University of New England

ABN: 75 792 454 315
Annual Financial Report
for the year ended
31 December 2016

INDEPENDENT AUDITOR'S REPORT

University of New England

To Members of the New South Wales Parliament

Opinion

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 2016, 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.

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 2016, 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 2016 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the *'Auditor's Responsibilities for the Audit of the Financial Statements'* section of my report.

I am independent of the University in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

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

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University Council's Responsibility for the Financial Statements

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

In preparing the financial statements, the Council must assess the University's ability to continue as a going concern unless the University will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar7.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the University carried out its activities effectively, efficiently and economically
- 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.

S Bond.

Sally Bond
Director, Financial Audit Services

20 March 2017
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 2016.

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
Professor Nick Reid
Ms Meredith Symons - reappointed 17/08/2016
Mr Robert Finch
Dr Jack Hobbs
Ms Rosemary Leamon - reappointed 17/08/2016
Dr Robyn Muldoon
Ms Anne Myers - reappointed 01/12/2016
Professor Margaret Sims

The following persons were appointed members in 2016 and continue in office at the date of this report:

Mr David van Aanholt - appointed 17/08/2016
Mr Russell Evans - appointed 17/08/2016
Mr Charles Hebblewhite - appointed 25/10/2016
Ms Catherine Millis - appointed 12/10/2016

The following persons were members in 2016:

Professor Donald Hine - term expired 20/08/2016
Mr Michael Kirk - term expired 11/10/2016
Mr Les Ridgeway - term expired 05/04/2016
Mr Stuart Robertson - term expired 04/10/2016
Dr Jeannet van der Lee - term expired 20/08/2016
Ms Mardi Cook - appointed 21/08/16, resigned 21/10/2016

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 2016, 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 state of affairs 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

2017 operations are expected to align with the Strategic Plan and Budget approved by the Council in November 2016. Potential changes in Commonwealth Government policy regarding higher education funding, including savings embedded in the budget forward estimates, are a risk factor that may impact on future operations.

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:

Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)
Environment Protection and Biodiversity Conservation Act 1999 (Cth)
National Greenhouse and Energy Reporting Act 2007 (Cth)
Animal Research Act 1985 (NSW)
Contaminated Land Management Act 1997 (some amendments made in 2008) (NSW)
Energy and Utilities Administration Act 1987 (NSW)
Environmental Planning and Assessment Act 1979 (NSW)
Environmental Trust Act 1998 (NSW)
Environmentally Hazardous Chemicals Act 1985 (NSW)
Heritage Act 1977 (NSW)
Local Government Act 1993 (NSW)
Local Land Services Act 2013 (NSW)
National Parks and Wildlife Act 1974 (NSW)
National Trust of Australia (New South Wales) Act 1990 (NSW)
Noxious Weeds Act 1993 (NSW)
Pesticides Act 1999 (NSW)
Protection of the Environment Operations Act 1997 (NSW)
Protect Protection of the Environment Operations (Waste) Regulation 2005
Protect Protection of the Environment Operations (General) Regulation 2009
Protect Protection of the Environment Operations (Clean Air) Regulation 2010
Rural Fires Act 1997 (NSW)
Rural F Rural Fires Amendment Act 2013
Soil Conservation Act 1938 (NSW)
Threatened Species Conservation Act 1995 (NSW)
Waste Avoidance and Resource Recovery Act 2001 (NSW)
Water Management Act 2000 (NSW)
Wilderness Act 1987 (NSW)

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 $36,200 for Directors and Officers Insurance covered the period 1 November 2015 to 31 October 2016. Insurance has been renewed for the period 1 November 2016 to 31 October 2017 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
17 March 2017

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 2016, and the numbers of meetings attended by each Council member were:

Summary of Council Members' Attendance to Committee Meetings 2016

Members of Council (2016)	Council		Infrastructure (ceased 7/11/16)		Finance (ceased 7/11/16)		Finance & Infrastructure (commenced 8/11/16)		Innovation & Development (commenced 8/11/16)		Audit & Risk		HDTT*		Remuneration		Nominations	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
The Chancellor																		
Mr James Harris	5	5	5	5	5	5	1	1	1	1			2	2	4	4	2	2
The Deputy-Chancellor																		
Ms Jan McClelland	5	5	5	5	5	5	1	1	1	1	6	6	2	2	4	4	2	2
Official Members																		
Professor Annabelle Duncan, Vice-Chancellor	5	5	5	5	5	5	1	1	1	1	6	6	2	2	4	4	2	2
Professor Nick Reid, Chair Academic Board	5	5	5	5	5	5	1	1	1	1			1	2			2	2
Members appointed by the Minister																		
Mr Les Ridgeway (to 05/04/16)	1	1																
Ms Meredith Symons	5	5			4	4**	1	1										
Mr David van Aanholt (from 17/08/16)	2	2					1	1	1	1	1	1						
Members appointed by Council																		
Ms Anne Myers (from 01/12/16)	4	5	5	5					1	1	6	6			4	4		
Ms Rosemary Leamon (from 1708/16)	5	5	4	5	4	5	1	1	1	1	5	6						
Mr Russell Evans (from 17/08/16)	2	2							1	1								
Members elected by academic staff																		
Professor Donald Hine (to 20/08/16)	4	4																
Professor Margaret Sims	5	5	3	5														
Members elected by the graduates																		
Dr Robyn Muldoon	5	5											2	2	4	4		
Dr Jack Hobbs	5	5									5	6						
Member elected by non-academic staff																		
Dr Jeannet van der Lee (to 20/08/16)	3	3																
Ms Mardi Cook (21/08/16 to 21/10/16)	1	1																
Mr Charles Hebblewhite (from 25/10/16)	1	1																
Member elected by the post graduate students																		
Mr Stuart Robertson (to 04/10/2016)	4	4																
Member elected by the undergraduate students																		
Mr Michael Kirk (to 11/10/16)	4	4																
Member elected by students																		
Ms Catherine Millis (from 12/10/16)	1	1																
Additional external members																		
Mr Robert Finch	5	5			5	5	1	1			6	6			4	4		
John Rice													2	2				

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.

*Honorary Degrees, Titles and Tributes Committee
**Ms Meredith Symons did not attend one meeting as her reappointment was not confirmed at the time of the meeting

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 2016 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 2016 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

A Duncan

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
17 March 2017

Income Statement
for the year ended 31 December 2016

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	**156,386**	163,749	**156,386**	163,749
HELP - Australian Government payments	3	**71,756**	72,770	**71,756**	72,770
State and local government financial assistance	4	**3,947**	2,557	**3,740**	2,557
HECS-HELP - Student payments		**8,449**	8,484	**8,449**	8,484
Fees and charges	5	**40,194**	38,154	**38,033**	34,278
Investment revenue	6	**4,911**	5,089	**4,108**	4,159
Royalties, trademarks and licences	7	**288**	215	**292**	222
Consultancy and contracts	8	**2,362**	2,035	**429**	668
Other revenue	9	**29,796**	32,085	**12,400**	17,098
Gains on disposal of assets		**229**	4	**89**	-
Other investment income	6	**169**	-	**-**	-
Other income	9	**267**	171	**2,794**	2,506
Total income from continuing operations		**318,754**	325,313	**298,476**	306,491
Expenses from continuing operations					
Employee related expenses	10	**180,727**	179,721	**170,043**	170,347
Depreciation and amortisation	11	**21,834**	24,817	**21,059**	24,073
Repairs and maintenance	12	**8,600**	8,655	**8,176**	8,195
Borrowing costs	13	**879**	1,126	**875**	1,126
Impairment of assets	14	**594**	450	**486**	1,624
Losses on disposal of assets		**-**	55	**-**	55
Investment losses	6	**-**	188	**-**	-
Deferred superannuation expense	10, 40	**106**	225	**106**	225
Other expenses	15	**92,813**	92,867	**87,222**	84,719
Total expenses from continuing operations		**305,553**	308,104	**287,967**	290,364
Net result before income tax		**13,201**	17,209	**10,509**	16,127
Income tax expense		**-**	-	**-**	-
Net result attributable to members from continuing operations	29(b)	**13,201**	17,209	**10,509**	16,127

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

Statement of Comprehensive Income

for the year ended 31 December 2016

	Note	Consolidated		Parent entity	
		2016	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000
Net result after income tax for the period		**13,201**	17,209	**10,509**	16,127
Items that may be reclassified to profit or loss					
Gain (loss) on value of available-for-sale financial assets, net of tax		**4,166**	4,891	**4,174**	4,902
Total		**4,166**	4,891	**4,174**	4,902
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of land, buildings and infrastructure, net of tax		**8,150**	5,274	**8,007**	4,903
Net Actuarial losses (gains) recognised in respect of defined benefit plans		**(595)**	373	**(595)**	373
Total		**7,555**	5,647	**7,412**	5,276
Total other comprehensive income		**11,721**	10,538	**11,586**	10,178
Total comprehensive income attributable to members of the University of New England		**24,922**	27,747	**22,095**	26,305

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

Statement of Financial Position
as at 31 December 2016

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Assets					
Current assets					
Cash and cash equivalents	16	**83,830**	74,487	**75,798**	63,064
Receivables	17	**6,447**	12,022	**4,366**	9,580
Inventories	18	**303**	357	**98**	132
Other financial assets	19	**60,546**	60,360	**60,000**	57,000
Non-current assets classified as held for sale	20	**1,259**	-	-	-
Other non-financial assets	21	**7,985**	7,942	**7,974**	6,999
Biological assets	22	**1,076**	927	**1,076**	927
Total current assets		**161,446**	156,095	**149,312**	137,702
Non-current assets					
Receivables	17	**327,386**	342,629	**327,414**	342,662
Other financial assets	19	**32,920**	19,367	**14,962**	9,798
Property, plant and equipment	23	**315,062**	309,522	**311,343**	305,545
Intangible assets	24	**1,939**	1,540	**753**	835
Total non-current assets		**677,307**	673,058	**654,472**	658,840
Total assets		**838,753**	829,153	**803,784**	796,542
Liabilities					
Current liabilities					
Trade and other payables	25	**8,780**	9,284	**7,165**	7,858
Borrowings	26	**7**	-	-	-
Provisions	27	**31,990**	33,691	**30,495**	32,085
Other liabilities	28	**17,638**	15,657	**16,201**	14,002
Total current liabilities		**58,415**	58,632	**53,861**	53,945
Non-current liabilities					
Borrowings	26	**20,029**	20,000	**20,000**	20,000
Provisions	27	**335,521**	350,105	**335,368**	349,918
Other liabilities	28	**77**	501	**77**	76
Total non-current liabilities		**355,627**	370,606	**355,445**	369,994
Total liabilities		**414,043**	429,238	**409,306**	423,939
Net assets		**424,709**	399,915	**394,477**	372,603
Equity					
Reserves	29 (a)	**94,859**	82,543	**93,431**	81,249
Retained earnings	29 (b)	**329,850**	317,372	**301,046**	291,354
Parent entity interest		**424,709**	399,915	**394,477**	372,603
Total equity		**424,709**	399,915	**394,477**	372,603

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 2016

	Consoldidated			Parent Entity		
	Reserves $'000	Retained earnings $'000	Total $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2015	72,393	299,701	372,094	71,444	274,854	346,298
Retrospective changes	(15)	89	74	-	-	-
Balance as restated	72,378	299,790	372,168	71,444	274,854	346,298
Net result	-	17,209	17,209	-	16,127	16,127
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	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
Total comprehensive income	10,165	17,582	27,747	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
Balance at 1 January 2016	82,543	317,372	399,915	81,249	291,354	372,603
Retrospective changes		94	94	-	-	-
Balance as restated	82,543	317,466	400,009	81,249	291,354	372,603
Net result	-	13,201	13,201	-	10,509	10,509
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	8,150	-	8,150	8,007	-	8,007
Gain/(loss) on revaluation of available-for-sale financial assets	4,166	-	4,166	4,174	-	4,174
Remeasurements of Defined Benefit Plans	-	(595)	(595)	-	(595)	(595)
Transfers to/(from) reserves	-	-	-	-	-	-
Total comprehensive income	12,316	12,605	24,921	12,181	9,914	22,095
Transfer to/(from) retained earnings						
Work in progress adjustment	-	(222)	(222)	-	(222)	(222)
Balance at 31 December 2016	94,859	329,850	424,709	93,431	301,046	394,477

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 2016

	Note	Consolidated		Parent entity	
		2016	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Australian Government grants	**3(h)**	**231,198**	235,688	**231,198**	235,688
OS-Help (net)	**3(h)**	**323**	631	**323**	631
Superannuation supplementation	**3(h)**	**19,663**	2,526	**19,663**	2,526
State Government Grants		**2,740**	2,556	**2,740**	2,556
HECS-HELP - Student payments		**9,160**	8,987	**8,953**	8,987
Receipts from student fees and other customers		**77,775**	71,989	**58,283**	53,640
Dividends received		**131**	539	**16**	310
Interest received		**4,616**	4,208	**4,134**	3,666
Payments to suppliers and employees (inclusive of GST)		**(311,281)**	(285,185)	**(294,908)**	(265,689)
Interest and other costs of finance		**(875)**	(1,126)	**(875)**	(1,126)
GST recovered		**6,023**	5,336	**6,107**	5,357
Net cash provided by / (used in) operating activities	**36**	**39,473**	46,150	**35,634**	46,547
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**591**	6	**284**	3
Payments for property, plant and equipment		**(19,563)**	(28,224)	**(19,184)**	(27,939)
Proceeds from sale of financial assets		**65,462**	57,926	**57,000**	52,189
Payments for financial assets		**(75,488)**	(61,362)	**(60,000)**	(57,000)
Loans to related parties		**-**	-	**(1,000)**	-
Net cash provided by / (used in) investing activities		**(28,998)**	(31,654)	**(22,900)**	(32,747)
Cash flows from financing activities					
Other financing inflows		**144**	-	**-**	-
Other financing outflows		**(1,275)**	-	**-**	-
Net cash provided by / (used in) financing activities		**(1,131)**	-	**-**	-
Net increase / (decrease) in cash and cash equivalents		**9,344**	14,496	**12,734**	13,800
Cash and cash equivalents at the beginning of the financial year		**74,486**	59,991	**63,064**	49,264
Cash and cash equivalents at the end of the financial year		**83,830**	74,487	**75,798**	63,064

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 are 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 17 March 2017.

