	194,841	15,627
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	-
Payment for property, plant & equipment		-	-
Net cash provided by / (used in) financing activities		-	-
Cash flows from financing activities			
Repayment of loans		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		194,841	15,627
Cash and cash equivalents at the beginning of the financial year		289,566	273,939
Cash and cash equivalents at the end of the financial year		484,407	289,566

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

In 2014, the Company became a proprietary company limited by shares with the parent being the sole share holder.

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 Pty Ltd is: Sport UNE Drive, Armidale NSW 2351, Australia.

The financial report for the year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Board on 9 March 2016.

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 Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2015.*

The Financial 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) 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.

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

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

(e) Leases

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

For statement of cash 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 7. 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) Personnel Services

Personnel services to Sport UNE are provided by the University of New England. The entity does not directly employ staff and personnel services cost is recognised as it is incurred. A current liability (personnel services provisions) exists which includes provision of all employee related entitlements.

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

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

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

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the 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 Australian Taxation Office, 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 issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2015.

Notes to the financial statements
31 December 2015
(continued)

		2015	2014
		$	$
Note 2.	**Trading income**		
	University contribution	1,330,000	1,172,170
	Membership fees	829,009	854,138
	Facility fees & equipment hire	330,892	348,363
	Café sales	170,257	168,597
	Twilight Sports & Sports camps	88,404	115,156
	University sporting programs	49,178	46,773
	Commercial programs & events	8,226	8,183
	Sundry	282	37
	Total trading income	2,806,248	2,713,417
Note 3.	**Investment revenue**		
	Interest	10,373	7,777
	Total investment revenue	10,373	7,777
Note 4.	**Personnel services**		
	Personnel services	1,524,710	1,570,550
	Total personnel services	1,524,710	1,570,550
Note 5.	**Depreciation**		
	Plant and Equipment	83,678	83,679
	Motor Vehicles	8,763	8,763
	Total depreciation	92,441	92,442
Note 6.	**Repairs and maintenance**		
	Infrastructure/Plant & Equipment	95,695	35,707
	Grounds	86,149	64,594
	Total repairs and maintenance	181,844	100,301
Note 7.	**Impairment of assets**		
	Bad Debts	-	128
	Doubtful debts	2,377	2,891
	Total impairment of assets	2,377	3,019
Note 8.	**Other expenses**		
	Non-capitalised equipment	35,961	121,623
	Advertising, marketing and promotional expenses	40,835	67,388
	Motor Vehicles and Utilities	331,312	315,692
	Inventory Used	106,912	105,800
	Postal and Telecommunications	5,245	8,118
	Travel and Entertainment	4,783	6,680
	Software & Computer expenses	17,626	12,238
	Camps & University Sporting Programs	148,537	196,683
	Office Expenses	3,040	6,579
	Subscriptions & Associations	21,642	22,305
	Scholarships & Donations	44,873	58,953
	Sports Business	560	8,885
	Insurance	2,293	4,838
	Audit	20,500	19,500
	Other Expenditure	62,535	52,340
	Total other expenses	846,654	1,007,622

		Notes	2015 $	2014 $
Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand		1,400	1,400
	Cash at bank		450,752	257,612
	At call investments		32,255	30,554
	Total cash and cash equivalents		484,407	289,566

(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:

	2015 $	2014 $
Balances as above	484,407	289,566
Less: Bank Overdraft	-	-
Balance per cash flow statement	484,407	289,566

(b) Cash on hand

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

(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 2.74%, (2014: 3.1%).

		Notes	2015 $	2014 $
Note 10.	**Receivables**			
	Current			
	Trade Debtors		103,566	63,606
	Less: Provision for impaired receivables	1(h)	(2,377)	(4,920)
	GST Receivable		-	-
	Total current receivables		101,189	58,686
	Total receivables		101,189	58,686

Impaired receivables

As at 31 December 2015 the entity held provisions of $2,377(2014: $4,920) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

The ageing of these receivables is as follows:

	2015 $	2014 $
Current	-	-
3 to 6 months	-	-
Over 6 months	2,377	4,920
	2,377	4,920

As at 31 December 2015, trade receivables of $73,147 (2014: $14,607) 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:

	2015 $	2014 $
3 to 6 months	1,581	3,357
Over 6 months	71,566	11,250
	73,147	14,607

Movements in the provision for impaired receivables are as follows:

	2015 $	2014 $
At 1 January	4,920	2,029
Provision for impairment recognised during the year	2,377	3,019
Receivables written off during the year as uncollectible	(4,920)	(128)
At 31 December	2,377	4,920

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	2015 $	2014 $
Note 11. Inventories	1(i)		
Other stocks		15,046	13,017
Total current inventories		15,046	13,017
Note 12. Plant, Equipment & Motor Vehicle			
Plant & Equipment:			
At cost		688,925	688,925
Accumulated depreciation		(269,728)	(186,050)
At cost - 31 December		419,197	502,875
Motor Vehicle			
At cost		75,446	75,446
Accumulated depreciation		(36,354)	(27,591)
At cost - 31 December		39,092	47,855
Total plant, equipment & motor vehicle		458,289	550,730

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 2014	586,554	56,618	643,172
Additions	-	-	-
Depreciation expense	(83,679)	(8,763)	(92,442)
Disposal	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2014	502,875	47,855	550,730
Balance 1 January 2015	502,875	47,855	550,730
Additions	-	-	-
Depreciation expense	(83,678)	(8,763)	(92,441)
Disposals	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2015	419,197	39,092	458,289

	Notes	2015 $	2014 $
Note 13. Trade and other payables			
Trade Payables		23,457	91,460
Total current trade and other payables		23,457	91,460

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

	Notes	2015 $	2014 $
Note 14. Personnel services payable	1(n)		
Current Personnel services payable		115,917	110,321
Other payables		-	-
Total current payables		115,917	110,321
Non-current payables			
Non-current personnel services payable		33,000	59,000
Total non-current payable		33,000	59,000
Total payable		148,917	169,321
Note 15. Other Liabilities			
Members subscriptions in advance		142,781	145,407
Other Accrued Expenditure		145,287	35,991
PAYG Payable		-	19,928
GST Payable		2,248	220
Funds held in Trust		105,100	127,126
Total current other liabilities		395,416	328,672
Note 16. Retained Earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		322,426	375,166
Net operating surplus/(deficit) for the year		168,595	(52,740)
Retained Earnings at 31 December		491,021	322,426
Note 17. Share Capital			
Share Capital held - 120 at $1 owned by the University of New England		120	120
		120	120

Note 18. Key management personnel disclosures

(a) Names of responsible persons

The following people were responsible persons of Sport UNE Pty Limited from the beginning of the year to the reporting dates:

Mr David Schmude
Ms Anita Taylor

The following persons were appointed to the role of company secretary of the board during the year:
Mr Brendan Peet (18th May 2015)

The following persons resigned from the board during the year:
Mr Bruce Pain (21st September 2015)

Managing Director
Mr David Schmude

Deputy Director
Mr Ashley Clee

Key management personnel disclosures

(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 Managing Director of Sport UNE Pty Limited. Mr David Schmude's role also incorporates the role of Managing Director of UNE Life Pty Ltd

	2015 No.	2014 No.
Nil to $9,999	3	4
	3	4
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$110,000 to $139,999	1	-
$140,000 to $169,999	-	-
$170,000 to $199,999	-	-
$200,000 to $229,999	1	1
	2	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	333,635	208,751

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:

	2015 $	2014 $
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	20,500	19,500
Total remuneration for audit services	20,500	19,500

Note 20. Contingencies
At balance date, no proceeding had been identified as being progressed on behalf of Sport UNE Pty Ltd.

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

Note 21. Commitments
(a) Capital Commitments
As at reporting date there were no capital commitments

(b) Lease Commitments
As at reporting date there were no lease commitments

(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:

	2015	2014
Transactions during the period	**$**	$
University of New England		
Income received	1,501,842	1,302,792
Payments made	(1,594,558)	(1,754,147)
Net	(92,716)	(451,355)
UNE Life Pty Ltd		
Income received	-	550
Payments made	(90,534)	(19,892)
Net	(90,534)	(19,342)

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

University of New England		
Receivables	53,429	15,060
Payables	7,156	62,985
UNE Life Pty Ltd		
Receivables	-	550
Payables	72	4,293

(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

There are no reportable events occurring after balance date.

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

	Note	2015 $	2014 $
Operating surplus/(deficit) for the period		168,595	(52,740)
Depreciation		92,441	92,442
Net (gain) / loss on sale of non-current assets		-	-
Increase/(Decrease) in Payables and Prepaid Income	**15**	18,737	(71,789)
Increase/(Decrease) in Provision for Personel Services Payable	**14**	(20,403)	20,345
Increase/(Decrease) in Other Provisions	**15**	(26,944)	36,245
(Increase)/Decrease in Receivables and Prepaid Expenses	**10**	(35,556)	(17,662)
(Increase)/Decrease in Inventories	**11**	(2,029)	8,786
Net cash provided by / (used in) operating activities		194,841	15,627

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			
Creditors and Accruals **	13 & 15	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

As Sport UNE Pty Ltd recognises all transactions, assets and liabilities in Australian dollars only, it has no significant 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 Pty Ltd:
- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The 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 2015	Note	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non Interest	Total
		%	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	**9**	2.40%	450,752			1,400	452,152
Investments - term deposits	**9**	2.74%		32,255	-		32,255
Receivables	**10**					101,189	101,189
Total Financial Assets			450,752	32,255	-	102,589	585,596
Financial Liabilities							
Payables	**13**					23,457	23,457
Total Financial Liabilities			-	-	-	23,457	23,457
Net Financial Assets(Liabilities)			450,752	32,255	-	79,132	562,139

Comparative figures for the previous year are as follows:

31 December 2014	Note	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non Interest	Total
		%	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	**9**	2.50%	257,612			1,400	259,012
Investments - term deposits	**9**	3.40%		30,554	-		30,554
Receivables	**10**					58,686	58,686
Total Financial Assets			257,612	30,554	-	60,086	348,252
Financial Liabilities							
Payables	**13**					91,460	91,460
Total Financial Liabilities			-	-	-	91,460	91,460
Net Financial Assets(Liabilities)			257,612	30,554	-	(31,374)	256,792

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.

31 December 2015	Carrying amount	Interest rate risk			
		-1%		**+1%**	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	452,152	(4,522)	(4,522)	4,522	4,522
Investments-Term Deposits	32,255	(323)	(323)	323	323
Receivables	101,189				
Total Financial Assets	585,596				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	23,457				
Total Financial Liabilities	23,457				
Total increase / (decrease)	562,139	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2014	Carrying amount	Interest rate risk			
		-1%		**+1%**	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	259,012	(2,590)	(2,590)	2,590	2,590
Investments - Term Deposits	30,554	(306)	(306)	306	306
Receivables	58,686				
Total Financial Assets	348,252				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	91,460				
Total Financial Liabilities	91,460				
Total increase / (decrease)	256,792	-	-	-	-

Note 26 Fair value measurements

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.

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

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

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

	Carrying Amount		Fair Value	
	2015	2014	2015	2014
	$	$	$	$
Financial assets				
Cash and cash equivalents	484,407	289,566	484,407	289,566
Receivables	101,189	58,686	101,189	58,686
Total financial assets	585,596	348,252	585,596	348,252
Financial liabilities				
Payables	23,457	91,460	23,457	91,460
Total financial liabilities	23,457	91,460	23,457	91,460

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report for the year ended 31 December 2015

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

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

I have audited the accompanying financial statements of UNE Foundation Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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 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 2015 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 financial statements that give a true and fair view and 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 an 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 management, 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 3 March 2016, would be in the same terms if provided to the Directors as at the time of this auditor's report.

S Bond.

Sally Bond
Director, Financial Audit Services

11 March 2016
SYDNEY

UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report together with the financial statements of UNE Foundation Ltd ("the Company") for the financial year ended 31 December 2015 and the Auditors Report thereon.

Director details

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

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

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

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

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

In 1997 he received a Distinguished Alumni Award from the University of New England. In 1999 he was made an Officer in the General Division of the Order of Australia, 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 : Chairman of the Board since 17 March 2015.

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

Professor Annabelle Duncan is currently the Vice-Chancellor and Chief Executive Officer of the University of New England. She joined the University in September 2010, initially as Deputy Vice-Chancellor Research and then as Deputy Vice-Chancellor.

Prior to joining UNE, Professor Duncan spent 16 years in the CSIRO, including 6 years as Chief of the Division of Molecular Science. She has also served in managerial roles within the Bio21 Institute at University of Melbourne and AgriBio Institute at La Trobe University.

Professor Duncan acted as an advisor to the Department of Foreign Affairs and Trade on biological weapons control, representing Australia at international arms control meetings and acting as a biological weapons inspector with the United Nations in Iraq.

She was awarded a Public Service Medal in 1996 and Honorary Doctor of Science (DSc) from Murdoch University in 2005, for her work in arms control.

Appointed a Director of UNE Foundation Ltd on 12 March 2014.

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

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

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

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

Mr Geoff Gorrie
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.

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.

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

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

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

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

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

Mr John Wilson
BA LLB Melbourne; LLM Duke; MAICD

John has over 25 years' experience in financial markets, working in the investment management industry.

He has a comprehensive knowledge of investment markets, portfolio management and portfolio risk management, along with an understanding of all asset sectors, a strong theoretical background in portfolio construction and practical experience of portfolio management.

John sits on the board of LG Super Queensland where he is Chairman of the Investment Committee; is the inaugural Chairman of the Australian Rugby Foundation, the official philanthropy of Australian rugby; is a director of Etihad Stadium in Melbourne; and Chairman of Domus Private Clients. Along with Rugby, he has passion for history, photographic art, literature and music.

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

Ms Meredith Symons
BFA (UNE) ACA

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

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

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

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

Meredith is looking forward to contributing her expertise to the University of New England Council and UNE Foundation.

Appointed a Director of UNE Foundation Ltd on 22 September 2015.

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

Dr Geoffrey Fox served as Chairman of the Board from 27 August 2008 to 17 March 2015.

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, and served as Deputy Chancellor from 2012 to 19 November 2014. In 2011 he was appointed a Director of the Agricultural Business Research Institute.

Appointed a Director of UNE Foundation Ltd on 26 February 2008. Resigned on 17 March 2015.

Special responsibilities : Chairman of the Board from 27 August 2008 to 17 March 2015.

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

Mr Brendan Peet
LL.B, Grad Dip ACG, AGIA, ACIS, MAICD
Chief Legal and Governance Officer, University of New England

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

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

Brendan is the company secretary of UNE Foundation Limited, UNE Life Pty Ltd and Sport UNE Pty Ltd.
He is the Vice President of the Association of Australian University Secretaries and is on the board of the Presbyterian Ladies College Armidale Foundation.

Principal Activities

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

There have been no significant changes in the nature of these activities during the year.

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

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

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

(ii) where the Item in the table in Subdivision 30‑B of the Tax Act applicable to the University does not set out specific purposes, for purposes within the objects, functions and powers of the University, including but without limitation the provision of money, property or benefits to the University in or towards:

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

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

Strategies for achieving short and long-term objectives:

- to meet with or provide advice to persons making inquiry about leaving a bequest to UNE.
- to meet as a board of Directors to act as trustees of the UNE Foundation and, by a decision of quorum, administer or dispense of funds held in trust for particular donative purposes.

The board implemented an investment policy by engaging 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.

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

During 2015, UNE Foundation Limited reviewed its choice of investment manager for the provision of investment management services and advice which is currently in progress.

Directors' meetings

The number of meetings of Directors held during the year and number of meetings attended by each Director were as follows:

Board of Directors	Board Meetings	
	A	B
Mr Paul Barratt	5	5
Mr Geoff Gorrie	5	5
Ms Kerrie Murphy	4	5
Ms Caroline Forrest	4	5
Ms Janine Wilson	5	5
Professor Annabelle Duncan	2*	5
Mr John Wilson	4	5
Ms Meredith Symons	3	3
Dr Geoffrey Fox (resigned)	1	1

** When an apology, Prof Duncan was represented by Ms Michelle Clarke, CFO, UNE.*

A = number of meetings the Director attended
B = number of meetings the Director was entitled to attend

Resolutions between meetings are confirmed by Flying Minute. These are summarised and reported to the next meeting.

Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. There is only one class of member who has $100 liability should the company be wound up. At 31 December 2015, the collective liability of members was $800 ($100 per member, maximum number of members is 8).

Review of Operations

During 2015, the company continued to operate as trustee of UNE Foundation and had no financial results.

Significant Changes in the State of Affairs

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Indemnification of Officers

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

Events after reporting date

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

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2015.

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

Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
4 March 2016	4 March 2016

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 2015, 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.

SBond.

Sally Bond
Director, Financial Audit Services

3 March 2016
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 2015;

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

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

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

....	....
Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
4 March 2016	4 March 2016

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 2015 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015 and the Corporations Act 2001;*

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

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

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

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

....	....
Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
4 March 2016	4 March 2016

Statement of Profit or Loss
For the year ended 31 December 2015

	2015	2014
	$	$
Revenue from continuing operations	-	-
Expenses from continuing operations	-	-
Operating surplus / (deficit) from continuing operations	-	-

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 2015

	2015	2014
	$	$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position
As at 31 December 2015

	2015	2014
	$	$
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 2015

	Reserves	Retained Earnings	Total
Balance as 1 January 2014	-	-	-
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 2014	-	-	-
Balance at 1 January 2015	-	-	-
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 2015	-	-	-

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 2015

	2015 **$**	2014 $
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 2015 were authorised for issue in accordance with a resolution of the Board on 4 March 2016.