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 and 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 2016 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. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 24).

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. In some cases this many not be probable until consideration is received or an uncertainty is removed. 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 (or 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's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

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

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

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(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 and work in progress

Inventories and work in progress are stated at the lower of cost and net realisable value. Costs comprises direct materials and direct labour. 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. Derivatives are classified as held for trading unless designated as hedges. 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 and infrastructures. 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. 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:

	2016	2015
Buildings	2 - 40 years	2 - 40 years
Infrastructure	5 - 20 years	5 - 20 years
Vehicles	5 years	5 years
Furniture and fittings	7 - 20 years	7 - 20 years
Library collection	n/a	10 years
Information technology equipment and software	5 - 15 years	5 - 15 years
Plant and equipment	5 - 15 years	5 - 15 years

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 2016 by Global Valuation Services Pty Ltd.

Buildings controlled by the University were revalued as at 31 December 2016, by Global Valuation Services Pty Ltd.

Infrastructure assets, existing at 31 December 2016, were revalued by Global Valuation Services Pty Ltd.

(p) Repairs and Maintenance

Repairs and maintenance costs are recognised as expenses as 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 as 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 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations
The liability for other long-term benefits are those 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 profit or loss 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.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

(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 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled 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 2016 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 2016 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 2016.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2016	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	**317,478**	323,927	**13,158**	17,073	**838,753**	829,147
US/Canada	**711**	641	**24**	63	**-**	-
Unallocated	**565**	745	**19**	73	**-**	-
Total	**318,754**	325,313	**13,201**	17,209	**838,753**	829,147

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

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
(a) Commonwealth Grant Scheme and Other Grants	**40a**				
Commonwealth Grant Scheme #1		**110,521**	104,448	**110,521**	104,448
Indigenous Support Program		**954**	1,239	**954**	1,239
Higher Education Participation Program # 2		**4,529**	4,392	**4,529**	4,392
Disability Support Program		**135**	257	**135**	257
Promotion of Excellence in Learning and Teaching		**111**	554	**111**	554
Total Commonwealth Grant Scheme and Other Grants		**116,250**	110,890	**116,250**	110,890
(b) Higher Education Loan Programs	**40b**				
HECS-HELP		**65,582**	64,866	**65,582**	64,866
FEE-HELP #3		**5,875**	7,595	**5,875**	7,595
SA-HELP		**299**	309	**299**	309
Total Higher Education Loan Programs		**71,756**	72,770	**71,756**	72,770
(c) Scholarships	**40c**				
Australian Postgraduate Awards		**2,603**	2,581	**2,603**	2,581
International Postgraduate Research Scholarship		**206**	202	**206**	202
Commonwealth Education Cost Scholarships #4		**170**	85	**170**	85
Commonwealth Accommodation Scholarships #4		**114**	51	**114**	51
Indigenous Access Scholarships		**349**	130	**349**	130
Total Scholarships		**3,442**	3,049	**3,442**	3,049
(d) EDUCATION Research	**40d**				
Joint Research Engagement Program		**3,600**	3,388	**3,600**	3,388
Research Training Scheme		**6,102**	6,307	**6,102**	6,307
Research Infrastructure Block Grants		**1,685**	1,507	**1,685**	1,507
Sustainable Research Excellence in Universities		**1,579**	1,266	**1,579**	1,266
Total EDUCATION Research Grants		**12,966**	12,468	**12,966**	12,468
(e) Other Captial Funding	**40e**				
Education Investment Fund		**2,626**	13,000	**2,626**	13,000
		2,626	13,000	**2,626**	13,000
(f) Australian Research Council	**40f**				
***(i)* Discovery**	**40f(i)**				
Project #5		**1,182**	1,569	**1,182**	1,569
Fellowships		**128**	278	**128**	278
Total Discovery		**1,310**	1,847	**1,310**	1,847
***(ii)* Linkages**	**40f(ii)**				
Projects		**121**	201	**121**	201
Future fellowships		**103**	290	**103**	290
Total linkages		**224**	491	**224**	491
Total ARC		**1,534**	2,338	**1,534**	2,338

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000

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

(g) Other Australian Government financial assistance				
Non-capital				
Co-operative Research Centres	**4,784**	4,235	**4,784**	4,235
Other Research Financial Assistance	**11,002**	14,237	**11,002**	14,237
Non-Research Financial Assistance	**3,782**	3,531	**3,782**	3,531
Total	**19,568**	22,003	**19,568**	22,003
Total Australian Government financial assistance	**228,142**	236,518	**228,142**	236,518

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading , CGS - Medical Student Loading and CGS - Special Advances from Future Years.
#2 Includes Access and Participation Fund and National Priorities Pool.
#3 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.
#4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.
#5 Includes Early Career Researcher Award.

Reconciliation				
Australian Government grants	**156,386**	163,748	**156,386**	163,748
Higher Education Loan Programs (b)	**71,756**	72,770	**71,756**	72,770
Total Australian Government financial assistance	**228,142**	236,518	**228,142**	236,518
(h) Australian Government Grants received - cash				
CGS and other EDUCATION Grants	**117,783**	110,747	**117,783**	110,747
Higher Education Loan Programs	**72,980**	71,773	**72,980**	71,773
Scholarships	**3,442**	3,050	**3,442**	3,050
EDUCATION research	**12,966**	12,468	**12,966**	12,468
ARC grants - Discovery	**1,310**	1,846	**1,310**	1,846
ARC grants - Linkages	**224**	492	**224**	492
Other Australian Government grants	**22,493**	35,815	**22,493**	35,312
Total Australian Government Grants Received - cash basis	**231,198**	236,191	**231,198**	235,688
OS-HELP (Net)	**323**	631	**323**	631
Superannuation Supplementation	**19,664**	2,526	**19,664**	2,526
Total Australian Government funding received - cash basis	**251,185**	239,348	**251,185**	238,845

Note 4. State and Local Government financial assistance

Non-capital				
Research grants	**2,740**	2,557	**2,740**	2,557
Non research grants	**1,207**	-	**1,000**	-
Total State and Local Government financial assistance	**3,947**	2,557	**3,740**	2,557

Note 5. Fees and charges

Course fees and charges				
Fee-paying onshore overseas students	**17,673**	15,381	**17,673**	15,381
Fee-paying domestic postgraduate students	**3,331**	3,061	**3,331**	3,088
Fee-paying domestic undergraduate students	**322**	238	**322**	238
Fee-paying domestic non-award students	**293**	278	**293**	278
Other domestic course fees and charges	**1,720**	3,399	**372**	454
Total course fees and charges	**23,339**	22,357	**21,991**	19,439
Other non-course fees and charges				
Student services and amenities fees from students	**504**	526	**504**	564
Parking fees	**435**	363	**436**	364
Conference income	**151**	101	**152**	101
College residential rental	**13,976**	13,331	**13,976**	13,392
Other non course fees and charges	**1,789**	1,476	**974**	418
Total other fees and charges	**16,855**	15,797	**16,042**	14,839
Total fees and charges	**40,194**	38,154	**38,033**	34,278

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000

Note 6. Investment revenue and other investment income

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Interest income:					
Bank deposits		**4,376**	4,320	**3,984**	3,849
Other loans and receivables		**108**	-	**108**	-
Dividend from equity investments		**427**	769	**16**	310
Total investment revenue		**4,911**	5,089	**4,108**	4,159
Other investment gains and losses					
Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments		**74**	-	-	-
Net gain/(loss) arising on financial assets designated at fair value through profit or loss		**95**	(188)	-	-
Total other investment income/(loss)		**169**	(188)	-	-
Net investment income		**5,080**	4,901	**4,108**	4,159

Note 7. Royalties, trademarks and licences

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Royalties, trademarks and licences		**288**	266	**292**	222
Total royalties, trademarks and licences		**288**	266	**292**	222

Note 8. Consultancy and contracts

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Consultancy		**2,295**	1,858	**362**	491
Contract research		**67**	177	**67**	177
Total consultancy and contracts		**2,362**	2,035	**429**	668

Note 9. Other revenue and income

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Other revenue					
Donations and bequests		**4,356**	1,151	**414**	523
Non-government grants		**5,947**	5,494	**5,947**	5,494
Sundry trading income		**19,490**	25,383	**6,036**	11,024
Foreign exchange gains		**3**	57	**3**	57
Total other revenue		**29,796**	32,085	**12,400**	17,098
Other income					
Other income		**267**	171	2,794	2,506
Total other income		**267**	171	**2,794**	2,506
Total other revenue and income		**30,063**	32,256	**15,194**	19,604

Note 10. Employee related expenses

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Academic					
Salaries		**63,457**	62,016	**63,457**	65,150
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**10,826**	10,885	**10,826**	11,133
Contributions to unfunded schemes		**-**	-	**-**	-
Payroll tax		**4,458**	4,386	**4,458**	4,557
Worker's compensation		**287**	277	**287**	311
Long service leave expense		**2,018**	1,272	**2,018**	1,350
Annual leave		**5,195**	4,758	**5,195**	4,811
Other		**43**	71	**43**	170
Total academic		**86,284**	83,665	**86,284**	87,482

	Note	Consolidated		Parent entity	
		2016	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000

Note 10. Employee related expenses (continued)

	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-academic					
Salaries		**69,596**	69,196	**60,631**	61,245
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**11,175**	11,209	**10,289**	10,166
Contributions to unfunded schemes		**-**	-	**-**	-
Payroll tax		**4,740**	4,763	**4,207**	4,127
Worker's compensation		**334**	289	**281**	233
Long service leave expense		**1,988**	1,196	**1,968**	1,140
Annual leave		**5,645**	5,441	**5,438**	5,253
Other		**965**	730	**945**	702
Total non-academic		**94,443**	92,824	**83,759**	82,866
Total employee related expenses		**180,727**	176,489	**170,043**	170,347
Deferred superannuation expense	40	**106**	225	**106**	225
Total employee related expenses, including deferred government employee benefits for superannuation		**180,833**	176,714	**170,149**	170,572

Note 11. Depreciation and amortisation

	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Depreciation				
Buildings	**11,499**	10,884	**11,416**	10,801
Infrastructure	**2,331**	2,182	**2,327**	2,178
Plant and equipment	**7,658**	7,641	**7,233**	7,375
Library	**-**	3,582	**-**	3,582
Total depreciation	**21,488**	24,289	**20,976**	23,936
Amortisation				
Leasehold improvements	**75**	106	-	-
Intangibles	**271**	422	**83**	137
Total amortisation	**346**	528	**83**	137
Total depreciation and amortisation	**21,834**	24,817	**21,059**	24,073

Note 12. Repairs and maintenance

	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Buildings	**1,613**	1,804	**1,608**	1,801
Infrastructure	**4,666**	4,672	**4,666**	4,672
Plant, furniture and equipment	**976**	1,117	**615**	746
Grounds	**404**	214	**346**	128
Computer service costs	**941**	848	**941**	848
Total repairs and maintenance	**8,600**	8,655	**8,176**	8,195

Note 13. Borrowing costs

	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Interest expense	**879**	1,126	**875**	1,126
Less : amount capitalised	**-**	-	-	-
Total borrowing costs expensed	**879**	0	**875**	**1,126**

Note 14. Impairment of assets

	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Bad debts	**357**	247	**278**	232
Doubtful debts	**230**	203	**198**	203
Impairment of investments	**7**	-	**10**	1,189
Total impairment of assets	**594**	450	**486**	1,624

Note 15. Other expenses

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Scholarships, grants and prizes		**10,032**	9,743	**10,027**	9,736
Non-capitalised equipment		**2,283**	2,774	**2,082**	2,683
Advertising, marketing and promotional expenses		**12,255**	8,100	**12,100**	7,871
Utilities		**4,278**	4,798	**3,759**	4,198
Consummables and materials		**4,921**	6,280	**2,576**	3,940
Telecommunications		**1,646**	1,308	**1,175**	789
Travel, entertainment and staff development		**7,120**	7,976	**6,897**	7,724
Books, serials and other library media		**4,598**	4,731	**4,552**	4,581
Printing and Stationery		**1,342**	1,722	**1,321**	1,122
Consultants and professional fees		**14,607**	13,406	**11,744**	11,541
External contributions		**8,130**	7,596	**10,455**	9,632
Catering services		**2,161**	2,245	**2,201**	2,309
Property and facilities		**4,356**	4,519	**4,138**	3,076
Asset derecognition		**-**	4,934	**-**	4,018
Foreign exchange loss		**-**	-	**-**	-
Information technology		**8,981**	6,483	**8,949**	6,483
Inter entity transfer		**-**	38	**-**	38
Miscellaneous expenses		**6,103**	6,214	**5,246**	4,978
Total other expenses		**92,813**	92,867	**87,222**	84,719

Note 16. Cash and cash equivalents

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
	1(h)				
Cash at bank and on hand		**14,573**	8,767	**11,798**	4,064
Short-term deposits at call		**69,257**	65,720	**64,000**	59,000
Total cash and cash equivalents		**83,830**	74,487	**75,798**	63,064

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

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

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Balances as above	**83,830**	74,487	**75,798**	63,064
Less: Bank overdrafts	**-**	-	**-**	-
Balance per statement of cash flows	**83,830**	74,487	**75,798**	63,064

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates being between 1.00% and 1.85% (2015: 1.50% and 2.00%).

(c) Deposits at call

The deposits are bearing floating interest rates between 2.45% and 3.00% (2015: 2.83% and 3.00%). These deposits have an average maturity of 183 days (2015: 193 days).

Note 17. Receivables

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current					
Trade and other debtors	1(i)	**7,941**	13,277	**5,805**	10,698
Less: Provision for impaired receivables		**(1,494)**	(1,263)	**(1,439)**	(1,242)
Subtotal		**6,447**	12,014	**4,366**	9,456
Other receivables		**-**	8	**-**	124
Total current receivables		**6,447**	12,022	**4,366**	9,580
Non-current					
Other receivables		**49**	50	**77**	83
Deferred government benefit for superannuation defined benefit plan	40	**327,337**	342,579	**327,337**	342,579
Total non-current receivables		**327,386**	342,629	**327,414**	342,662
Total receivables		**333,833**	354,651	**331,780**	352,242

As of 31 December 2016, current receivables of $0.396m (2015: $0.173m) 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 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
3 to 6 months	**292**	367	**288**	173
6 to 12 months	**178**	289	**108**	-
Over 12 months	**-**	-	**-**	-
Total past due but not impaired current receivables	**470**	656	**396**	173

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000

Note 17. Receivables (continued)

(a) Impaired receivables

As at 31 December 2016 current receivables of the group with a nominal value of $1.768m (2015: $1.415m) were impaired. The amount of the provision was $1.439m (2015: $1.242m). The provision amount includes $.66k of receivables that are less than 90 days and are not included in the table below. It was assessed that a portion of the receivables is expected to be recovered. The impaired receivables for the parent entity in 2016 was $1.768m (2015: $1.415m).

The ageing of these receivables is as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
3 to 6 months	**649**	1,130	**486**	1,004
6 to 12 months	**1,145**	522	**884**	411
Over 12 months	**403**	-	**398**	-
Total current impaired receivables	**2,197**	1,652	**1,768**	1,415

Movements in the provision for impaired receivables are as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
As at 1 January	**(1,263)**	(1,062)	**(1,242)**	(1,039)
Provision for impairment recognised during the year	**(1,254)**	(791)	**(1,137)**	(780)
Receivables written off during the year as uncollectible	**300**	245	**222**	232
Unused amount reversed	**723**	345	**718**	345
At 31 December	**(1,494)**	(1,263)	**(1,439)**	(1,242)

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.

Note 18. Inventories (Note 1(j))

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current				
Fodder and produce	**98**	132	**98**	132
Other stocks	**205**	225	**-**	-
Total current inventories	**303**	357	**98**	132

Note 19. Other financial assets (Note 1(l))

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current				
Held-to-maturity	**60,546**	60,360	**60,000**	57,000
Total current other financial assets	**60,546**	60,360	**60,000**	57,000
Non-current				
Loans to related parties	**-**	-	**1,000**	-
Held-to-maturity	**3,891**	546	**-**	-
Investments in subsidiaries	**-**	-	**-**	10
Shares in private companies	**-**	1	**-**	1
Available for sale	**29,029**	18,820	**13,962**	9,787
Total non-current other financial assets	**32,920**	19,367	**14,962**	9,798

Note 20. Non-current assets classified as held for sale

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Available for sale investments	**1,259**	-	**-**	-
Total non-current assets classified as held for sale	**1,259**	-	**-**	-

Note 21. Other non-financial assets

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current				
Accrued income	**1,194**	2,772	**1,147**	2,289
Prepaid expenses	**4,629**	3,696	**4,589**	3,236
Other non-financial assets	**2,163**	1,474	**2,239**	1,474
Total current other non-financial assets	**7,985**	7,942	**7,974**	6,999

Note 22. Biological assets

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Livestock		**1,076**	927	**1,076**	927
Total biological assets		**1,076**	927	**1,076**	927
Reconciliation of changes in the carrying amount of biological assets					
Livestock - Balance as at 1 January		**927**	600	**927**	600
Purchases		**146**	96	**146**	96
Natural increases		**553**	115	**553**	115
Sales		**(552)**	(211)	**(552)**	(211)
Increment/(decrement) in fair value of biological assets		**2**	327	**2**	327
Balance as at 31 December		**1,076**	927	**1,076**	927
Total biological assets		**1,076**	927	**1,076**	927

At 31 December 2016 livestock held for sale comprised 233 cattle and 7,558 sheep (2015: 210 cattle and 7,381 sheep).

Note 23. Property, plant and equipment

Consolidated	Infrastructure $'000	Land $'000	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 2015											
- 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 depreciation and impairment	(255)	-	(485)	(35,633)	(486)	(2,756)	(28,291)	-	-	-	**(67,906)**
Net book amount	**22,119**	**20,012**	**212,703**	**26,963**	**300**	**0**	**7,601**	**1,769**	**2,097**	**12,771**	**306,335**
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**
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	-	2,026	7,632	9	-	-	-	-	16,137	**26,689**
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**	**-**	**0**	**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 depreciationand 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)

Consolidated	Infrastructure $'000	Land $'000	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 2016											
Opening net book amount	21,532	20,012	216,963	27,422	230	-	-	1,769	2,097	19,497	**309,522**
Depreciation written back on disposal	-	-	-	1,338	-	-	-	-	-	-	**1,338**
Transfers	-	-	16,757	(210)	-	-	-	-	-	(17,224)	**(677)**
Derecognition	-	-	-	(164)	-	-	-	-	-	0	**(164)**
Disposals	-	-	-	(1,486)	-	-	-	-	-	0	**(1,486)**
Revaluation surplus	531	225	7,396	-	-	-	-	-	-	0	**8,152**
Additions	2,309	-	3,428	7,229	-	37	-	-	107	6,829	**19,939**
Impairment losses	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(2,331)	-	(11,499)	(7,657)	(75)	(1)	-	-	-	-	**(21,563)**
Closing net book amount	**22,041**	**20,237**	**233,045**	**26,472**	**155**	**36**	**-**	**1,769**	**2,204**	**9,102**	**315,061**
At 31 December 2016											
- Cost	4,563	-	31,052	64,687	796	37	-	1,769	2,204	9,102	**114,210**
- Valuation	18,132	20,237	202,825	-	-	-	-	-	-	-	**241,194**
Accumulated depreciation and impairment	(653)	-	(832)	(38,216)	(641)	(1)	-	-	-	-	**(40,343)**
Net book amount	**22,042**	**20,237**	**233,045**	**26,471**	**155**	**36**	**-**	**1,769**	**2,204**	**9,102**	**315,061**

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure $'000	Land $'000	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
At 1 January 2015										
- Cost	1,239	-	30,562	56,422	2,756	35,892	-	2,097	12,771	**141,739**
- Valuation	21,055	19,612	180,205	-	-	-	1,769	-	-	**222,641**
Accumulated depreciation and impairment	(255)	-	(485)	(30,376)	(2,756)	(28,291)	-	-	-	**(62,163)**
Net book amount	**22,039**	**19,612**	**210,282**	**26,046**	**-**	**7,601**	**1,769**	**2,097**	**12,771**	**302,217**
Year ended 31 December 2015										
Opening net book amount	22,039	19,612	210,282	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	-	2,028	7,373	-	-	-	-	16,137	**26,423**
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**

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure $'000	Land $'000	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
Year ended 31 December 2016										
Opening net book amount	21,456	19,612	214,626	26,488	-	-	1,769	2,097	19,497	**305,545**
Depreciation written back on disposal	-	-	-	1,291	-	-	-	-	-	**1,291**
Transfers	-	-	16,757	243	-	-	-	-	(17,224)	**(224)**
Derecognition	-	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	(1,486)	-	-	-	-	-	**(1,486)**
Revaluation surplus	527	225	7,258	-	-	-	-	-	-	**8,010**
Additions	2,309	-	3,428	6,511	-	-	-	107	6,829	**19,184**
Impairment losses	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(2,327)	-	(11,417)	(7,233)	-	-	-	-	-	**(20,977)**
Closing net book amount	**21,965**	**19,837**	**230,652**	**25,814**	**-**	**-**	**1,769**	**2,204**	**9,102**	**311,343**
At 31 December 2016										
- Cost	4,563	-	31,052	61,594	-	-	1,769	2,204	9,102	**110,284**
- Valuation	18,055	19,837	200,432	-	-	-	-	-	-	**238,324**
Accumulated depreciation and impairment	(653)	-	(832)	(35,780)	-	-	-	-	-	**(37,265)**
Net book amount	**21,965**	**19,837**	**230,652**	**25,814**	**-**	**-**	**1,769**	**2,204**	**9,102**	**311,343**

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.

A valuation of land, buildings and infrastructure was conducted during 2016 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

Note 24. Intangible assets

	Note	Software Development $'000	Licences $'000	Goodwill $'000	Course Development $'000	Total $'000
Intangible assets	1(q)					
Consolidated						
At 1 January 2015						
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
Year ended 31 December 2016						
Opening net book amount		556	525	391	69	1,541
Additions - internal development		112	-	-	641	753
Additions - Separately acquired		46	-	-	-	46
Disposals		(49)	-	-	-	(49)
Impairment losses		-	-	-	-	0
Amortisation charge		(193)	-	(29)	(49)	(271)
Work in progress movement		-	-	-	(81)	(81)
Closing net book amount		472	525	362	580	1,939
At 31 December 2016						
Cost		11,992	525	1,269	650	14,436
Accumulated amortisation and impairment		(11,520)	-	(907)	(70)	(12,497)
Net book amount		472	525	362	580	1,939

Intangible assets

	Note	Software Development $'000	Licences $'000	Total $'000
Intangible assets	1(q)			
Parent				
At 1 January 2015				
Cost		11,795	500	12,295
Accumulated amortisation and impairment		(11,315)	-	(11,315)
Net book amount		480	500	980
Year ended 31 December 2015				
Opening net book amount		480	500	980
Additions - internally developed		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
Year ended 31 December 2016				
Opening net book amount		336	500	836
Additions		-	-	0
Disposals		-	-	0
Amortisation charge		(83)	-	(83)
Closing net book amount		253	500	753
At 31 December 2016				
Cost		11,635	500	12,135
Accumulated amortisation and impairment		(11,382)	-	(11,382)
Net book amount		253	500	753

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000

Note 25. Trade and other payables

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current					
Trade payables	1(r)	**7,390**	8,211	**5,775**	6,785
Refundable receipts		**4**	10	**4**	10
OS-HELP liability to Australian Government		**1,386**	1,063	**1,386**	1,063
Total current trade and other payables		**8,780**	9,284	**7,165**	7,858

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 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Australian dollars	**8,780**	9,284	**7,165**	7,858

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

Note 26. Borrowings

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current				
Finance lease liabilities	**7**	-	**-**	-
Toal current borrowings	**7**	-	**-**	-
Non-current				
Finance lease liabilities	**29**	-	**-**	-
Unsecured bank loans	**20,000**	20,000	**20,000**	20,000
Total non-current borrowings	**20,029**	20,000	**20,000**	20,000
Total borrowings	**20,036**	20,000	**20,000**	20,000

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2016.

(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 2015 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 39.

Note 27. Provisions 1(u)

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	**10,237**	9,971	**9,750**	9,364
Long service leave	**3,312**	3,557	**3,191**	3,308
Staffing	**325**	1,146	**325**	1,146
Other	**4**	4	**-**	-
Subtotal	**13,878**	14,678	**13,266**	13,818
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	**5,197**	4,805	**4,814**	4,495
Long service leave	**12,915**	14,208	**12,415**	13,772
Deferred government benefits for superannuation	**-**	-	**-**	-
Subtotal	**18,112**	19,013	**17,229**	18,267
Total current provisions	**31,990**	33,691	**30,495**	32,085

Note 27. Provisions (continued)

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
	1(u)				
Non-current provisions					
Employee benefits					
Long service leave		**5,382**	4,946	**5,229**	4,759
Deferred government benefits for superannuation		**328,385**	343,274	**328,385**	343,274
Professorial superannuation		**1,754**	1,885	**1,754**	1,885
Total non-current provisions		**335,521**	350,105	**335,368**	349,918
Total provisions		**367,511**	383,796	**365,863**	382,003

Note 28. Other liabilities

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Current				
(i) Accrued liabilities				
Salary related	**4,524**	3,439	**4,396**	3,436
Other accrued expenditure	**1,832**	1,508	**1,909**	1,370
	6,356	4,947	**6,305**	4,806
(ii) Monies received in advance				
Australian Government unspent financial assistance	**2,727**	775	**2,727**	775
Fees in advance	**7,660**	9,042	**6,274**	7,633
	10,387	9,817	**9,001**	8,408
(iii) Trust funds				
Security deposits	**25**	17	**25**	17
Employee deduction clearing accounts	**687**	625	**687**	625
Associated entities	**11**	11	**11**	11
Other	**172**	239	**172**	134
	895	892	**895**	787
Total current other liabilities	**17,638**	15,656	**16,201**	14,001
Non Current				
Fees in advance	**-**	425	**-**	-
Other non-current liabilities	**77**	77	**77**	77
Total non current other liabilities	**77**	502	**77**	77
Total other liabilities	**17,715**	16,158	**16,278**	14,078

Note 29. Reserves and retained earnings

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
(a) Reserves				
Revaluation reserve - investments	**14,025**	9,859	**13,905**	9,730
Revaluation reserve - buildings	**56,808**	49,415	**55,853**	48,598
Revaluation reserve - land	**11,886**	11,661	**11,566**	11,342
Revaluation reserve - infrastructure	**12,140**	11,608	**12,107**	11,579
Total reserves	**94,859**	82,543	**93,431**	81,249
Movements				
Asset revaluation reserve - investments				
Balance 1 January	**9,859**	4,612	**9,730**	4,828
Transfer from reserves	**-**	-	**-**	-
Increment/(decrement) on revaluation	**4,166**	5,247	**4,174**	4,902
Balance 31 December	**14,025**	9,859	**13,904**	9,730
Asset revaluation reserve - buildings				
Balance 1 January	**49,415**	45,040	**48,598**	44,275
Increment/(decrement) on revaluation	**7,396**	4,375	**7,258**	4,323
Transfer to/(from) retained earnings on disposal	**(3)**	-	**(3)**	-
Balance 31 December	**56,808**	49,415	**55,853**	48,598

Note 29. Reserves and retained earnings (continued)

(a) Reserves (continued)

Movements (continued)

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Asset revaluation reserve - land					
Balance 1 January		**11,661**	11,661	**11,342**	11,342
Increment/(decrement) on revaluation		**224**	-	**224**	-
Transfer to/(from) retained earnings on disposal		**-**	-	**-**	-
Balance 31 December		**11,885**	11,661	**11,566**	11,342
Asset revaluation reserve - infrastructure					
Balance 1 January		**11,608**	11,080	**11,579**	10,999
Increment/(decrement) on revaluation		**532**	528	**528**	580
Balance 31 December		**12,140**	11,608	**12,107**	11,579

(b) Retained earnings

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Movements in retained earnings were as follows:					
Retained earnings at 1 January		**317,372**	299,701	**291,354**	274,854
Actuarial changes for defined benefit superannuation schemes		**(595)**	373	**(595)**	373
Other		**(131)**	89	**(225)**	-
Transfer to/(from) retained earnings on disposal of revalued assets		**3**	-	**3**	-
Net result for the year		**13,201**	17,209	**10,509**	16,127
Retained earnings at 31 December		**329,850**	317,372	**301,046**	291,354

(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 Joyce Kirk
Professor Heiko Daniel
Mr Trevor Goldstone
Professor Peter Creamer
Mr Kris Kauffmann
Mr Brendan Peet
Professor Catherine MacKenzie (until 5 July 2016)
Ms Michelle Clarke (until 18 March 2016)

All of the above persons were also key management persons during the year ended 31 December 2016.