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 2015*.

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

2.0 Auditors remuneration

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

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2015 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. Under a service level agreement, these services have been provided at no charge to the Company and comprised the provision of:

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

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

7.0 Commitments

The entity has not identified material commitments at 31 December 2015 (2014: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2015 (2014: 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 2015 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 2015

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Foundation (the Foundation), which comprise the statement of financial position as at 31 December 2015, 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.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Foundation as at 31 December 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

The Trustee's Responsibility for the Financial Statements

The Trustees are responsible for preparing 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 Trustees determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 Trustees, 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 Foundation
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 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.

S Bond.

Sally Bond
Director, Financial Audit Services

11 March 2016
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 (UNE) towards the provision of scholarships, research, and teaching and learning.

Review of Operations

The operating result for the Trust for the year ended 31 December 2015 was a surplus of $490,730 (2014: $569,975 excluding the transfer of $4,290,958 from UNE).

Investment related revenue was $603,914 in 2015 (2014: $627,486). This was a 3.76 percent reduction on the 2014 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

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

Environmental Regulation

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

Insurance of Officers

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

Legal proceedings on behalf of the Trust

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

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

....	....
Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
4 March 2016	4 March 2016

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 2015 and the results of its operations and transactions of the Trust for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*;

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

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

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

This statement is in accordance with a resolution of the Trustee made on 4 March 2016.

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

....	....
Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
4 March 2016	4 March 2016

Income Statement
For the year ended 31 December 2015

	Notes	2015 $	2014 $
Revenue from continuing operations			
Donations and fundraising	**2**	1,077,326	785,806
Investment income	**3**	562,835	601,970
Other revenue	**4**	120,150	4,337,200
Total revenue from continuing operations		1,760,311	5,724,976
Expenses from continuing operations			
Administrative expenses	**5**	62,686	70,904
Total expenses from continuing operations		62,686	70,904
Operating result from continuing operations before distributions to UNE		1,697,625	5,654,072
Less distribution to UNE	**6**	(1,206,895)	(793,139)
Operating surplus / (deficit) for the year after distribution to UNE		490,730	4,860,933

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

Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 $	2014 $
Operating surplus/ (deficit) for the year after distribution to UNE		490,730	4,860,933
Items that may be reclassified to profit or loss			
Gain/(loss) in fair value of available for sale financial assets	**11 (a)**	(10,811)	(75,774)
Items that will not be reclassified to profit or loss			
Transfer from reserves	**11 (a)**	-	(24,362)
Total other comprehensive income		479,919	4,760,797
Total comprehensive income for the period		479,919	4,760,797

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

Statement of Financial Position
As at 31 December 2015

	Notes	**2015** **$**	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	**7**	2,159,918	1,708,839
Trade and other receivables	**8**	196,300	182,447
Other financial assets	**9**	3,360,480	2,479,762
Total current assets		5,716,698	4,371,048
Non-current assets			
Other financial assets	**9**	7,246,401	8,120,885
Total non-current assets		7,246,401	8,120,885
Total assets		12,963,099	12,491,933
LIABILITIES			
Current liabilities			
Trade and other payables	**10**	50,939	59,692
Total current liabilities		50,939	59,692
Total liabilities		50,939	59,692
Net assets		12,912,160	12,432,241
EQUITY			
Reserves	**11 (a)**	128,319	139,130
Retained earnings	**11 (b)**	12,783,841	12,293,111
Total equity		12,912,160	12,432,241

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 2015

	Reserves	Retained earnings	Total
Balance at 1 January 2014	239,266	7,412,023	7,651,289
Profit/(loss)	-	4,860,933	4,860,933
Gain/(loss) on available for sale financial assets	(75,774)	-	(75,774)
Transfer to/(from) reserves on disposal of available for sale financial assets	(24,362)	20,155	(4,207)
Total comprehensive income	(100,136)	4,881,088	4,780,952
Balance at 31 December 2014	139,130	12,293,111	12,432,241
Balance at 1 January 2015	139,130	12,293,111	12,432,241
Profit/(loss)	-	490,730	490,730
Gain/(loss) on available for sale financial assets	(10,811)	-	(10,811)
Transfer to/(from) reserves on disposal of available for sale financial assets	-	-	-
Total comprehensive income	(10,811)	490,730	479,919
Balance at 31 December 2015	128,319	12,783,841	12,912,160

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 2015

	Notes	**2015** **$**	2014 $
Cash flows from operating activities			
Donations received		1,070,660	763,027
Transfer from UNE		31,206	4,290,958
Dividends received		92,932	49,872
Interest received		253,187	180,709
Other inflows		7,063	40,924
Payments to suppliers		(73,682)	(69,848)
Distribution to beneficiary		(1,210,875)	(764,079)
Net cash provided by / (used in) operating activities	**16**	170,492	4,491,563
Cash flows from investing activities			
Purchase of financial assets		(3,932,707)	(5,288,677)
Proceeds from sale of financial assets		4,213,294	170,000
Net cash provided by / (used in) investing activities		280,587	(5,118,677)
Net increase / (decrease) in cash and cash equivalents		451,079	(627,114)
Cash and cash equivalents at the beginning of the financial year		1,708,839	2,335,953
Cash and cash equivalents at the end of the financial year	**7**	2,159,918	1,708,839

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

The financial statements for the year ended 31 December 2015 were authorised for issue by the Trustee on 4 March 2016.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2015.*

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

(b) Revenue recognition

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

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

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

(c) Cash and cash equivalents

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

(d) Receivables

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

(e) Investments and other financial assets

Classification

(i) Available-for-sale financial assets

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

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Trust commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets 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)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Trust's management has the positive intention and ability to hold to maturity.

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 issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2015.

		Notes	**2015**	2014
			$	$
2.0	**Donation and fundraising**			
	Donations and fundraising		**1,077,326**	**785,806**
3.0	**Investment income**			
	Interest		212,589	225,452
	Dividend		350,246	376,518
	Total investment income		**562,835**	**601,970**
4.0	**Other revenue**			
	Transferred from UNE		77,606	4,305,642
	Net surplus on disposal of units		-	5,215
	Franking credits		41,079	25,516
	Other		1,465	827
	Total other revenue		**120,150**	**4,337,200**
5.0	**Administrative Expenses**			
	Consultancy fees		62,465	70,747
	Bank fees		221	157
	Total administrative expenses		**62,686**	**70,904**
6.0	**Distribution to beneficiary**			
	University of New England - scholarships and prizes	1(j)	**1,206,895**	**793,139**
7.0	**Cash and cash equivalents**			
	Cash at bank		2,159,918	155,996
	At call investments		-	1,552,843
	Total cash and cash equivalents		**2,159,918**	**1,708,839**

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

Balances as above	2,159,918	1,708,839
Less: Bank Overdrafts	-	-
Balance per statement of cash flows	**2,159,918**	**1,708,839**

The at call investments had a floating interest rate of 3.28% (2014 - 3.12%). These deposits have an average maturity of 90 days (2014 - 31 days).

	2015 $	2014 $
8.0 Trade and other receivables		
Trade receivables	24,100	-
Total trade receivables	**24,100**	**-**

Impaired trade receivables
As at 31 December 2015 current receivables of the entity with a nominal value of $24,100 (2014: $Nil) were not impaired.

	2015 $	2014 $
Other receivables		
Other accrued income	110,804	80,016
GST Input Tax Credit	1,574	2,011
Accrued Interest	59,822	100,420
Total other receivables	**172,200**	**182,447**
Total trade and other receivables	**196,300**	**182,447**

9.0 Other financial assets

	2015 $	2014 $
Current		
Held-to-maturity	3,360,480	2,479,762
Total current other financial assets	**3,360,480**	**2,479,762**
Non-current		
Held-to-maturity	546,000	1,733,532
Available for sale financial assets - At fair value		
Unit Trust and Domestic Equity	6,494,813	6,196,074
Australian listed equity securities	205,588	191,279
Total non-current other financial assets	**7,246,401**	**8,120,885**

Movement of available for sale financial assets are as follows:

	2015 $	2014 $
Shares as at 1 January	6,387,353	1,910,308
Acquired through purchase, dividend reinvestment and capital distribution	323,859	4,721,812
Disposed	-	(168,993)
Available for Sale Reserve (gain/loss)	(10,811)	(75,774)
Fair value of investment at 31 December	**6,700,401**	**6,387,353**

10.0 Trade and other payables

	2015 $	2014 $
Accrued expense for scholarships, prizes and consultancy fees	50,939	59,692
Total trade and other payables	**50,939**	**59,692**

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 18.