Note 30. Key management personnel disclosures (continued)

(c) Remuneration of Council Members and Executives

	Note	Consolidated 2016	Consolidated 2015	Parent entity 2016	Parent entity 2015
i) Remuneration of council members		**Number**	**Number**	**Number**	**Number**
Nil to $9,999		**25**	21	**4**	1
$10,000 to $19,999		**8**	9	**8**	9
$20,000 to $29,999		**1**	1	**1**	1
$30,000 to $39,999		**1**	1	**1**	1
		35	32	**14**	12

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

ii) Remuneration of executive officers	**Number**	**Number**	**Number**	**Number**
$130,000 to $139,999	**1**	3	**-**	-
$140,000 to $149,999	**-**	2	**-**	2
$150,000 to $159,999	**2**	1	**1**	1
$160,000 to $169,999	**1**	-	**-**	-
$170,000 to $179,999	**-**	-	**-**	-
$180,000 to $189,999	**1**	-	**-**	-
$190,000 to $199,999	**-**	2	**-**	1
$200,000 to $209,999	**1**	-	**-**	-
$210,000 to $219,999	**-**	2	**-**	1
$220,000 to $229,999	**-**	1	**-**	-
$230,000 to $239,999	**1**	-	**1**	-
$240,000 to $249,999	**-**	-	**-**	-
$250,000 to $259,999	**-**	1	**-**	1
$270,000 to $279,999	**-**	-	**-**	-
$280,000 to $289,999	**-**	-	**-**	-
$290,000 to $299,999	**-**	1	**-**	1
$300,000 to $309,999	**3**	1	**3**	1
$310,000 to $319,999	**1**	-	**1**	-
$320,000 to $329,999	**-**	1	**-**	1
$330,000 to $339,999	**-**	-	**-**	-
$350,000 to $359,999	**-**	-	**-**	-
$400,000 to $409,999	**-**	-	**-**	-
$450,000 to $459,999	**1**	-	**1**	-
$580,000 to $589,999	**-**	-	**-**	-
$630,000 to $639,999	**-**	-	**-**	-
$720,000 to $729,999	**1**	1	**1**	1
	13	16	**8**	10

(d) Key management personnel compensation

(d) Key management personnel compensation	**$'000**	$'000	**$'000**	$'000
Short-term employee benefits	**4,033**	3,855	**2,648**	2,579
Post-employment benefits	**370**	364	**349**	364
Termination benefits	**-**	-	**-**	-
Total key management personnel compensation	**4,403**	4,219	**2,997**	2,943

(e) Loans to key management personnel

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

Note 31. Remuneration of auditors

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000

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 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Audit the Financial Statements				
Fees paid to the Audit Office of NSW	**374**	342	**262**	238
Total paid for audit services	**374**	342	**262**	238
Other audit and assurance services				
Forsyths Business Services Pty Ltd	**-**	21	-	21
Total paid for audit and assurance services	**-**	21	-	21
Total audit fees	**374**	363	**262**	259

Note 32. Contingencies

There are two claims pending as at 31 December 2016. The estimate of the maximum exposure on proceedings against the University amounts to $1.5 million in the event that these proceedings are successful.

Note 33. Commitments

(a) Capital commitments

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

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Property, plant and equipment				
Within one year	**6,241**	14,806	**6,241**	14,806
Between one and five years	**-**	132	-	132
Later than five years	**-**	22	-	22
Total Property, plant and equpment commitments	**6,241**	14,960	**6,241**	14,960

(b) Lease commitments

(i) Operating leases

Operating leases for multi-functional devises and property contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Within one year	**1,247**	1,233	**1,047**	1,039
Between one and five years	**2,219**	2,605	**1,982**	2,279
Later than five years	**-**	-	**-**	-
Total operating leases	**3,466**	3,838	**3,029**	3,318

(ii) Finance Leases

Finance leases for vehicles contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent entity 2016 $'000	Parent entity 2015 $'000
Within one year	**7**	-	**-**	-
Between one and five years	**29**	-	**-**	-
Later than five years	**-**	-	**-**	-
Total finance leases	**36**	-	**-**	-
Total lease commitments	**3,502**	3,838	**3,029**	**3,318**

No lease arrangement existing as at 31 December 2016 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 36.

(c) Key management personnel

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

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Sale of goods and services	**2,347**	2,672	**2,347**	2,441
Contributions from related parties	**103**	-	**103**	-
Purchase of goods and services	**772**	3,597	**772**	2,224
Contributions to related parties	**2,128**	-	**2,128**	-
Total	**5,350**	6,269	**5,350**	4,665

(e) Loans to related parties

Loans to subsidiaries				
Beginning of the year	**-**	-	**-**	-
Loans advanced	**1,000**	-	**1,000**	-
Loan repayment received	**-**	-	**-**	-
Loan forgiven	**-**	-	**-**	-
Interest charged	**28**	-	**28**	-
Interest received	**-**	-	**-**	-
End of year	**1,028**	-	**1,028**	-

(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	**188**	13	**188**	13
Total current receivables	**188**	13	**188**	13
Non current receivables (loans)				
Subsidiaries	**1,000**	0	**1,000**	0
Total current receivables	**1,000**	0	**1,000**	0
Current payables (purchases of goods)				
Subsidiaries	**-**	8	**-**	8
Total current payables	**-**	8	**-**	8

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

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. A loan to a related party was renegotiated in December 2016 and is to be repaid in the last three years of the four year term of the agreement, unless repaid earlier by the Borrower.

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 2016 %	2015 %
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
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

Sport UNE ceased trading on 30 November 2016 and is in the process to be deregistered with ASIC.
From the 1st of December 2016 all operations were conducted by UNE Life Pty Ltd.

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

	Consolidated		Parent entity	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Net result for the period	**13,201**	17,209	**10,509**	16,127
Depreciation and amortisation	**21,383**	24,817	**21,059**	24,073
Impairment of assets	**56**	-	**10**	1,189
Provision for impaired receivables	**229**	205	**197**	202
Actuarial gain / (loss) on deferred superannuation	**(595)**	373	**(595)**	373
Capitalisation and reinvestment of dividend	**(352)**	(298)	**-**	-
Gain on transfer	**(74)**	-	**-**	-
Loss / (gain) on asset derecognition	**(294)**	4,206	**-**	4,018
Net (gain) / loss on disposal of non-current assets	**(227)**	50	**(89)**	55
Increase / (decrease) in payables and prepaid income	**2,917**	2,362	**1,690**	2,364
Increase / (decrease) in provision for employee entitlements	**(16,299)**	13,196	**(16,140)**	13,154
Increase / (decrease) in other provisions	**15**	1,101	**-**	1,128
Increase / (decrease) in trust funds	**(322)**	123	**(322)**	123
(Increase) / decrease in receivables and prepaid expenses	**19,795**	(17,240)	**19,281**	(16,271)
(Increase) / decrease in inventories	**40**	45	**34**	11
Net cash provided by / (used in) operating activities	**39,473**	46,149	**35,634**	46,546

Note 37. Events occurring after the end of the reporting period

There are no reportable events occurring after the end of the reporting period.

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 2.45 % and 3.00%. Average maturity of 183 days.
Listed shares	19	Available-for-sale financial assets carried at bid price.	
Unlisted shares	19	These are carried at fair value.	
Financial liabilities			
Borrowings	27	Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. In 2015 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	27	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	26 & 29(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(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 the 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 2016	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 at bank and on hand	14,573	(146)	(146)	146	146	-	-	-	-	-	-	-	-
Short term deposits - at call	69,257	(693)	(693)	693	693	-	-	-	-	-	-	-	-
Receivables	6,447	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	60,546	(605)	(605)	605	605	-	-	-	-	-	-	-	-
Held-to-maturity - non-current	3,891	(39)	(39)	39	39	-	-	-	-	-	-	-	-
Listed shares	29,029	-	-	-	-	-	-	-	-	(290)	(290)	290	290
Unlisted shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Borrowings	20,029	-	-	-	-	-	-	-	-	-	-	-	-
Payables	8,780	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	7,251	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,483)	(1,483)	1,483	1,483	-	-	-	-	(290)	(290)	290	290

Comparative figures for the previous year are as follows:

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 at bank and on hand	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	-	-			-	-	-	-	-	-	-	-
Creditors	9,284	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	5,909	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,354)	(1,354)	1,354	1,354	-	-	-	-	(188)	(188)	188	188

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 2016	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non-interest Bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash at bank and on hand	1.24%	14,573	-	-	-	-	14,573
Short term deposits - at call	2.75%	-	69,257	-	-	-	69,257
Receivables		-	-	-	-	6,447	6,447
Held-to-maturity - current	2.67%	-	60,546	-	-	-	60,546
Held-to-maturity - non-current		-	-	3,891	-	-	3,891
Listed shares		-	-	-	-	29,029	29,029
Unlisted shares		-	-	-	-	-	-
Total financial assets		14,573	129,803	3,891	-	35,476	183,743
Financial liabilities							
Borrowings		-	-	20,029	-	-	20,029
Payables		-	-	-	-	8,780	8,780
Other amounts owing		-	-	-	-	7,251	7,251
Total financial liabilities		-	-	20,029	-	16,031	36,060

Comparative figures for the previous year are as follows:

31 December 2015	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non-interest Bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash at bank and on hand	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

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	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Financial assets				
Cash and cash equivalents	83,830	74,487	83,830	74,487
Receivables	6,447	13,167	6,447	13,167
Other financial assets	93,466	79,727	93,466	79,727
Total financial assets	183,743	167,381	183,743	167,381
Non-financial assets				
Land	20,237	20,012	20,237	20,012
Buildings	233,045	216,963	233,045	216,963
Infrastructure	22,042	21,532	22,042	21,532
Non-current assets held for sale		0		0
Total non-financial assets	275,324	258,507	275,324	258,507
Financial liabilities				
Payables	8,780	9,284	8,780	9,284
Borrowings	20,029	20,000	20,029	20,000
Total financial liabilities	28,809	29,284	28,809	29,284

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,
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 2016:

Fair value measurements at 31 December 2016			**Consolidated**		
Recurring fair value measurements	**Note**	**2016**	**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		29,029	29,029	-	-
Debt securities		-	-	-	-
Other financial assets					
Held-to-maturity - current		60,546	60,546	-	-
Held-to-maturity - non-current		3,891	3,891	-	-
Shares in private companies		-	-	-	-
Total financial assets		93,466	93,466	-	-

Note 39. Fair Value Measurements (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2016

Recurring fair value measurements	Note	2016 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
			Consolidated		
Non-financial assets					
Land		20,237	-	20,237	-
Buildings		233,044	-	34,003	199,041
Infrastructure		22,042	-	2,775	19,267
Non-current assets held for sale		-	-	-	-
Total non-financial assets		275,323	-	57,015	218,308
Financial liabilities					
Payables		8,780	-	8,780	-
Borrowings		20,029	-	20,029	-
Total liabilities		28,809	-	28,809	-

Fair value measurements at 31 December 2015

Recurring fair value measurements	2015	Level 1	Level 2	Level 3
		Consolidated		
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	-	-
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 financial liabilities	29,284	-	29,284	-

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

During 2016, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes are 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 27 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments.
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.

Note 39. Fair Value Measurements (continued)

(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.

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.

(ii) Non-recurring fair value measurements

Non-current assets classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less cost to sell at the time of the reclassification.

(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 2016 and 2015:

Level 3 fair value measurements 2016	**Unlisted equity secutiries $000**	**Buildings $000**	**Other financial assets $000**	**Infrastructure $000**	**Total $000**
Opening balance	-	183,027	1	18,536	201,564
Acquisitions	-	20,152	-	2,309	22,461
Impaired assets disposed	-	-	(1)	-	(1)
Assets restated at cost not valuation	-	-	-	-	-
Transfers from level 1	-	-	-	-	-
Transfers from level 2	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Sales	-	-	-	-	-
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses)	-	5,639	-	461	6,100
Recognised in profit or loss	-	(9,777)	-	(2,040)	(11,817)
Recognised in other comprehensive income	-	-	-	-	-
Closing balance	-	199,041	-	19,266	218,307
Level 3 fair value measurements 2015					
Opening balance	-	180,706	3,685	19,089	203,481
Acquisitions	-	10,820	-	1,015	11,835
Impaired assets disposed	-	-	-	-	-
Assets restated at cost not valuation	-	-	-	-	-
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

Note 39. Fair Value Measurements (continued)

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

(i) Transfers between levels 2 and 3 and changes in valuation techniques

There have been no transfers between level 2 and 3 during 2016. Works of art and museums have been restated at cost not valuation in 2015.