		2015 $	2014 $
11.0	**Reserves and retained earnings**		
(a)	**Reserves**		
	Available for Sale Reserve - Investments	**128,319**	**139,130**
	Movements		
	Available for Sale Reserve - Investments		
	Balance 1 January	139,130	239,266
	Less write back due to disposal of investment	-	(24,362)
	Gain/(Loss)	(10,811)	(75,774)
	Balance 31 December	**128,319**	**139,130**
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	12,293,111	7,412,023
	Transfer to reserves	-	20,155
	Net Operating Result for the year	490,730	4,860,933
	Retained earnings at 31 December	**12,783,841**	**12,293,111**

(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.

12.0 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 2015 was $11,000 (2014: $10,700).

13.0 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.

14.0 Commitments

The entity has not identified material commitments at 31 December 2015 (2014: Nil).

Capital Commitments
There was no capital expenditure contracted for at the reporting date. (2014: Nil).

15.0 Related parties

(a) Corporate Trustee

Directors of the Corporate Trustee
Directors who held office at any time during the financial year were:-

Mr Paul Barratt (Chairman)
Professor Annabelle Duncan
Mr Geoff Gorrie
Ms Kerrie Murphy
Ms Caroline Forrest
Ms Janine Wilson
Mr John Wilson
Ms Meredith Symons
Dr Geoffrey Fox - resigned 17 March 2015

(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.

15.0 Related parties (continued)

(c) Related Party Transactions
University of New England provided the Trust with a range of administrative support services. Under a service level agreement, these services have been provided at no charge to the Trust and comprised the provision of:

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

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

The following transactions occurred with related parties:

	2015	2014
Transactions during the period	**$**	$
University of New England		
Income received from	132,604	87,832
Transferred prizes and scholarship funds	77,606	4,305,642
Expenditures incurred for	(1,210,875)	(793,139)
Net	**(1,000,665)**	**3,600,335**
With other related parties		
Income received - UNE Life Pty Ltd	3,500	10,000
Income received - Sport UNE Pty Ltd	1,000	-
Income received - Agricultural Business Research Institute	24,200	12,000
Net	28,700	22,000

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

University of New England		
Receivables	60	1,419
Payables	33,633	37,613
With other related parties		
Receivables	12,100	-
Payables	-	-

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

Operating result for the period	490,730	4,860,933
Less non cash revenue		
Capitalisation and reinvestment of dividend	(297,630)	(291,788)
Net (Gain)/Loss on sale of Units	-	(5,215)
Decrease/(increase) in trade and other debtors	(13,854)	(90,919)
Increase/(decrease) in payables	(8,754)	18,552
Net cash provided by / (used in) operating activities	**170,492**	**4,491,563**

17.0 Events subsequent to reporting period

There are no reportable events occurring after balance date.

18.0 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	8	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	7	Term Deposits are stated at cost	Term deposits are for a period of up to 90 days. Interest rate was 3.28% and average maturity of 90 days.
Other Financial Assets	9	Unit trust and domestic equity carried at market value	Investment of perpetual pool funds managed by the Funds Managers.
		Held-to-maturity deposits - current are stated at cost	Interest rates are between 2.96% and 4.18% with average maturity of 269 days.
		Held-to-maturity deposits- non current are stated at cost	Interest rates are between 2.94% and 4.15% with average maturity of 726 days.
Listed Shares	9	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and Accruals	10	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 varying maturity dates and is exposed to interest rate risk arising from normal interest rate variations.

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates.

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

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

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

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

Financial risk management - continued

31 December 2015	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.50%	-	2,159,918				2,159,918
At call Investments	3.28%		-				-
Receivables						196,300	196,300
Held-to-maturity	3.49%		3,360,480				3,360,480
Available for sale						6,494,813	6,494,813
Listed Shares						205,588	205,588
Held-to-maturity	3.76%			546,000			546,000
Total Financial Assets		-	5,520,398	546,000		6,896,701	12,963,099
Financial Liabilities							
Payables						50,939	50,939
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		50,939	50,939
Net Financial Assets(Liabilities)		-	5,520,398	546,000		6,845,762	12,912,160

Comparative figures for the previous year are as follows:

31 December 2014	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	2.60%	-	155,996				155,996
At call Investments	3.12%		1,552,843			-	1,552,843
Receivables						182,447	182,447
Held-to-maturity	3.80%		2,479,762				2,479,762
Available for sale						6,196,074	6,196,074
Listed Shares						191,279	191,279
Held-to-maturity	3.97%			1,733,532			1,733,532
Total Financial Assets		-	4,188,601	1,733,532		6,569,800	12,491,933
Financial Liabilities							
Payables	-					59,692	59,692
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		59,692	59,692
Net Financial Assets(Liabilities)		-	4,188,601	1,733,532		6,510,108	12,432,241

(d) Net Fair Values of Financial Assets and Liabilities

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

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

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

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

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

	Carrying Amount		Fair Value	
	2015	2014	2015	2014
	$	$	$	$
Financial assets				
Cash and cash equivalents	2,159,918	1,708,839	2,159,918	1,708,839
Held-to-maturity investments - current	3,360,480	2,479,762	3,360,480	2,479,762
Held-to-maturity investments - non current	546,000	1,733,532	546,000	1,733,532
Equity securities	6,700,401	6,387,353	6,700,401	6,387,353
Total financial assets	12,766,799	12,309,486	12,766,799	12,309,486

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

	31 Dec 2015	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	3,360,480	3,360,480		-
Held-to-maturity investments - non current	546,000	546,000		-
Equity securities	6,700,401	205,588	6,494,813	-
Total	10,606,881	4,112,068	6,494,813	-

	31 Dec 2014	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	2,479,762	2,479,762		-
Held-to-maturity investments - non current	1,733,532	1,733,532		-
Equity securities	6,387,353	191,279	6,196,074	-
Total	10,600,647	4,404,573	6,196,074	-

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 2015	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	2,159,918	(21,599)	(21,599)	21,599	21,599	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
At call Investments	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	196,300												
Held-to-maturity	3,360,480	(33,605)	(33,605)	33,605	33,605								
Other financial assets	6,494,813		-							(64,948)	(64,948)	64,948	64,948
Listed Shares	205,588									(2,056)	(2,056)	2,056	2,056
Held-to-maturity	546,000	(5,460)	(5,460)	5,460	5,460								
Total Financial Assets	12,963,099												
Financial Liabilities													
Payables	50,939	N/A	N/A	N/A	N/A								
Total Financial Liabilities	50,939												
Total increase / (decrease)	12,912,160	-	-	-	-								

Comparative figures for the previous year are as follows:

31 December 2014	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	155,996	(1,560)	(1,560)	1,560	1,560	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
At call Investments	1,552,843	(15,528)	(15,528)	15,528	15,528	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	182,447												
Held-to-maturity	2,479,762	(24,798)	(24,798)	24,798	24,798								
Other financial assets	6,196,074		-							(61,961)	(61,961)	61,961	61,961
Listed Shares	191,279									(1,913)	(1,913)	1,913	1,913
Held-to-maturity	1,733,532	(17,335)	(17,335)	17,335	17,335								
Total Financial Assets	12,491,933												
Financial Liabilities													
Creditors	59,692	N/A	N/A	N/A	N/A								
Total Financial Liabilities	59,692												
Total increase / (decrease)	12,432,241	-	-	-	-								

END OF AUDITED FINANCIAL STATEMENTS

UNE Life
Pty Ltd

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2015

INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Life Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 management, 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 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.

S Bond.

Sally Bond
Director, Financial Audit Services

14 March 2016
SYDNEY

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 2015 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulations 2015;*

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

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

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

Signed in accordance with a resolution of the Directors.

Anita Taylor
Director

David Schmude
Director

9 March 2016

Statement of Profit or Loss
For the year ended 31 December 2015

	Notes	2015 $	2014 $
Revenue from continuing operations			
Trading income	**2**	4,656,542	4,099,140
Investment revenue	**3**	38,003	57,091
Other revenue	**4**	731,196	440,834
Total revenue from continuing operations		5,425,741	4,597,065
Expenses from continuing operations			
Employee related expenses	**5**	2,194,800	2,047,043
Depreciation and amortisation	**6**	128,594	109,070
Repairs and maintenance	**7**	162,715	122,470
Other expenses	**8**	3,001,282	3,109,494
Total expenses from continuing operations		5,487,391	5,388,077
Surplus or (deficit) attributable to the Entity	**18**	(61,650)	(791,012)

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 2015

	Notes	2015 $	2014 $
Surplus or (deficit) for the period		(61,650)	(791,012)
Other comprehensive income		-	-
Total comprehensive income for the period		(61,650)	(791,012)

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

Statement of Financial Position
As at 31 December 2015

	Notes	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	**9**	1,393,362	1,610,181
Receivables	**10**	77,267	145,543
Inventories	**11**	206,663	231,781
Other assets	**13**	10,536	-
Total current assets		1,687,828	1,987,505
Non-current assets			
Other financial assets	**12**	500	500
Property, plant and equipment	**14**	383,252	422,274
Intangible assets	**15**	136,233	25,000
Total non-current assets		519,985	447,774
Total assets		2,207,813	2,435,279
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	259,390	429,828
Provisions	**17**	96,141	98,520
Total current liabilities		355,531	528,348
Non-current liabilities			
Provisions	**17**	45,000	38,000
Total non-current liabilities		45,000	38,000
Total liabilities		400,531	566,348
Net assets		1,807,282	1,868,931
EQUITY			
Retained earnings	**18**	1,807,162	1,868,812
Share Capital	**18**	120	120
Total equity		1,807,282	1,868,932