(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 2016 $000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted equities	-			
Other financial assets	-			
Land	20,237	Global Valuations	+-5%	Increase in value of land by 5% would increase value by $1 million. Decrease in value of land by 5% would decrease value by $1 million. Increase in replacement cost of buildings by 5% would increase value by $10.1 million. Decrease in replacement cost of buildings by 5% would decrease value by $10.1 million. Increase in replacement cost of infrastructure by 5% would increase value by $0.9 million. Decrease in replacement cost of infrastructure by 5% would decrease value by $0.9 million.
Buildings	202,824	Global Valuations	+-5%	
Infrastructure	18,132	Global Valuations	+-5%	
Buildings	30,220	Value of transfers from WIP	n/a	
Infrastructure	3,910	Value of additions from WIP	n/a	

*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 $0.457 million in 2016, (2016: $Nil) 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 2016	20,978	20,666	62,120	340,014	443,778
Defined benefit obligation - 31 Dec 2015	20,386	20,431	60,778	341,530	443,125

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 2016	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	2,229,551	1,900,292	329,259	-
Australian fixed interest	2,166,439	(22,099)	2,188,538	-
International fixed interest	734,274	28	734,246	-
Australian equities	9,637,533	9,158,485	479,024	24
International equities	12,111,060	8,529,666	2,556,169	1,025,225
Property	3,517,903	926,206	592,386	1,999,311
Alternatives	8,600,716	347,149	4,487,130	3,766,437
Total *	**38,997,476**	**20,839,727**	**11,366,752**	**6,790,997**

* Actual asset allocation as at 31 December 2016 is not yet available, the latest available as at 30 November 2016 has been used.

Note 40. Defined Benefit Plans (continued)

b) Categories of certain plan assets (continued)

As at 30 November 2015	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	2,978,554	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**

**Additional to the assets disclosed above, at 30 November 2015 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):

	2016 (%)	2015 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	6.4	6.8
Expected rate(s) of salary increase	2.7% to 30 June 2019 then 3.2% thereafter	3.0
Expected return on reimbursement rights	7.4	7.8
Rate of CPI Increase	2.2	2.5
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.3	2.5
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	2.3	2.5
Expected rate(s) of salary increase	3.0	3.0

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	2.78%	1.78%	3.78%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	360,593,557	402,004,127	325,923,046

	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 of 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$)	360,593,557	379,056,866	343,536,026

	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 of 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$)	360,593,557	361,469,107	359,756,328

	Base case	Scenario G higher mortality*	Scenario H lower mortality**
Defined benefit obligation (A$)	360,593,557	364,314,697	356,942,362

* Assumes the long term pensioner mortality improvement factors for years post 2021 also apply for years 2016 to 2021.

** Assumes the short term pensioner mortality improvement factors for years 2016-2021 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 2016
Discount rate	2.78% p.a.
Salary increase rate (exclude promotional increases)	2.50% 2016/2017 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	1.75% 2016/2017; 2.25% 2017/2018; 2.50% pa 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 2015
Discount rate	2.90% p.a.
Salary increase rate (exclude promotional increases)	2.50% 2016/2016 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% 2016/2016; 2.75% 2016/2017; 2.50% p.a. thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2016 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.

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

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

Note 40. Defined Benefit Plans (continued)

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2016

	$'000 SASS	$'000 SANCS	$'000 SSS	$'000 PSF	$'000 Total
Liabilities					
Provision for deferred government benenfits for superannuation	24,056	4,646	331,892	7,957	368,551
Provision for pension entitlements	-	-	-	-	-
Total liabilities	24,056	4,646	331,892	7,957	368,551
Add: oncosts on pension entitlements	-	-	-	-	-
Total pension entitlements (including oncosts)	-	-	-	-	-
Total liabilities recognised in statement of financial position	24,056	4,646	331,892	7,957	368,551
Assets					
Receivable for deferred government contribution for superannuation	17,407	(132)	14,933	6,203	38,411
Total assets recognised in statement of financial position	17,407	(132)	14,933	6,203	38,411
Net liability recognised in the statement of financial position	(6,649)	(4,778)	(316,959)	(1,754)	(330,140)

Net liability - 2016	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	24,056	4,646	331,892	7,957	368,551
Fair value of plan assets	17,407	(132)	14,933	6,203	38,411
Net liability	6,649	4,778	316,959	1,754	330,140
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	**6,649**	**4,778**	**316,959**	**1,754**	**330,140**

Reimbursement rights - 2016	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	4,685	5,537	332,357	-	342,579
Return on reimbursement rights	-	-	-	-	-
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	**4,685**	**5,537**	**332,357**	**-**	**342,579**

Present value of obligations - 2016	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	28,771	5,578	343,707	8,133	386,189
Current service cost	888	191	357	123	1,559
Past service cost	-	-	-		-
Interest expense	791	148	9,682	131	10,752
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	-	-
Actuarial losses/(gains) arising from liability experience	362	(171)	(6,160)	515	(5,454)
Actuarial losses/(gains) arising from changes in financial assumptions	122	31	740	116	1,009
Experience (gains)/losses	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Plan participants	396	-	202	-	598
Payments from plan					
Benefits paid	(7,146)	(1,076)	(15,686)	(1,061)	(24,969)
Tax, premiums and expenses paid	(128)	(55)	(950)	-	(1,133)
Closing defined benefit obligation	**24,056**	**4,646**	**331,892**	**7,957**	**368,551**

Present value of plan assets - 2016	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening fair value of plan assets	23,695	(67)	11,153	6,248	41,029
Interest (income)	639	-	326	148	1,113

Note 40. Defined Benefit Plans (continued)

d) Statement of Financial Position amounts (continued)

	SASS	SANCS	SSS	PSF	Total
Remeasurements					
Return on Fund assets less interest income	276	(3)	65	-	338
Actuarial (loss)/gain on fund assets	-	-	-	411	411
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Employers	(325)	1,069	19,823	457	21,024
Plan participants	396	-	202	-	598
Payments from plan					
Benefits paid	(7,146)	(1,076)	(15,686)	(1,061)	(24,969)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(128)	(55)	(950)	-	(1,133)
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	**17,407**	**(132)**	**14,933**	**6,203**	**38,411**

Amounts recognised in the statement of financial position - 2015

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**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: On-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
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 reconciliation - 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)
Taxes, premiums & expenses paid	(139)	75	1,307	-	1,243
Closing defined benefit obligation	**28,771**	**5,578**	**343,707**	**8,133**	**386,189**

Note 40. Defined Benefit Plans (continued)

d) Statement of Financial Position amounts (continued)

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 losses/(gains) 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 & expenses paid	(139)	75	1,307	-	1,243
Closing fair value of plan assets	**23,695**	**(67)**	**11,153**	**6,248**	**41,029**

e) Amounts recognised in other statements

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Amounts recognised in the Income Statement – 2016					
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	888	191	357	123	1,559
Net interest	152	148	9,357	-17	9,640
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	1,040	339	9,714	106	11,199
Amounts recognised in the Statement of Comprehensive Income - 2016					
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 30).					
Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	116	116
Actuarial losses (gains) arising from experience adjustments	-	-	-	515	515
Actual return on plan assets less interest income	-	-	-	(411)	(411)
Total remeasurements in other comprehensive income	-	-	-	220	220
Total remeasurements recognised in the Statement of Comprehensive Income	-	-	-	220	220
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	-	-	-	(656)	(656)
Actuarial losses (gains) arising from experience adjustments				(405)	(405)
Actual return on plan assets less interest income	-	-	-	22	22
Total remeasurements in other comprehensive income	-	-	-	(1,039)	(1,039)
Total amounts recognised in the Statement of Comprehensive Income	-	-	-	(1,039)	(1,039)

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 2016, the assets of the DBD in aggregate were estimated to be $2,252 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 112.2%. 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 2016, the assets of the DBD in aggregate were estimated to be $3,757 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 122.2%. 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 2016. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	5.30% p.a	6.90% 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	4.60% p.a.	6.10% p.a.
Consumer Price Index	2.50% p.a.	2.50% p.a.
Inflationary salary increases long term	3.50% p.a.	3.50% p.a.

Assets have been included at their net market value; that is, after allowing for realisation costs.

Clause 34 monitoring periods were initiated following the 30 June 2012 and 30 June 2013 actuarial investigations.

Following the end of the monitoring period commencing on 30 June 2012, the Fund’s actuary advised that the Trustee is not required to take any further action, and that monitoring period is now ceased.

The monitoring period commencing on 30 June 2013 is still in place.

Note 41. Acquittal of Australian Government financial assistance

41a Education - CGS and Other Education Grants

Parent entity (University) only

	Note	Commonwealth Grant Scheme #1 2016 $'000	2015 $'000	Indigenous Support Program 2016 $'000	2015 $'000	Higher Education Participation Program #2 2016 $'000	2015 $'000	Disability Support Program 2016 $'000	2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		112,053	104,305	954	1,239	4,529	4,392	135	256
Net accrual adjustments		(1,533)	143	-	-	-	-	-	-
Revenue for the period	3(a)	110,520	104,448	954	1,239	4,529	4,392	135	256
Surplus / (deficit) from the previous year		(575)	(432)	405	163	1,186	1,341	(88)	(167)
Total revenue including accrued revenue		109,945	104,016	1,359	1,402	5,715	5,733	47	89
Less expenses including accrued expenses		110,904	104,591	1,224	997	4,207	4,547	153	177
Surplus / (deficit) for reporting period		(959)	(575)	135	405	1,508	1,186	(106)	(88)

1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Medical student Loading, and CGS – Special Advances from Future Years.

2 Includes Access and Participation Fund and National Priorities Pool.

Parent entity (University) only

	Note	Capital Development Pool 2016 $'000	2015 $'000	Diversity and Structural Adjustment Fund #3 2016 $'000	2015 $'000	Promotion of Excellence in Learning and Teaching 2016 $000	2015 $000	Total 2016 $000	2015 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the pogram)		-	-	-	-	111	554	117,782	110,746
Net accrual adjustments		-	-	-	-	-	-	(1,533)	143
Revenue for the period	3(a)	-	-	-	-	111	554	116,249	110,889
Surplus / (deficit) from the previous year		-	(1,452)	(62)	(46)	559	112	1,426	(480)
Total revenue including accrued revenue		-	(1,452)	(62)	(46)	670	666	117,675	110,409
Less expenses including accrued expenses		-	(1,452)	-	16	226	107	116,715	108,983
Surplus / (deficit) for reporting period		-	-	(62)	(62)	444	559	961	1,426

3 Includes Collaboration and Structural Adjustment Program.

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

Parent entity (University) only

41b Higher Education Loan Programs (excl OS-HELP)

	Note	HECS-HELP (Australian Government payments only) 2016 $'000	2015 $'000	FEE-HELP [#4] 2016 $'000	2015 $'000	SA-HELP 2016 $'000	2015 $'000	Total 2016 $'000	2015 $'000
Cash Payable / (Receivable) at beginning of year		338	904	(100)	27	8	3	246	934
Financial assistance received in Cash during the reporting period		66,514	64,300	6,472	7,468	293	314	73,279	72,082
Cash available for the period		66,852	65,204	6,372	7,495	301	317	73,525	73,016
Revenue earned	3(b)	65,582	64,866	5,875	7,595	299	309	71,756	72,770
Cash Payable / (Receivable) at end of year		1,270	338	497	(100)	2	8	1,769	246

#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

	Note	Australian Postgraduate Awards 2016 $'000	2015 $'000	International Postgraduate Research Scholarships 2016 $'000	2015 $'000	Commonwealth Education Cost Scholarships [#5] 2016 $'000	2015 $'000	Commonwealth Accommodation Scholarships [#5] 2016 $'000	2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		2,602	2,581	206	202	170	85	114	51
Net accrual adjustments			-		-	-	-		-
Revenue for the period	3(c)	2,602	2,581	206	202	170	85	114	51
Surplus / (deficit) from the previous year		429	405	(1)	(43)	1,266	1,252	195	189
Total revenue including accrued revenue		3,031	2,986	205	159	1,436	1,337	309	240
Less expenses including accrued expenses		2,624	2,557	226	160	65	71	60	45
Surplus / (deficit) for reporting period		407	429	(21)	(1)	1,371	1,266	250	195

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

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

41c Scholarships (continued)

Parent entity (University) only

	Note	Indigenous Access Scholarships 2016 $'000	Indigenous Access Scholarships 2015 $'000	Total 2016 $'000	Total 2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		349	130	3,442	3,049
Net accrual adjustments			-		-
Revenue for the period	3(c)	349	130	3,442	3,049
Surplus / (deficit) from the previous year		(94)	(94)	1,795	1,709
Total revenue including accrued revenue		255	36	5,237	4,758
Less expenses including accrued expenses		295	130	3,270	2,963
Surplus / (deficit) for reporting period		(40)	(94)	1,966	1,795

41d Education Research

Parent entity (University) only

	Note	Joint Research Engagement 2016 $'000	Joint Research Engagement 2015 $'000	Research Training Scheme 2016 $'000	Research Training Scheme 2015 $'000	Research Infrastructure Block Grants 2016 $'000	Research Infrastructure Block Grants 2015 $'000	Sustainable Research Excellence in Universities 2016 $'000	Sustainable Research Excellence in Universities 2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		3,600	3,388	6,102	6,307	1,685	1,507	1,579	1,266
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,600	3,388	6,102	6,307	1,685	1,507	1,579	1,266
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		3,600	3,388	6,102	6,307	1,685	1,507	1,579	1,266
Less expenses including accrued expenses		3,600	3,388	6,102	6,307	1,685	1,507	1,579	1,266
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

Education Research (continued)

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

41d Education Research (continued)

	Note	Parent entity (University) only Total 2016 $'000	2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		12,966	12,468
Net accrual adjustments		-	-
Revenue for the period	3(d)	12,966	12,468
Surplus / (deficit) from the previous year		-	-
Total revenue including accrued revenue		12,966	12,468
Less expenses including accrued expenses		12,966	12,468
Surplus / (deficit) for reporting period		-	-

41e Other Capital Funding

		Parent entity (University) only					
		Teaching and Learning Capital Fund		Education Investment Fund		Total	
	Note	**2016**	2015	**2016**	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**-**	-	**2,626**	13,000	**2,626**	13,000
Net accrual adjustments		**-**	-	**-**	-	**-**	-
Revenue for the period	3(e)	**-**	-	**2,626**	13,000	**2,626**	13,000
Surplus / (deficit) from the previous year		**(3,496)**	(3,496)	**-**	-	**(3,496)**	(3,496)
Total revenue including accrued revenue		**(3,496)**	(3,496)	**2,626**	13,000	**(870)**	9,504
Less expenses including accrued expenses		**(3,496)**	-	**2,626**	13,000	**(870)**	13,000
Surplus / (deficit) for reporting period		**-**	(3,496)	**-**	-	**-**	(3,496)

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

41f Australian Research Council Grants

Parent entity (University) only

(i) Discovery	Note	Projects [#6] 2016 $'000	Projects [#6] 2015 $'000	ARC Discovery Early Career Researcher Award 2016 $'000	ARC Discovery Early Career Researcher Award 2015 $'000	Total Discovery 2016 $'000	Total Discovery 2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**1,182**	1,569	**128**	278	**1,310**	1,847
Net accrual adjustments			-		-	**-**	-
Revenue for the period	3(f)(i)	**1,182**	1,569	**128**	278	**1,310**	1,847
Surplus / (deficit) from the previous year		**893**	898	**124**	201	**1,017**	1,099
Total revenue including accrued revenue		**2,075**	2,467	**252**	479	**2,327**	2,946
Less expenses including accrued expenses		**1,356**	1,574	**134**	355	**1,490**	1,929
Surplus / (deficit) for reporting period		**719**	893	**118**	124	**837**	1,017

#6 Includes Early Career Researcher Award

Parent entity (University) only

(ii) Linkages	Note	Projects 2016 $'000	Projects 2015 $'000	ARC Future Fellowships 2016 $'000	ARC Future Fellowships 2015 $'000	Total Linkages 2016 $'000	Total Linkages 2015 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**121**	201	**103**	290	**224**	491
Net accrual adjustments			-		-	**-**	-
Revenue for the period	3(f)(ii)	**121**	201	**103**	290	**224**	491
Surplus / (deficit) from the previous year		**11**	159	**518**	568	**529**	727
Total revenue including accrued revenue		**132**	360	**621**	858	**753**	1,218
Less expenses including accrued expenses		**126**	349	**196**	340	**323**	689
Surplus / (deficit) for reporting period		**6**	11	**425**	518	**430**	529

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

Parent entity (University) only

41g OS-HELP

	Note	2016 $'000	2015 $'000
Cash Received during the reporting period		**1,515**	1,731
Cash Spent during the reporting period		**(1,192)**	(1,100)
Net Cash received	3(g)	**323**	631
Cash Surplus / (deficit) from the previous period		**1,063**	432
Cash Surplus / (deficit) for the reporting period		**1,386**	1,063

41h Higher Education Superannuation Program

	Note	2016 $'000	2015 $'000
Cash Received during the reporting period		**19,663**	2,526
University contribution in respect of current employees		**-**	-
Cash available		**19,663**	2,526
Cash Surplus / (deficit) from the previous period		**-**	-
Cash available for current period		**19,663**	2,526
Contributions to specified defined benefit funds		**(19,663)**	(2,526)
Cash Surplus / (deficit) this period		**-**	-

41i Student Services and Amenities Fee

	Note	2016 $'000	2015 $'000
Unspent / (overspent) revenue from previous period		**1,433**	3,392
SA-HELP Revenue Earned	3(b)	**299**	309
Student Services and Amenities Fees direct from Students	5	**504**	503
Total revenue expendable in period		**2,236**	4,204
Student Services expenses during period		**1,480**	2,771
Unspent / (overspent) Student Services Revenue		**757**	1,433

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 2016

INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

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

Opinion

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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 2016 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Agricultural Business Research Institute on 13 March 2017, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

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

Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf
The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- 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.

S Bond .

Sally Bond
Director, Financial Audit Services

15 March 2017
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 2016 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 Responsibi **Provisions** Current provision	Dairy Express Sub-Committee Board member since October 2005.
Name and Occupation:	**Professor Heiko DANIEL**
Qualifications:	MSc Hannover University, PhD UWA
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** 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, Resigned February 2016

Name and Occupation:	**Sue THOMAS**
Qualifications:	BSc(Hons), PhD, MBA (Tech Mgt), Grad Cert Tert Ed.
Experience:	Professor Sue Thomas is the Provost & Deputy Vice-Chancellor of the University of New England. Her scientific background is in Microbiology. Her role is to provide advice on strategy and planning matters, TEQSA and TAFE relationships and leadership to the academic Schools at UNE. Sue's professional career has seen her establishing research programs, commercial projects, responsible for research and teaching activities, liaison with external research consortia, and central involvement in government compliance processes. Board member since April 2016

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

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

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

Object (c) - ABRI provides the BREEDPLAN® genetic evaluation 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.

Object (d) – ABRI has developed a range of software products to help Australia's primary producers:
ILR2 – new generation breed register software for all species.
BREEDPLAN – beef cattle genetic evaluation system.
Dairy Express – a comprehensive herd recording system for the dairy industry.
HerdMASTER – a PC-based herd management system for beef cattle breeders.

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

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

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

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

Directors' meetings

During the financial year ended 31 December, 2016 four directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Hugh Peter NIVISON	4	4
Robert Anthony BARWELL	4	4
Ian Michael LOCKE	4	4
Barry John PAFF	4	3
Sue THOMAS	3	3
Peter Brett COOMBE	4	4
Morris George MCINNES	4	4
Michelle Denise CLARKE	1	1
Heiko DANIEL	4	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 2016, 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 $171,761 (2015 = $1,043,380) and the surplus after fair value adjustments on the financial assets was $267,133 (2015 = $855,190)

The operating surplus is deemed by the Directors to be a satisfactory result in the twentieth 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$36,200 for Directors and Officers Insurance covered the period 1 November 2015 to 31 October 2016. Insurance has been renewed for the Group for the period 1 November 2016 to 31 October 2017 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 is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2016.

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: 15/03/2017

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 2016, 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.

S Bond .

Sally Bond
Director, Financial Audit Services

13 March 2017
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 2016;

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: 15/03/2017

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 2016 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:15/03/2017

Income Statement

For the Period ended 31 December 2016

	Notes	**2016**	2015
		$	$
Income from continuing operations			
Investment revenue	**2**	275,913	316,832
Trading revenue	**4**	7,693,762	8,388,893
Total income from continuing operations		7,969,675	8,705,725
Total revenue and income from continuing operations		7,969,675	8,705,725
Expenses from continuing operations			
Employee related expenses	**5**	5,236,737	4,725,524
Depreciation and amortisation	**6**	235,456	267,324
Repairs and maintenance	**7**	105,078	108,215
Borrowing costs	**9**	801	-
Impairment of assets	**8**	5,456	12,376
Other expenses	**9**	2,214,386	2,548,906
Total expenses from continuing operations		7,797,914	7,662,345
Net result from continuing operations		**171,761**	**1,043,380**
Other Gains/(Losses)			
Other investment gain / (loss)	**3**	88,766	(199,298)
Gain on sale of assets	**3**	6,606	11,109
Net Result attributable to the ABRI	**20(b)**	**267,133**	**855,190**

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

Statement of Comprehensive Income

For the Period ended 31 December 2016

	Notes	2016 $	2015 $
Net result for the period		267,133	855,190
Items that will not be reclassified to profit or loss			
Gain/(Loss) on revaluation of land, buildings and infrastructure		143,143	-
Total other comprehensive income		143,143	-
Total comprehensive income for the period		410,276	855,190

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

Statement of Financial Position

As at 31 December 2016

	Notes	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	5,589,025	7,198,302
Receivables	**11**	1,608,434	1,548,853
Other assets	**13**	44,379	364,703
Total current assets		7,241,838	9,111,858
Non-current assets			
Other financial assets	**12**	4,259,793	2,331,829
Property, plant and equipment	**14**	3,112,134	2,988,185
Intangible assets	**15**	91,159	170,873
Total non-current assets		7,463,086	5,490,887
Total assets		14,704,924	14,602,745
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	229,362	936,961
Borrowings	**17**	7,209	-
Provisions	**18**	1,154,897	1,134,663
Other liabilities	**19**	688,164	342,990
Liabilities directly associated with non-current assets classified as held for sale		-	
Total current liabilities		2,079,632	2,414,614
Non-current liabilities			
Borrowings	**17**	28,884	-
Provisions	**18**	84,000	86,000
Total non-current liabilities		112,884	86,000
Total liabilities		2,192,516	2,500,614
Net assets		12,512,408	12,102,131
EQUITY			
Asset revaluation reserve	**20(a)**	1,309,039	1,165,896
Retained earnings	**20(b)**	11,203,369	10,936,235
Total equity attributable to equity holders of the company		12,512,408	12,102,131

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 2016

	Notes	Reserves	Retained Earnings	Total
Balance at 1 January 2015		1,165,896	10,081,046	11,246,942
Net result			855,189	855,189
Total comprehensive income		-	855,189	855,189
Balance at 31 December 2015	20(a)	1,165,896	10,936,235	12,102,131
Balance at 1 January 2016		1,165,896	10,936,235	12,102,131
Net result		-	267,133	267,133
Gain/(loss) on revaluation of Buildings, net of tax		143,143	-	143,143
Balance at 31 December 2016	20(a)	1,309,039	11,203,368	12,512,407

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 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		8,674,886	9,159,235
Dividends received		81,540	136,017
Interest received		243,368	189,003
Payments to suppliers and employees		(8,099,051)	(7,813,782)
GST recovered/paid		(540,882)	-
Net cash provided by operating activities	26	359,861	1,670,473
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	(64,984)
Payments for property, plant and equipment		(136,547)	-
Proceeds from sale of financial assets		2,306,627	48,810
Payments for financial assets		(4,140,000)	-
Net cash used in investing activities		(1,969,920)	(16,174)
Cash flows from financing activities			
Repayment of finance leases		782	-
Net cash provided by / (used in) financing activities		782	-
Net increase in cash and cash equivalents		(1,609,277)	1,654,299
Cash and cash equivalents at the beginning of the financial year		7,198,302	5,544,003
Cash and cash equivalents at the end of the financial year	10	5,589,025	7,198,302

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, 2016 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 on 14th February 2017.

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 2016 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 2016 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 2016 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 2016.

		Notes	2016	2015
Note 2.	**Investment revenue**			
	Interest		194,373	180,815
	Dividend Income		81,540	136,017
	Total investment revenue		275,913	316,832
Note 3.	**Gains and losses**			
	Other investment gains/(losses)		88,766	(199,298)
	Gain on sale of assets		6,606	11,109
	Total gains and losses		95,372	(188,189)
Note 4.	**Trading revenue**			
	Fees and charges		7,693,762	8,388,893
	Total trading revenue		7,693,762	8,388,893
Note 5.	**Employee related expenses**			
	Salaries		4,548,158	4,152,963
	Contribution to funded superannuation and pension schemes		418,062	380,889
	Payroll tax		228,929	207,150
	Worker's compensation		11,789	6,224
	Leave accrual expense		18,234	(32,332)
	Other (Allowances, penalties and fringe benefits tax)		11,565	10,630
	Total employee related expenses		5,236,737	4,725,524
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Buildings		82,572	82,571
	Infrastructure		4,000	4,000
	Furniture and Fittings		20,060	18,884
	Plant and Equipment		35,328	40,557
	Motor Vehicles		12,635	8,577
	Leased assets		1,147	-
	Total depreciation		155,742	154,589
	Amortisation			
	Intangibles		79,714	112,735
	Total amortisation		79,714	112,735
	Total depreciation and amortisation		235,456	267,324
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		105,078	108,215
	Total repairs and maintenance		105,078	108,215
Note 8.	**Impairment of assets**			
	Bad Debts		5,456	12,376
	Total impairment of assets		5,456	12,376
Note 9.	**Other expenses**			
	Non-capitalised equipment		13,874	12,864
	Advertising, marketing and promotional expenses		31,620	35,502
	Utilities		30,375	29,803
	Postal and Telecommunications		425,355	462,718
	Travel and Entertainment		125,507	117,047
	Operating Lease Rental Charges		44,376	38,110
	Consultants		809,042	879,413
	Royalties		124,740	411,235
	Computer and Office Supplies		198,614	97,846
	Other Expenditure		410,883	464,368
	Total other expenses		2,214,386	2,548,906
	Borrowing costs		801	-
	Reconciliation of Finance costs			
	Finance lease interest		801	-
	Less : amount capitalised		-	-
	Total borrowing costs expensed		801	-

		Notes	2016 $	2015 $
Note 10.	**Cash and cash equivalents**			
	Cash at bank		892,916	1,574,091
	At call investments		4,696,109	5,624,211
	Total cash and cash equivalents		5,589,025	7,198,302

(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:

	2016 $	2015 $
Balances as above	5,589,025	7,198,302
Less: Bank Overdrafts	-	-
Balance per cash flow statement	5,589,025	7,198,302

(b) Deposits at call
The deposits are bearing floating interest rates between 2.5% and 2.8% (2015: 2.8% and 3.0%). These deposits have an average maturity of 162 days.