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 2015

	Shares	Retained Earnings	Total
Balance at 1 January 2014	-	2,659,824	2,659,824
Surplus / (Deficit)	-	(791,012)	(791,012)
Issue of Share Capital	120	-	120
Total comprehensive income	120	(791,012)	(790,892)
Balance at 31 December 2014	120	1,868,812	1,868,932
Balance at 1 January 2015	120	1,868,812	1,868,932
Surplus / (Deficit)	-	(61,650)	(61,650)
Total comprehensive income	-	(61,650)	(61,650)
Balance at 31 December 2015	120	1,807,162	1,807,282

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 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		5,970,308	5,106,833
Interest received		38,002	57,091
Payments to suppliers and employees (inclusive of GST)		(6,028,298)	(5,353,218)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	**25**	(19,988)	(189,294)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		3,272	
Payments for property, plant and equipment		(200,107)	(54,319)
Net cash provided by / (used in) investing activities		(196,835)	(54,319)
Net increase / (decrease) in cash and cash equivalents		(216,823)	(243,613)
Cash and cash equivalents at the beginning of the financial year		1,610,182	1,853,795
Cash and cash equivalents at the end of the financial year		1,393,359	1,610,182

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. On the 19th of December 2013, the University of New England, being the sole Member and owning 100% of the issued shares through a special resolution resolved that Services UNE Limited:

- changed from a public company limited by guarantee to a proprietary company limited by shares;
- changed its name to "Services UNE Pty Ltd"

On 19 August 2014, the company changed its name to UNE Life Pty Ltd.

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

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

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution on 9 March 2016.

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 2015.*

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

(b) Functional and presentation currency

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

(c) Revenue recognition

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

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

(d) Income tax

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

(e) Leases

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) 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. Cost is calculated using the weighted average cost of the stock. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A provision for stock write down has been created to cover possible non-realisation of cost price for some stock. The amount of the provision is recognised in the income statement.

(j) Plant and Equipment

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

In 2014, the entity adopted the University of New England policy of capitalising plant and equipment with an initial purchase price of $5,000 or greater either individually or forming part of a network costing more then $5,000. Therefore, the written down value of all plant and equipment in the asset register purchased for less than $5,000 were expensed in 2014. By adopting this policy the 2014 accounts showed an additional one off expense of $436,069.

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).

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

(l) Trade and other payables

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

(m) Provisions

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

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

(iii) Long service leave

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

(iv) Consequential On-costs

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

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the 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 Australian Taxation Office, 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 issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2015.

(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	2015 $	2014 $
Note 2.	**Trading income**			
	Sale of goods		4,383,040	3,823,054
	Rendering of services		273,502	276,086
			4,656,542	4,099,140
Note 3.	**Investment revenue**			
	Interest		38,003	57,091
	Total investment revenue		38,003	57,091
Note 4.	**Other revenue**			
	UNE Fees		284,000	223,855
	UNE Student Services & Amenities Fees		305,541	26,738
	Rent		139,763	104,149
	Other revenue		1,892	86,092
			731,196	440,834
Note 5.	**Employee related expenses**			
	Salaries		1,871,670	1,778,453
	Contribution to funded superannuation and pension schemes		184,743	170,460
	Payroll tax		112,652	96,089
	Worker's compensation		8,131	7,859
	Annual & long service leave		4,620	(19,758)
	Other (Allowances, penalties and fringe benefits tax)		12,984	13,940
	Total employee related expenses		2,194,800	2,047,043
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Plant and Equipment		41,732	35,234
	Motor Vehicles		3,325	-
	Total depreciation		45,057	35,234
	Amortisation			
	Leasehold improvements		74,086	73,836
	Intangibles		9,451	-
	Total amortisation		83,537	73,836
	Total depreciation and amortisation		128,594	109,070
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		162,715	122,470
	Total repairs and maintenance		162,715	122,470

		Notes	2015 $	2014 $
Note 8.	**Other expenses**			
	Cost of Goods Sold		2,156,725	1,777,272
	Assets Written Off		-	436,069
	Advertising		68,101	30,447
	Cleaning and materials		26,741	60,002
	Computer Expenses		20,648	19,021
	Insurance		4,516	6,281
	Printing and Stationery		19,136	19,001
	Minor Equipment Purchases		110,354	156,201
	Security		33,251	32,757
	Utilities		148,857	155,076
	Rent		84,762	111,142
	Subscriptions and Membership		27,971	30,783
	Other Engagements		-	10,236
	Other Programs and activities		-	4,095
	Student Experience Expense		83,957	84,456
	Other Expenditure		216,263	176,655
	Total other expenses		3,001,282	3,109,494
Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand		12,810	15,510
	Cash at bank at call		868,144	582,396
	Term Investments		512,408	1,012,275
	Total cash and cash equivalents		1,393,362	1,610,181

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

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

	2015 $	2014 $
Balances as above	1,393,362	1,610,181
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,393,362	1,610,181

(b) Cash on hand

	2015 $	2014 $
These are non-interest bearing.	12,810	15,510

(c) Deposits at call

The deposits at call and at investment terms of less than12 months are bearing floating and fixed interest rates between 2.35% and 2.9% (2014 - 2.5% and 3.5%). These deposits have an average maturity of 180 days.

		Notes	2015 $	2014 $
Note 10.	**Receivables**			
	Current			
	Trade and Other Debtors		77,267	145,543
	Less: Provision for impaired receivables	1(h)	-	-
	Total receivables		77,267	145,543

(a) Impaired receivables

As at 31 December 2015 current receivables of the entity with a nominal value of $Nil (2014: $Nil) were impaired.
The amount of the provision was $Nil **(**2014: $Nil).

As of 31 December 2015, trade receivables of $3082 (2014: $11,873) 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:

	2015 $	2014 $
3 to 6 months	1,160	11,873
Over 6 months	1,922	-
	3,082	11,873

	Notes	2015 $	2014 $

Receivables (Continued)

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

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

Note 11. Inventories

	Notes	2015 $	2014 $
Current	1(i)		
Stock on hand		206,663	231,781
Total current inventories		206,663	231,781

Note 12. Other financial assets

	2015 $	2014 $
Non-current		
Available for sale	500	500
Total non-current other financial assets	500	500

Note 13. Other non-financial assets

	2015 $	2014 $
Current		
Prepaid Expenses	10,536	-
Total current other non-financial assets	10,536	-

Note 14. Property, plant and equipment

	2015 $	2014 $
Plant and equipment - At cost	352,590	312,857
Less: Accumulated depreciation	(222,619)	(180,886)
	129,971	131,971
Motor Vehicles – At cost	46,405	35,278
Less: Accumulated depreciation	(18,285)	(35,278)
	28,120	-
Leasehold improvements - At cost	672,527	663,583
Less: Accumulated Amortisation	(447,366)	(373,280)
	225,161	290,303
Total Property Plant & Equipment	383,252	422,274

Reconciliation

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

	2015 $	2014 $
Plant and Equipment		
Carrying amount at beginning of year	131,971	472,232
Additions	71,177	54,319
Disposals	-	(359,346)
Depreciation	(45,057)	(35,234)
Carrying amount at end of year	158,091	131,971

Notes to the financial statements
31 December 2015
(continued)

		Notes	2015 $	2014 $
	Property, plant and equipment (continued)			
	Leasehold improvements			
	Carrying amount at beginning of year		290,303	359,320
	Additions		8,944	-
	Reclassifications		-	81,542
	Disposals		-	(76,723)
	Amortisation		(74,086)	(73,836)
	Carrying amount at end of year		225,161	290,303
Note 15.	**Intangible assets**	1(k)		
	Australia Post Licence – At cost		25,000	25,000
	Computer Software		120,684	-
	Less Amortisation		(9,451)	-
			111,233	-
	Total Intangible assets		136,233	25,000
Note 16.	**Trade and other payables**			
	Current			
	Trade Payables		259,390	429,828
	Other Payables		-	-
	Total current trade and other payables		259,390	429,828
Note 17.	**Provisions**	1(m)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		72,141	66,520
	Long service leave		6,000	7,000
	Subtotal		78,141	73,520
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Long service leave		18,000	25,000
	Subtotal		18,000	25,000
	Total Current Provision		96,141	98,520
	Non-current provisions			
	Employee benefits			
	Long service leave		45,000	38,000
	Total non-current provision		45,000	38,000
	Total provisions		141,141	136,520
Note 18.	**Retained Earnings & Share Capital**			
	Retained earnings			
	Movements in retained surplus were as follows:			
	Retained earnings at 1 January		1,868,812	2,659,824
	Operating surplus / (deficit) for the year		(61,650)	(791,012)
	Retained earnings at 31 December		1,807,162	1,868,812
	Share Capital			
	Share Capital held - 120 at $1 owned by the University of New England		120	120

Note 19. Economic Dependency

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

Note 20. Key management personnel disclosures

(a) Names of responsible persons

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

Directors
Mr David Schmude
Ms Anita Taylor

The following persons resigned from the board during the year:
Mr Bruce Pain (21st September 2015)

The following persons were appointed to the role of company secretary of the board during the year:
Mr Brendan Peet (18th May 2015)

Executive Officers
Mr David Schmude - Managing Director
Mr Ashley Clee - Deputy Director
Mr David Schmude's role also incorporates the role of Managing Director of Sport UNE Pty Ltd. His and Mr Clee's remuneration is met by Sport Une Pty Ltd.

(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. Any benefits and remunerations are received in their capacity as employees of the University of New England or UNE Life Pty Ltd in the case of the Executive Officer.

Remuneration of Board Members

	2015	2014
	No.	**No.**
Nil to $9,999	3	3
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$140,000 to $149,999	-	-
$150,000 to $159,999	-	-
$160,000 to $169,999	-	-
$170,000 to $179,999	-	-
$180,000 to $189,999	-	1
	-	1
	$	$
Key Management Personnel Compensation	-	184,692

Note 21. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	25,000	24,900
Total remuneration for audit services	25,000	24,900

Note 22. Contingencies

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

Note 23. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2015 of $0 (2014: $0).

(b) Lease Commitments

	2015	2014
	$	$
(i) Operating Leases		
Within one year	114,360	112,438
Between one and five years	343,098	449,712
GST Recoverable	(41,587)	(51,105)
Later than five years	-	-
Total operating leases	415,871	511,046

On 3 February 2015 the company exercised an option over the lease of the cinema for a further five years. The operating lease commitments associated with this option have been included above.

(ii) Finance Leases

There were no commitments for Finance Leases at 31 December 2015, (2014: Nil).

Total commitments	415,871	511,046

No lease arrangements, existing as at 31 December 2015, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

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

Note 24. Related parties

(a) Parent entities
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 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:

	2015	2014
Transactions during the period	$	$
University of New England		
UNE - Commercial transactions	270,924	150,799
UNE Support	589,541	250,593
Payments made	(330,377)	(264,290)
Net	530,088	137,102
With other related parties		
Income received	90,534	19,892
Payments made	-	10,000
Net	90,534	29,892

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

	2015	2014
University of New England		
Receivables	50,391	82,978
Payables	(5,800)	(164,050)
Sport UNE Pty Ltd		
Receivables	72	4,303
Payables	-	(550)

(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

	2015	2014
Operating surplus / (deficit) for the period	(61,650)	(791,012)
Depreciation and amortisation	128,594	109,070
Assets written off	-	436,069
Provision for impaired receivables and inventory	-	-
Net (gain) / loss on sale of non-current assets	(3,272)	-
Increase/(Decrease) in Payables and Prepaid Income	(171,138)	65,939
Increase/(Decrease) in Provision for Employee Entitlements	4,621	(21,199)
(Increase)/Decrease in Receivables and Prepaid Expenses	57,739	23,315
(Increase)/Decrease in Inventories	25,118	(11,476)
Net cash provided by / (used in) operating activities	(19,988)	(189,294)

Note 26. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables (Excludes statutory receivables and prepayments)	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 2.9%. Average maturity of 180 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2015.	
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 within 30 day terms

(ii) Foreign exchange risk

The entity recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(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 2015	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.35%	868,144				12,810	880,954
Investments-Term Deposits	2.90%		512,408				512,408
Receivables & other non-financial assets						77,267	77,267
Unlisted shares						500	500
Total Financial Assets		868,144	512,408			90,577	1,471,129
Financial Liabilities							
Borrowings			-	-			-
Payables						259,390	259,390
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		259,390	259,390
Net Financial Assets(Liabilities)		868,144	512,408	-		(168,813)	1,211,739

Comparative figures for the previous year are as follows:

31 December 2014	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	2.50%	582,396				15,510	597,906
Investments - Term Deposits	3.50%		1,012,275				1,012,275
Receivables						145,543	145,543
Unlisted shares						500	500
Total Financial Assets		582,396	1,012,275			161,553	1,756,224
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					429,828	429,828
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		429,828	429,828
Net Financial Assets(Liabilities)		582,396	1,012,275	-		(268,275)	1,326,396

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.

31 December 2015	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	868,144	(8,681)	(8,681)	8,681	8,681
Investments-Term Deposits	512,408	(5,124)	(5,124)	5,124	5,124
Receivables	77,267				
Unlisted shares	500				
Total Financial Assets	1,458,319				
Financial Liabilities					
Borrowings	-				
Payables	429,828				
Other Amounts Owing	-				
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,028,491	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2014	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	597,906	(5,979)	(5,979)	5,979	5,979
Investments - Term Deposits	1,012,276	(10,123)	(10,123)	10,123	10,123
Receivables	145,543				
Listed Shares	500				
Total Financial Assets	1,756,225				
Financial Liabilities					
Borrowings	-	-		-	-
Creditors	429,828				
Other Amounts Owing	-				
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,326,397	-	-	-	-

Note 28 Fair value measurements

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

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

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

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

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

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

The entity holds 500 shares in the Tertiary Access Group Cooperative. These unlisted shares are valued at $500. The shares are classified as Level 3 as the shares are not traded on an active market and there is no observable market data for them.

The carrying amounts of financial assets and liabilities at approximate fair value:

		Carrying Amount		Fair Value	
	Note	2015	2014	2015	2014
		$	$	$	$
Financial assets					
Cash and cash equivalents	***9***	1,393,362	1,610,182	1,393,362	1,610,182
Receivables	***10***	77,267	145,543	77,267	145,543
Other financial assets	***12***	500	500	500	500
Total financial assets		1,471,129	1,756,225	1,471,129	1,756,225
Financial liabilities					
Payables	***16***	259,390	429,828	259,390	429,828
Total financial liabilities		259,390	429,828	259,390	429,828

End of Audited Financial Statements

UNE Partnerships Pty Ltd

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2015

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Partnerships Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 management, 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 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.

S Bond.

Sally Bond
Director, Financial Audit Services

16 March 2016
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 (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2015 and the results of its operations and transactions of the Company for the year then ended;

2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015;

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

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

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

Signed in accordance with a resolution of the Directors.

....
Dr James HARRIS
Director / Chairman

....
Mr Shaun McDONAGH
Director / CEO

14th March 2016

Statement of Profit or Loss
For the year ended 31 December 2015

	Notes	**2015**	2014
		$	$
Revenue from continuing operations			
Sales revenue	**2**	5,934,933	5,219,576
Investment revenue	**3**	29,890	73,185
Total revenue from continuing operations		5,964,823	5,292,761
Expenses from continuing operations			
Employee related expenses	**4**	2,499,790	2,879,058
Depreciation and amortisation	**5**	208,779	248,207
Impairment of assets	**6**	463	223,462
Marketing and promotion		101,154	128,042
Travel and accommodation		82,204	237,385
Course delivery expenses		2,073,178	1,606,408
Other expenses	**7**	2,464,502	778,194
Total expenses from continuing operations		7,430,070	6,100,756
Surplus or (deficit) attributable to UNE Partnerships Pty Limited	**17(b)**	(1,465,247)	(807,995)

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 2015

	Notes	**2015**	2014
		$	$
Surplus or (deficit) for the period		(1,465,247)	(807,995)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,465,247)	(807,995)

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

Statement of Financial Position
As at 31 December 2015

	Notes	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	191,106	1,573,480
Receivables	**9**	827,912	513,572
Inventories	**10**	3,355	14,746
Other non-financial assets	**11**	16,153	82,933
Total current assets		1,038,526	2,184,731
Non-current assets			
Plant and equipment	**12**	36,600	65,945
Intangible assets	**13**	899,010	678,384
Total non-current assets		935,610	744,329
Total assets		1,974,136	2,929,060
LIABILITIES			
Current liabilities			
Trade and other payables	**14**	200,074	150,681
Provisions	**15**	364,887	330,366
Other liabilities	**16**	1,248,197	809,592
Total current liabilities		1,813,158	1,290,639
Non-current liabilities			
Provisions	**15**	56,805	69,000
Total non-current liabilities		56,805	69,000
Total liabilities		1,869,963	1,359,639
Net assets		104,173	1,569,421
EQUITY			
Issued capital	**17(a)**	1,198,937	1,198,937
Retained earnings	**17(b)**	(1,094,764)	370,484
Total equity attributable to equity holders of the company		104,173	1,569,421
Total equity		104,173	1,569,421