		Notes	2016 $	2015 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,626,489	1,565,232
	Less: Provision for impaired receivables	1(h)	(18,055)	(16,379)
	Total current receivables		1,608,434	1,548,853
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		1,608,434	1,548,853

(a) Impaired receivables

As at 31 December 2016 current receivables of the entity with a nominal value of $18,055 (2015: $16,379) were impaired.
The amount of the provision was $18,055 (2015: $16,379).
The ageing of these receivables is as follows:

	2016 $	2015 $
3 to 6 months	-	-
Over 6 months	18,055	16,379
	18,055	16,379

As of 31 December 2016, trade receivables of $247,124 (2015: $225,159) 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:

	2016 $	2015 $
3 to 6 months	24,884	125,575
Over 6 months	222,240	99,584
	247,124	225,159

Movements in the provision for impaired receivables are as follows:

	2016 $	2015 $
As at 1 January	16,379	13,886
Provision for impairment recognised during the year	8,632	8,633
Receivables written off during the year as uncollectible	(6,956)	(6,140)
	18,055	16,379

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	2016 $	2015 $
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		4,259,793	2,331,829
Total non-current other financial assets		4,259,793	2,331,829

Note 13. Other assets

	2016 $	2015 $
Current		
Accrued Income	17,189	344,891
Prepaid Expenses	27,190	19,812
Total current other non-financial assets	44,379	364,703

Note 14. Property, plant and equipment

	Freehold land $	Freehold buildings $	Infrastructure $	Plant and equipment $	Motor vehicle $	Leased assets $	Furniture & fittings $	Total $
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**
Revaluation increment/(decrement)	-	-	-	-	-	-	-	**-**
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-
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	-	2,420,000	80,000	1,492,805	359,447	-	257,701	**4,609,954**
- Valuation	400,000	-	-	-		-	-	**400,000**
Accumulated depreciation	-	(82,571)	(4,000)	(1,430,752)	(313,559)	-	(190,887)	**(2,021,769)**
Net book amount	**400,000**	**2,337,429**	**76,000**	**62,053**	**45,889**	-	**66,814**	**2,988,185**
Year ended 31 December 2016								
Opening net book amount	400,000	2,337,429	76,000	62,053	45,889	-	66,814	**2,988,185**
Additions	-	-	-	81,586	-	36,875	18,088	**136,548**
Revaluation increment/(decrement)	-	(27,000)	(3,000)	-	-	-	-	**(30,000)**
Adjustment to accumulated depreciation on revaluation	-	165,143	8,000	-	-	-	-	**173,143**
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-
Depreciation charge	-	(82,572)	(4,000)	(35,328)	(12,635)	(1,147)	(20,060)	**(155,742)**
Closing net book amount	**400,000**	**2,393,000**	**77,000**	**108,311**	**33,254**	**35,728**	**64,842**	**3,112,134**
At 31 December 2016								
- Cost	-	-	-	1,574,391	82,365	36,875	275,789	**1,969,420**
- Valuation	400,000	2,393,000	77,000	-	-	-	-	**2,870,000**
Accumulated depreciation	-	-	-	(1,466,080)	(49,112)	(1,147)	(210,947)	**(1,727,286)**
Net book amount	**400,000**	**2,393,000**	**77,000**	**108,311**	**33,254**	**35,728**	**64,842**	**3,112,134**

		Notes	2016	2015
Note 15.	**Intangible assets**	1(l)	**$**	**$**
	At 1 January			
	Cost		2,474,137	2,474,138
	Accumulated amortisation and impairment		(2,382,978)	(2,303,265)
	Net book amount		91,159	170,873
	Year ended 31 December			
	Opening net book amount		170,873	283,608
	Amortisation charge		(79,714)	(112,735)
	Closing net book amount		91,159	170,873
Note 16.	**Trade and other payables**			
	Current			
	Trade Payables		68,284	342,294
	Other Payables		161,078	139,505
	Total current trade and other payables		229,362	481,799
Note 17	**Borrowings**			
	Current			
	Finance Lease (i)			
	ALP Automotive		7,209	-
	Total current borrowings		7,209	-
	Non-current			
	Finance Lease			
	ALP Automotive		28,884	-
	Total non-current borrowings		28,884	-
Note 18.	**Provisions**	1(n)		
	Current provisions expected to be settled within 12 months			
	Annual leave		323,296	326,063
	Long service leave		77,000	77,000
	Make good provision		3,600	3,600
	Total Current Provision		403,896	406,663
	Current provisions expected to be settled wholly after more than 12 Months			
	Employee benefits			
	Annual leave		327,000	310,000
	Long service leave		424,000	418,000
	Subtotal		751,000	728,000
	Total Current Provision		1,154,896	1,134,663
	Non-current provisions			
	Employee benefits			
	Long service leave		84,000	86,000
	Total non-current provision		84,000	86,000
	Total provisions		1,238,896	1,220,663

		2016 $	2015 $
Note 19.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Accrued Expenses	298,528	455,162
	Fees in Advance	284,266	234,088
	GST Payable	105,370	108,902
	Total current other liabilities	688,164	798,152

		2016 $	2015 $
Note 20.	**Reserves and retained earnings**		
a)	**Reserves**		
	Revaluation Reserve		
	- Land	320,000	320,000
	- Buildings	955,010	816,867
	- Infrastructure	34,029	29,029
		1,309,039	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	955,010	816,867
	Reserves at 31 December	955,010	816,867
	Reserves at 1 January - Infrastructure	34,029	29,029
	Reserves at 31 December	34,029	29,029
b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	10,936,235	10,081,046
	Net Operating Result for the year	267,134	855,189
	Retained Earnings at 31 December	11,203,369	10,936,235
	Total Equity	12,512,408	12,102,131

		2016 $	2015 $

Note 21. 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 H.P. Nivison in his capacity as Managing Director of ABRI.

	2016 No.	2015 No.
Nil to $9,999	8	8
	8	8

Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	6,000	3,800

Remuneration of executive officers	**No.**	**No.**
$100,000 to $129,999	4	2
$130,000 to $159,999	1	-
$160,000 to 240,000	1	1
	6	3

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	823,552	416,049

Note 22. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	25,000	24,100
Total remuneration for audit services	25,000	24,100

Note 23. 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 24. Commitments

	2016 $	2015 $
Operating Leases		
Within one year	29,880	4,838
Between one and five years	34,860	
Total future minimum lease payments	64,740	4,838
(ii) Finance Leases		
Within one year	7,209	-
Between one and five years	28,884	-
Total future minimum lease payments	36,093	-
Total lease commitments	100,833	4,838

No lease arrangements, existing as at 31 December 2016, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 25. Related parties

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

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

(c) Key management personnel
Disclosures relating to directors and specified executives are set out innote 21.

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

The following transactions occurred with related parties:

Transactions during the period		
University of New England		
Income received from	-	-
Payments made to	(159,736)	(251,817)
Net	(159,736)	(251,817)

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

University of New England		
Payables to	226	5,616

(f) Guarantees
There have been no guarantees given.

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

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

	2016 $	2015 $
Operating result for the period	171,760	855,189
Depreciation and amortisation	235,456	267,325
Provision for impaired receivables	1,676	2,493
Increase/(Decrease) in Payables and Prepaid Income	(325,677)	395,479
Increase/(Decrease) in Provision for Employee Entitlements	4,000	(36,000)
Increase/(Decrease) in Provision for Annual Leave	14,234	3,668
(Increase)/Decrease in Receivables and Prepaid Expenses	258,412	182,319
Net cash provided by / (used in) operating activities	359,861	1,670,473

Note 27. Events subsequent to reporting period

There are no reportable events occuring after balance date.

Note 28. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 18	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(c)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(c)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.5% and 2.75%. Average maturity of 162 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

Note 28. Financial risk management (continued)

(c) Liquidity Risk (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 2016	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	1.10	892,916					892,916
Investments-Term Deposits	2.70		4,696,109				4,696,109
Receivables						1,608,434	1,608,434
Listed Shares						4,259,793	4,259,793
Accrued Income						17,189	17,189
Total Financial Assets		892,916	4,696,109			5,885,416	11,474,441
Financial Liabilities							
Payables						68,284	68,284
Total Financial Liabilities						68,284	68,284
Net Financial Assets(Liabilities)		892,916	4,696,109			5,817,132	11,406,157

Comparative figures for the previous year are as follows:

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 and 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							
Borrowings							
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

Note 28. Financial risk management (continued)

(c) Liquidity Risk (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 2016	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	892,916	(8,929)	(8,929)	8,929	8,929	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,696,109	(46,961)	(46,961)	46,961	46,961	N/A	N/A	N/A	N/A
Receivables	1,608,434	-	-	-	-	-	-	-	-
Listed Shares	4,259,793	-	-	-	-	(42,598)	(42,598)	42,598	42,598
Accrued Income	17,189	-	-	-	-	-	-	-	-
Total Financial Assets	11,474,441	(55,890)	(55,890)	55,890	55,890	(42,598)	(42,598)	42,598	42,598
Financial Liabilities									
Creditors	68,284	(683)	(683)	683	683	N/A	N/A	N/A	N/A
Total Financial Liabilities	68,284	(683)	(683)	683	683	-	-	-	-
Total increase / (decrease)	11,406,157	(55,207)	(55,207)	55,207	55,207	(42,598)	(42,598)	42,598	42,598

Comparative figures for the previous year are as follows:

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	9,370	N/A	N/A	N/A	N/A
Total Financial Liabilities	936,961	(9,370)	(9,370)	9,370	9,370	-	-	-	-
Total increase / (decrease)	10,486,914	(62,613)	(62,613)	62,613	62,613	(23,318)	(23,318)	23,318	23,318

Note 29 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

An interim revaluation of Land, Buidings and Infrastructure found that book value is not materially different from fair value

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 2016.

	31 Dec 2016	Level 1	Level 2	Level 3
	$	$	$	$
Financial assets				
Other financial assets	4,259,793	4,259,793	-	-
Total	4,259,793	4,259,793	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,393,000	-	-	2,393,000
Infrastructure	77,000	-	-	77,000
Total	2,870,000	-	-	2,870,000

	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

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 29 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3)

Level 3 Fair value measurements 2016	**Land**	**Buildings**	**Infrastructure**	**Total**
	$	**$**	**$**	**$**
Opening balance	400,000	2,337,429	76,000	2,813,429
Adoption of AASB 13	-	-	-	-
Acquisitions	-	-	-	-
Transfers from level 1	-	-	-	-
Transfers from level 1	-	-	-	-
Sales	-	-	-	-
Issues Settlements	-	-	-	-
Total gains /(losses)	-	-	-	-
Recognised in profit or loss *	-	(82,572)	(4,000)	(86,572)
Recognised in other comprehensive income	-	138,143	5,000	143,143
Closing balance	**400,000**	**2,393,000**	**77,000**	**2,870,000**

Level 3 Fair value measurements 2015	**Land**	**Buildings**	**Infrastructure**	**Total**
	$	**$**	**$**	**$**
Opening balance	400,000	2,420,000	80,000	2,900,000
Acquisitions	-	-	-	-
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**

*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	2,392,999	Global Valuation	3	
Infrastructure	77,000	Global Valuation	3	

END OF AUDITED FINANCIAL STATEMENTS

Sport UNE Pty Ltd

ABN: 73 138 308 899
Annual Financial Report for the year ended 30 November 2016

INDEPENDENT AUDITOR'S REPORT

Sport UNE Pty Limited

To Members of the New South Wales Parliament

Opinion

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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2016, 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

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

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

The Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the Directors must assess the Company's ability to continue as a going concern unless the Company will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf..
The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- 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

S Bond.

Sally Bond
Director, Financial Audit Services

9 March 2017
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 2016 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 noting the factors outlined in Note 1(r) of the financial statements.

Signed in accordance with a resolution of the Directors.

Brendan Peet
Company Secretary

David Schmude
Director

9th March 2017

Income Statement
For the year ended 31 December 2016

	Note	2016 $	2015 $
Income from continuing operations			
Trading Income	**2**	2,641,319	2,806,248
Investment revenue	**3**	9,241	10,373
Total income from continuing operations		2,650,560	2,816,621
Expenses from continuing operations			
Personnel services	**4**	1,250,949	1,524,710
Depreciation	**5**	85,536	92,441
Repairs and maintenance	**6**	81,015	181,844
Impairment of assets	**7**	5,133	2,377
Other expenses	**8**	1,718,948	846,654
Total expenses from continuing operations		3,141,581	2,648,026
Net result attributable after income tax	**16**	(491,021)	168,595

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

Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	2016 $	2015 $
Net result for the period		(491,021)	168,595
Other comprehensive income		-	-
Total comprehensive income for the year		(491,021)	168,595

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

Statement of Financial Position
As at 31 December 2016

	Note	**2016** $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	**9**	-	484,407
Receivables	**10**	-	101,189
Inventories	**11**	-	15,046
Total current assets		-	600,642
Non-current assets			
Property, plant & equipment	**12**	-	458,289
Total non-current assets		-	458,289
Total assets		-	1,058,931
LIABILITIES			
Current liabilities			
Trade and other payables	**13**	-	23,457
Personnel services payable	**14**	-	115,917
Other liabilities	**15**	-	395,416
Total current liabilities		-	534,790
Non-current liabilities			
Personnel services payable	**14**	-	33,000
Total non-current liabilities		-	33,000
Total liabilities		-	567,790
Net assets		-	491,141
EQUITY			
Retained earnings	**16**	-	491,021
Share Capital	**17**	-	120
Total equity		-	491,141

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 2016

	Shares	Retained earnings	Total
Balance at 1 January 2015	120	322,426	322,546
Net result	-	168,595	168,595
Issue of Share Capital	-	-	-
Total comprehensive income	-	168,595	168,595
Balance at 31 December 2015	-	491,021	491,141
Balance at 1 January 2016	120	491,021	491,141
Net result	-	(491,021)	(491,021)
Redemption of Share Capital	(120)	-	(120)
Total comprehensive income	(120)	(491,021)	(491,141)
Balance at 31 December 2016	-	-	-

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 2016

	Note	**2016**	2015
		$	$
Cash flows from operating activities			
Receipts from customers		2,750,494	2,901,327
Interest received		9,241	10,373
Payments to suppliers and personnel services (inclusive of GST)		(1,581,059)	(2,716,859)
Net cash provided by / (used in) operating activities	**24**	1,178,676	194,841
Cash flows from investing activities			
Payment for property, plant & equipment		(80,830)	-
Net cash provided by / (used in) investing activities		(80,830)	-
Cash flows from financing activities			
Cash Transfer to UNE Life Pty Ltd		(1,582,133)	-
Share redemption		(120)	
Net cash provided by / (used in) financing activities		(1,582,253)	-
Net increase / (decrease) in cash and cash equivalents		(484,407)	194,841
Cash and cash equivalents at the beginning of the financial year		484,407	289,566
Cash and cash equivalents at the end of the financial year		-	484,407

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 2016 was authorised for issue in accordance with a resolution of the Board on 9 March 2017.

By resolution of the University of New England Council on the 16th of September 2016, Sport UNE Pty Ltd ceased trading as at the 30th November 2016. As at this date all assets and liabilities transferred to UNE Life Pty Ltd.

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 annual financial statements represent the audited general purpose financial statements of UNE Life Pty Ltd. They have been prepared on an accrual basis and comply with Australian Accounting Standard.

Additionally the statements have been prepared in accordance with the following statutory requirements.
- Public Finance and Audit Act 1983,
- Public Finance and Audit Regulations 2015.

UNE Life Pty Ltd 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 IFRS requirements.

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 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. In some cases this may not be probable until consideration is received or an uncertainty is removed. 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.

Note 1. Summary of significant accounting policies (continued)

(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) Trade receivables

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

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 Entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability the the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivables are 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 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 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.