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 2015

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2014	$1,198,937	$1,178,479	$2,377,416
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	($807,995)	($807,995)
Total comprehensive income	-	($807,995)	($807,995)
Balance at 31 December 2014	$1,198,937	$370,484	$1,569,421
Balance at 1 January 2015	$1,198,937	$370,484	$1,569,420
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	($1,465,247)	($1,465,247)
Total comprehensive income	-	($1,465,247)	($1,465,247)
Balance at 31 December 2015	$1,198,937	($1,094,763)	$104,173

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 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from student fees and other customers		4,781,251	5,482,083
Interest received		51,610	63,327
Payments to suppliers and employees		(5,785,957)	(5,741,271)
GST recovered/paid		(20,939)	42,438
Net cash provided by / (used in) operating activities	**23**	(974,035)	(153,423)
Cash flows from investing activities			
Payments for property, plant and equipment		782	(18,564)
Net cash outflow for intangibles purchased/created		(409,121)	(91,433)
Net cash provided by / (used in) investing activities		(408,339)	(109,997)
Net increase / (decrease) in cash and cash equivalents		(1,382,374)	(263,420)
Cash and cash equivalents at the beginning of the financial year		1,573,480	1,836,900
Cash and cash equivalents at the end of the financial year	**8**	191,106	1,573,480

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 2015 was authorised for issue in accordance with a resolution of the Board on 14th March 2016.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements, prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2015.

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

(b) Foreign currency translation

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

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Education services: fee paying students

The Entity made a voluntary change to its accounting policy for recognising revenue in relation to course fee from fee paying students. Refer to Note 1 (r) for disclosure regarding the change.

Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method described in AASB 118 - Revenue. On enrolment all educational delivery components of sales are posted to deferred liability and recognised over the contract term as measured by individually measured delivery. Over the enrolment period individually measured service delivery by reference to submitted assessments as the indicator of 'Percent Completion' is maintained. A corresponding proportion of enrolment fees is transferred from the liability 'Income received in advance' to income on recognition.

(ii) Education services: government funded students
Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(iii) Workshops, Consultancy, Product Sales and Annual enrolment and administration fees
Revenue is recognised as income in the year when the relevant fee becomes payable.

(iv) Interest income
Interest income is recognised as it accrues.

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. 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 (e.g. goodwill) are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Intangible assets with a definite useful life (e.g. contracts transferred during an acquisition) are subject to individual amortisation on a straight line basis over the known life of the contract.

Other assets

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

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 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
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

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

Annual leave is not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is measured at nominal value which is not materially different to present value.

(iii) Long service leave

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

(o) Goods and Services Tax

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

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

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

(p) Comparative amounts

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

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2015.

(r) Voluntary Change in Accounting Policy

The Entity adopted a new accounting policy relating to revenue recognition on 30 July 2015 that defers course fees from fee paying student as a deferred liability upon enrolment; revenue is recognised only on a percentage of completion method upon achievement of specific educational delivery. Refer Note 1 (c) (i) for full details of the new revenue recognition policy.
The previous accounting policy deferred all course fees for both funded and fee paying students upon enrolment. Revenue was recognised equally over a period of 12 months from the enrolment date.
Management judges that the change in policy will result in the financial report providing more relevant and no less reliable information because it more accurately matches revenue to actual educational delivery.
The new accounting policy has been applied prospectively from the start of 2015 because it was not practicable to estimate the effects of applying the policy either retrospectively, or prospectively from any earlier date.
The effect of the change in accounting policy on the current year is to increase the carrying amount of the liability for Income Received in Advance on 1 January 2015 by $916,158 and increase Other Expenses by $916,158.

		Notes	2015 $	2014 $
Note 2.	**Sales revenue**			
	Education services (fee paying and government funded)		2,957,113	3,635,662
	Workshops		1,353,809	816,646
	Consultancy		1,382,813	755,665
	Product sales		240,089	11,603
	Profit on sale of assets		1,110	-
	Total sales revenue		5,934,933	5,219,576
Note 3.	**Investment revenue**			
	Interest		29,890	73,185
	Total investment revenue		29,890	73,185
Note 4.	**Employee related expenses**			
	Salaries		1,972,573	2,187,000
	Contribution to funded superannuation and pension schemes		229,333	216,106
	Payroll tax		145,916	142,332
	Worker's compensation		6,837	5,220
	Long service leave expense		5,551	78,490
	Annual leave		134,916	246,457
	Other (Allowances, penalties and fringe benefits tax)		4,664	3,453
	Total employee related expenses		2,499,790	2,879,058
Note 5.	**Depreciation and amortisation**			
	Depreciation			
	Furniture and Fittings		5,594	19,207
	Computer Equipment		26,462	25,235
	Total depreciation		32,056	44,442
	Amortisation			
	Intellectual property and courseware		86,118	110,377
	Software developments		4,486	-
	Contracts acquired in acquisition		86,119	93,388
	Total amortisation		176,723	203,765
	Total depreciation and amortisation		208,779	248,207
Note 6.	**Impairment of assets**			
	Bad Debts		2,240	1,155
	Movement in provision for doubtful debts		(1,777)	-
	Impairment of assets		-	222,307
	Total impairment of assets		463	223,462
Note 7.	**Other expenses**			
	Change to policy on income recognition		916,158	-
	Non-capitalised equipment		42,148	16,046
	Utilities		164,709	118,526
	Inventory Used		25,524	17,128
	Postal and Telecommunications		50,936	46,882
	Books, Serials and Other Library Media		121,208	58,721
	Consultants and authors' fees		938,450	436,770
	Catering Services		54,670	67,083
	Interest Expense		-	-
	Repairs & maintenance - plant/furniture/equipment		4,022	2,678
	Other Expenditure		146,677	14,360
	Total other expenses		2,464,502	778,194

		Notes	2015 $	2014 $
Note 8.	**Cash and cash equivalents**	1(g)		
	Cash on hand		2,908	900
	Cash at bank		188,198	97,580
	At call investments		-	1,475,000
	Total cash and cash equivalents		191,106	1,573,480

(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:

	2015 $	2014 $
Balances as above	191,106	1,573,480
Less: Bank Overdrafts	-	-
Balance per cash flow statement	191,106	1,573,480

(b) Cash at bank and on hand
Cash at bank (credit funds) is interest-generating; cash on hand is non interest-bearing.

(c) Deposits at call
The deposits are bearing floating interest rates between 1.95% and 2.1% (2014 - 3.5% and 4.0%). These deposits have an average maturity of 90 days.

		Notes	2015 $	2014 $
Note 9.	**Receivables** **Current**			
	Trade and Other Debtors		830,039	517,477
	Less: Provision for impaired receivables	1(h)	(2,127)	(3,904)
	Total receivables		827,912	513,573

(a) Impaired receivables

As at 31 December 2015 current receivables of the entity with a nominal value of $8,959 (2014: $5,364) were impaired. The amount of the provision was $2,127 (2014: $3,904). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations. It was assessed that 80% of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	2015 $	2014 $
3 to 6 months	-	3,650
Over 6 months	8,959	1,714
	8,959	5,364

As of 31 December 2015, trade receivables of $366,304 (2014: $25,299) 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:

	2015 $	2014 $
0 to 3 months	166,956	211
Over 3 months	199,348	25,088
	366,304	25,299

Movements in the provision for impaired receivables are as follows:

	2015 $	2014 $
As at 1 January	3,904	4,340
Provision for impairment recognised during the year	463	719
Receivables written off during the year as uncollectible	(2,240)	(1,155)
As at 31 December	2,127	3,904

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	2015 $	2014 $
Note 10.	**Inventories**	1(i)		
	Current			
	Stock of course materials		3,355	14,746
	Total current inventories		3,355	14,746
Note 11.	**Other non-financial assets**			
	Current			
	Accrued Income		-	32,848
	Prepaid Expenses		16,153	50,085
	Total current other non-financial assets		16,153	82,933
Note 12.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		45,209	45,209
	Accumulated depreciation		(41,110)	(40,039)
			4,099	5,170
	Computer cost			
	At cost		232,241	229,531
	Accumulated depreciation		(204,799)	(178,337)
			27,442	51,194
	Leasehold Improvements			
	At cost		122,701	122,701
	Accumulated depreciation		(117,642)	(113,120)
			5,059	9,581
	Total Plant and Equipment		36,600	65,945

Movements in Carrying Amounts

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

	Plant & Equip	Computer Equip	Leasehold Improv.	Total
Balance at 1 January 2014	6,386	61,103	22,692	90,181
Additions	-	20,206	-	20,206
Depreciation expense	(1,216)	(30,115)	(13,111)	(44,442)
Balance at 31 December 2014	5,170	51,194	9,581	65,945
Balance 1 January 2015	5,170	51,194	9,581	65,945
Additions	-	2,710	-	2,710
Depreciation expense	(1,072)	(26,462)	(4,522)	(32,056)
Derecognition	-	-	-	-
Depreciation written back on disposal	-	-	-	-
Carrying amount at 31 December 2015	4,098	27,442	5,059	36,599

	Notes	2015 $	2014 $

Note 13. Intangible assets

(a) Course Development Expenses

		2015 $	2014 $
Cost - In Use		418,506	479,097
Accumulated amortisation		(348,808)	(277,735)
Course Materials - Work In progress		389,450	-
Net carrying value		459,148	201,362
Reconciliation of course development expenses			
Balance at the beginning of year		201,362	221,950
Additions		7,900	92,476
Eliminations		(53,445)	(2,687)
Amortisation charge		(86,119)	(110,377)
Course Materials - Work In progress		389,450	-
Closing carrying value at 31 December		459,148	201,362

(b) Acquisition Expenses

		2015 $	2014 $
Goodwill at cost (incl contingent portion)		584,505	584,504
Accumulated impairment losses		(222,307)	(222,307)
Value of contracts and client relationships, at cost		684,575	684,575
Accumulated amortisation		(655,869)	(569,750)
Net carrying value		390,904	477,022
Reconciliation of acquisition outlays			
Balance as at the beginning of year		477,022	792,717
Impairment charge		-	(222,307)
Amortisation charge		(86,119)	(93,388)
Closing carrying value at 31 December		390,903	477,022

(c) Software Expenses

		2015 $	2014 $
Cost		68,490	-
Accumulated amortisation		(19,531)	-
Net carrying value		48,959	-
Total net carrying value		899,010	678,384

A material impairment loss was recognised in 2014 for goodwill acquired in the purchase of Contracting and Tendering Services in July 2012. The indicators of loss are: lower than expected revenue during 2014 as a result of an insufficient number of senior consulting and training personnel; and longer than expected development time to create new accredited courses in Procurement and Contract Management. Both factors restrained short-term revenue growth relative to the pre-acquisition estimates.

Management calculates the impairment to Goodwill at $222,306. This amount is included within 'Impairment of assets' in the Statement of Profit or Loss. The impairment loss is based on the 'Value In Use' method, using a discount rate of 37.5% applied against estimated future earnings for three years. Management's estimates were based on:

· Estimated future revenue from the unit in its current state of development;
· Known or predicted cost structures which are expected to apply during the three-year forecast;
· The resulting profit figure was discounted at a rate which reflects the lack of ready market, the volatile nature of revenue streams and the exposure of revenue to the ongoing performance of key personnel. The discount rate applied was towards the higher end of the range of discount factors commonly used in valuations of professional practices which have non-recurring earnings derived largely from personnel time.

The Goodwill relates to performance of a cash-generating unit which offers training and consulting services in the field of procurement and contract management. The company does not report any Goodwill value for any of its other activities.

Note 14. Trade and other payables

		2015 $	2014 $
Current			
Trade Payables		200,074	150,681
Total current trade and other payables		200,074	150,681

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 25.

Notes to the financial statements
31 December 2015
(continued)

		Notes	2015 $	2014 $
Note 15.	**Provisions**	1(n)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		197,184	129,392
	Long service leave		167,703	156,000
	Receivables			
	Movement in provision		-	435
	Subtotal		364,887	285,827
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		-	44,539
	Subtotal		-	44,539
	Total Current Provision		364,887	330,366
	Non-current provisions			
	Employee benefits			
	Long service leave		56,805	69,000
	Total non-current provision		56,805	69,000
	Total provisions		421,692	399,366
Note 16.	**Other Liabilities**			
(a)	**Current**			
	Accrued Liabilities			
	Salary Related		2,711	66,797
	Other Accrued Expenditure		-	77,349
	Income received in advance		1,245,486	665,446
	Total current other liabilities		1,248,197	809,592
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		370,484	1,178,479
	Net Operating Result for the year		(1,465,247)	(807,995)
	Retained earnings at 31 December		(1,094,764)	370,484

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
Michelle CLARKE
Suzanne A. JONES
Janette McCLELLAND
Shaun G. McDONAGH
Professor Alison J. NETHERY

Executive Officer

Shaun G. McDonagh

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 SG McDonagh
Mr O Barry
Mr K Sutton - from 2 Feb 2015
Ms M Michell

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

The non-executive directors of the company are entitled to earn Directors' Fees.
All 2015 payments to non-executive directors have been included as paid/accrued.

	2015	2014
	No.	**No.**
Nil to $9,999	6	6
	6	6
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	27,295	27,000
Remuneration of executive officers	**No.**	**No.**
Nil to $150,000	-	2
$200,000 to $224,999	1	.
	1	2
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	221,147	209,047

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:

	2015	2014
	$	$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	23,500	23,100
Total remuneration for audit services	23,500	23,100

Note 20. Contingencies

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

At balance date contingent assets and liabilities relating to funded		
Contingent debtor - funded enrolment - contingent stage payments	215,172	-
Contingent liability - funded enrolment - delivery costs not yet incurred	(34,162)	-
Net contingent balance	181,009	-

Note 21. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2015 (2014: Nil).

(b) Lease Commitments

Operating Leases		
Within one year	125,049	91,204
Between one and five years	50,830	48,559
Later than five years	-	-
Total operating leases	175,879	139,763
Total lease commitments	175,879	139,763

No lease arrangements, existing as at 31 December 2015, 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 Chief Executive Officer is compensated in part via a bonus plan reflecting the performance of the business. The liability for 2015 will be recommended by the Remuneration and Nominations Committee of the Board and will be recognised as an expense in 2016 when the amount has been determined.

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:

	2015	2014
Transactions during the period	**$**	$
University of New England		
Sales to University of New England	3,297	151,749
Purchases from the University of New England	566,716	210,512
Net	(563,419)	(58,763)

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	-	(86,431)
Owed by University of New England	-	-

(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) Loan Facilities
The University of New England signed an unsecured loan agreement with UNE Partnerships on 24th December 2015. This provides a $600,000 drawn down facility at commercial rates of interest.

Note 23. Reconciliation of operating result after income tax to net cash flows from operating activities

	2015	2014
	$	$
Operating result for the period	(1,465,247)	(807,995)
Depreciation and amortisation	208,779	248,207
Impairment of assets	-	222,307
Provision for impaired receivables	463	-
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables and Prepaid Income	506,968	204,068
Increase/(Decrease) in Provision for Employee Entitlements	79,060	(81,520)
(Increase)/Decrease in Interest Receivable	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(314,339)	39,540
(Increase)/Decrease in Inventories	11,391	21,970
Net cash provided by / (used in) operating activities	(972,925)	(153,423)

Note 24. Events subsequent to reporting period

At balance date a loan agreement had been signed between University of New England UNE Partnerships providing for a $600,000 credit facility to UNE Partnerships. At balance date no draw down had occurred however on 5th February 2016 a draw down of $275,000 occurred.

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	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 1.95% and 2.1%. Average maturity of 90 days.
Financial Liabilities			
Creditors and Accruals	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) Cash flow and fair value interest rate risk

The economic entity invests in near-dated term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations at date of rollover.

(iii) Summarised sensitivity analysis

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

(b) Credit Risk

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

(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 2015	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	188,198				2,908	191,106
Investments-Term Deposits	1.95		-				0
Receivables	-					827,912	827,912
Total Financial Assets		188,198	-			830,820	1,019,018
Financial Liabilities							
Payables						200,074	200,074
Other Amounts Owing						2,711	2,711
Total Financial Liabilities			-	-		202,785	202,785
Net Financial Assets(Liabilities)		188,198	-	-		628,035	816,233

Comparative figures for the previous year are as follows:

31 December 2014	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	2.37	97,580				900	98,480
Investments - Term Deposits	3.59		1,475,000				1,475,000
Receivables	-					513,572	513,572
Total Financial Assets		97,580	1,475,000			514,472	2,087,052
Financial Liabilities							
Payables	-					150,681	150,681
Other Amounts Owing	-					144,146	144,146
Total Financial Liabilities			-	-		294,827	294,827
Net Financial Assets(Liabilities)		97,580	1,475,000	-		219,645	1,792,225

Note 25 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 2015	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	191,106	(1,911)	(1,911)	1,911	1,911	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	827,912	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	1,019,018	(1,911)	(1,911)	1,911	1,911	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	200,074	-	-	-	-	-	-	-	-	-	-	-	-
Other Amounts Owing	2,711	-		-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	202,785	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)	816,233	(1,911)	(1,911)	1,911	1,911	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2014	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	98,480	(985)	(985)	985	985	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,475,000	(14,750)	(14,750)	14,750	14,750	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	513,573	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	2,087,053	(15,735)	(15,735)	15,735	15,735	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	150,681	-	-	-	-	-	-	-	-	-	-	-	-
Other Amounts Owing	144,146	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	294,827	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	1,792,226	(15,735)	(15,735)	15,735	15,735	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

This Annual Report was produced by officers of the University of New England and can be accessed directly from the University website at: **www.une.edu.au**

The University of New England

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