Note 1. Summary of significant accounting policies (continued)

(j) 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:

	2016	2015
Plant and Equipment -	6 to 10 yrs	6 to 10 yrs
Motor Vehicles -	10 yrs	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. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw downs of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility

Borrowings are removed from the 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 end of the reporting 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

(i) Wages and Salaries
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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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 Australian Taxation Office. 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 Australian Taxation Office 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) Licenses

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

(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) Going Concern

The financial statements have not been prepared on a going concern basis as the entity ceased trading on 30th November 2016. All assets and liabilities were transferred to the UNE Life Pty Ltd in accordance with the deed of transfer by the sole member of Sport UNE Pty and UNE Life Pty Ltd, that being the University of New England

(s) New standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations have been published for the 31 December 2016 reporting period.

The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future interpretations and considers the impact to be insignificant for the year ending December 2016

		2016 $	2015 $
Note 2.	**Trading income**		
	University contribution	1,329,113	1,330,000
	Membership fees	790,793	829,009
	Facility fees & equipment hire	298,886	330,892
	Café sales	142,714	170,257
	Twilight Sports & Sports camps	20,440	88,404
	University sporting programs	33,104	49,178
	Commercial programs & events	10,755	8,226
	Sundry	15,514	282
	Total trading income	2,641,319	2,806,248
Note 3.	**Investment revenue**		
	Interest	9,241	10,373
	Total investment revenue	9,241	10,373
Note 4.	**Personnel services**		
	Personnel services	1,250,949	1,524,710
	Total personnel services	1,250,949	1,524,710
Note 5.	**Depreciation**		
	Plant and Equipment	77,493	83,678
	Motor Vehicles	8,043	8,763
	Total depreciation	85,536	92,441
Note 6.	**Repairs and maintenance**		
	Infrastructure/Plant & Equipment	23,392	95,695
	Grounds	57,623	86,149
	Total repairs and maintenance	81,015	181,844
Note 7.	**Impairment of assets**		
	Bad Debts	2,841	-
	Doubtful debts	2,292	2,377
	Total impairment of assets	5,133	2,377
Note 8.	**Other expenses**		
	Non-capitalised equipment	44,944	35,961
	Advertising, marketing and promotional expenses	33,900	40,835
	Accounting & Administration support	48,000	-
	Motor Vehicles and Utilities	283,898	331,312
	Inventory Used	97,750	106,912
	Postal and Telecommunications	1,649	5,245
	Travel and Entertainment	6,684	4,783
	Software & Computer expenses	1,477	17,626
	Camps & University Sporting Programs	125,163	148,537
	Office Expenses	3,820	3,040
	Subscriptions & Associations	33,221	21,642
	Scholarships & Donations	45,604	44,873
	Sports Business	9,681	560
	Insurance	10,670	2,293
	Audit	20,600	20,500
	Other Expenditure	47,280	62,535
	Transfer of Business*	904,607	-
	Total other expenses	1,718,948	846,654

* Transfer of Business relates to the net assets of Sport UNE Pty Ltd being transferred to UNE Life Pty Ltd on the close of business on the 30th of November 2016.

		Note	2016 $	2015 $
Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand and at bank		-	452,152
	Short term deposits at call		-	32,255
	Total cash and cash equivalents		-	484,407

(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:

	2016 $	2015 $
Balances as above	-	484,407
Less: Bank Overdraft	-	-
Balance per cash flow statement	-	484,407

(b) Cash on hand

	2016 $	2015 $
These are non-interest bearing.	-	1,400

(c) Deposits at call
The deposits are bearing floating interest rates at 0% (2015: 2.74%).

		Note	2016 $	2015 $
Note 10.	**Receivables**			
	Current			
	Trade Debtors		-	103,566
	Less: Provision for impaired receivables	1(h)	-	(2,377)
	GST Receivable		-	-
	Total current receivables		-	101,189
	Total receivables		-	101,189

As at 31 December 2016, trade receivables of $0(2015: $73,147) 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:

	2016 $	2015 $
3 to 6 months	-	1,581
Over 6 months	-	71,566
	-	73,147

Impaired receivables

As at 31 December 2016 the entity held provisions of $0(2015: $2,377) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

The ageing of these receivables is as follows:

	2016 $	2015 $
Current	-	-
3 to 6 months	-	-
Over 6 months	-	2,377
	-	2,377

Movements in the provision for impaired receivables are as follows:

	2016 $	2015 $
At 1 January	2,377	4,920
Provision for impairment recognised during the year	2,292	2,377
Receivables written off during the year as uncollectible	-	(4,920)
Provision transferred to UNE Life Pty Ltd	(4,669)	-
At 31 December	-	2,377

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	2016 $	2015 $
Note 11. Inventories	1(i)		
Current stock		-	15,046
Total current inventories		-	15,046
Note 12. Property, plant and equipment			
Plant & Equipment: at cost		-	688,925
Less: Accumulated depreciation		-	(269,728)
At cost - 31 December		-	419,197
Motor Vehicle: at cost		-	75,446
Less: Accumulated depreciation		-	(36,354)
At cost - 31 December		-	39,092
Total property, plant & equipment		-	458,289

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 2015	502,875	47,855	550,730
Additions	-	-	-
Depreciation expense	(83,678)	(8,763)	(92,441)
Disposal	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2015	419,197	39,092	458,289
Balance 1 January 2016	419,197	39,092	458,289
Additions	80,830	-	80,830
Depreciation expense	(77,493)	(8,043)	(85,536)
Disposals	-	-	-
Assets Transferred to UNE Life Pty Ltd	(422,534)	(31,049)	(453,583)
Carrying amount at 30 November 2016	0	0	0

	Note	2016 $	2015 $
Note 13. Current Trade and other payables			
Trade Payables		-	23,457
Total current trade and other payables		-	23,457

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

	Note	2016 $	2015 $
Note 14. Personnel services payable	1(n)		
Current Personnel services payable		-	115,917
Other payables		-	-
Total current payables		-	115,917
Non-current payables			
Non-current personnel services payable		-	33,000
Total non-current payable		-	33,000
Total payable		-	148,917
Note 15. Other current liabilities			
Members subscriptions in advance		-	142,781
Other Accrued Expenditure		-	145,287
PAYG Payable		-	-
GST Payable		-	2,248
Funds held in Trust		-	105,100
Total current other liabilities		-	395,416
Note 16. Reserves and retained Earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		491,021	322,426
Net result for the year		(491,021)	168,595
Retained Earnings at 31 December		-	491,021
Note 17. Share Capital			
Share Capital held - 120 at $1 owned by the University of New England		-	120
		-	120

Note 18. 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:

Director

Mr David Schmude

The following persons resigned from the board for the year:

Ms Anita Taylor (resigned 18th March 2016)

The following persons held the role of company secretary of the board for the year:

Mr Brendan Peet

Executive Officers

Mr David Schmude - Managing Director

Mr Ashley Clee - Deputy Director

Note 18. Key management personnel disclosures (continued)

(b) Remuneration of Directors and Executives

Remuneration of Directors

The Directors of the entity act in an honorary capacity and receives no benefits or fees for their services.
The Directors did not receive benefits and fees from a related body corporate except for Mr David Schmude in his capacity as Managing Director of Sport UNE Pty Ltd. Mr David Schmude's role also incorporates the role of Managing Director of UNE Life Pty Ltd

	2016 No.	2015 No.
Nil to $9,999	2	3
	2	3
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$110,000 to $139,999	1	1
$140,000 to $169,999	-	-
$170,000 to $199,999	1	-
$200,000 to $229,999	-	1
	2	2

Note 19. Remuneration of auditors

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

	2016 $	2015 $
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	20,600	20,500
Total paid for audit services	20,600	20,500

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
Sport UNE Pty Ltd is a 100% owned subsidiary of 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:

	2016	2015
Transactions during the period	**$**	$
University of New England		
Income received	1,593,881	1,501,842
Payments made	(1,737,903)	(1,594,558)
Net	(144,022)	(92,716)
UNE Life Pty Ltd		
Income received	-	-
Payments made	(993,039)	(90,534)
Net	(993,039)	(90,534)

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
Payables	-	7,156
UNE Life Pty Ltd		
Receivables	-	-
Payables	-	72

(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 occuring after the end of the reporting period

SportUNE Pty Ltd ceased operations on the 30th November 2016. From the 1st of December 2016 all operations were conducted by UNE Life Pty Ltd.

Note 24. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	Note	2016 $	2015 $
Net result for the period		(491,021)	168,595
Depreciation		85,536	92,441
Loss on Transfer to UNE Life Pty Ltd	1	904,607	-
Increase/(Decrease) in Payables and Prepaid Income	15	843,431	18,737
Increase/(Decrease) in Provision for Personel Services Payable	14	(148,917)	(20,403)
Increase/(Decrease) in Other Provisions	15	14,737	(26,944)
(Increase)/Decrease in Receivables and Prepaid Expenses	10	(30,616)	(35,556)
(Increase)/Decrease in Inventories	11	919	(2,029)
Net cash provided by / (used in) operating activities		1,178,676	194,841

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.

Note 24. 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 2016	Note	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non Interest bearing	Total
		%	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	**9**	0.00%	-			-	-
Receivables	**10**					-	-
Total Financial Assets			-	-	-	-	-
Financial Liabilities							
Payables	**13**					-	-
Total Financial Liabilities			-	-	-	-	-

31 December 2015	Note	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non Interest bearing	Total
		%	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	**9**	2.60%	450,752	32,255		1,400	484,407
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

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 2016	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	-				
Total Financial Assets	-				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	-				
Total Financial Liabilities	-				
Total increase / (decrease)	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2015	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	484,407	(4,844)	(4,844)	4,844	4,844
Receivables	101,189				
Total Financial Assets	585,596				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	23,457				
Total Financial Liabilities	23,457				
Total increase / (decrease)	562,139	-	-	-	-

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	
	2016	2015	2016	2015
	$	$	$	$
Financial assets				
Cash and cash equivalents	0	484,407	0	484,407
Receivables	0	101,189	0	101,189
Total financial assets	0	585,596	0	585,596
Financial liabilities				
Payables	0	23,457	0	23,457
Total financial liabilities	0	23,457	0	23,457

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report for the year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

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

Opinion

I have audited the accompanying financial statements of UNE Foundation Limited (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 2016 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

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I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of UNE Foundation Limited on 13 March 2017, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- 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.

S Bond.

Sally Bond
Director, Financial Audit Services

16 March 2017
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 2016 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 AO
BSc (Hons) (UNE) BA (ANU) FAICD

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. He was appointed an Adjunct Professor in the University's School of Humanities in 2015.

Appointed a Director of UNE Foundation Ltd on 5 September 2006.

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 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 a former Chair of the Board of Australian Forestry Standard Ltd. He is a Director of Australia 21. He has held directorships 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 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 Board.

Appointed a Director of UNE Foundation Ltd on 21 September 2015.

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.

Mr Martin Dolan

Martin Dolan was born in Scotland in 1957 and was raised in Armidale, where his parents both taught at the university. He was educated at Armidale High School and the University of New England, where he completed a Bachelor of Arts degree with Honours in French.

Martin subsequently had a thirty-six year career with the Australian Government. He started his public service career in 1980 with AusAid, managing aid projects in developing countries, including a two-year posting to Bangladesh.

He then undertook various corporate management roles in the Department of Agriculture, Fisheries and Forestry, including as Chief Finance Officer and Head of Corporate Management.

From 2001–2005 he was Executive Director, Aviation and Airports at the Department of Transport and Regional Services, with responsibility for airport sales and regulation, aviation security, aviation safety policy and international aviation negotiations. He was given charge of aviation security for two years in the aftermath of the events of 11 September 2001.

In 2006, Martin was the first Chief Executive Officer of the Australian Energy Markets Commission. Following that, he was Deputy Chief Executive Officer and then CEO of Comcare, with responsibility for the occupational health and safety and workers' compensation of Commonwealth employees.

In July 2009, Martin was appointed as the first Chief Commissioner of the Australian Transport Safety Bureau for a term of five years, which was later extended for a further two years. The ATSB investigates transport accidents in the air, rail and marine sectors. In addition, it had led the search for the missing Malaysia Airliners flight MH 370.

Martin retired from the Australian Public Service in 2016 to focus on his writing. He is currently a PhD candidate in creative writing at the University of Canberra.

Appointed a Director of UNE Foundation Ltd on 29 November 2016.

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 a Funds Manager 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.

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	4	4
Professor Annabelle Duncan*	3	4
Ms Caroline Forrest	4	4
Mr Geoff Gorrie	4	4
Ms Kerrie Murphy	3	4
Ms Meredith Symons	4	4
Ms Janine Wilson	4	4
Mr John Wilson	4	4
Mr Martin Dolan	1	1

** When an apology, Prof Duncan was represented by Mr Trevor Goldstone, Pro Vice-Chancellor External Relations.*

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 2016, the collective liability of members was $900 ($100 per member, maximum number of members is 9).

Review of Operations

During 2016, the company continued to operate as trustee of UNE Foundation and had no financial results.

Significant Changes in the State of Affairs

In 2016, the University of New England through a competitive tender process, appointed a Funds Manager to invest the funds of the University and its controlled entities. The company changed its Funds Managers accordingly in 2016.

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 2016.

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
Chair - Director

15 March 2017

Professor Annabelle Duncan
Director

15 March 2017

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 2016, 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.

S Bond.

Sally Bond
Director, Financial Audit Services

13 March 2017
SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e mail@audit.nsw.gov.au I 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 2016;

(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
Chair - Director

15 March 2017

Professor Annabelle Duncan
Director

15 March 2017

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 2016 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
Chair - Director

15 March 2017

Professor Annabelle Duncan
Director

15 March 2017

Statement of Profit or Loss
For the year ended 31 December 2016

	2016	2015
	$	$
Income from continuing operations	-	-
Expenses from continuing operations	-	-
Net result from continuing operations	-	-

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

Statement of Comprehensive Income
For the year ended 31 December 2016

	2016	2015
	$	$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position
As at 31 December 2016

	2016	2015
	$	$
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 2016

	Reserves	Retained Earnings	Total
Balance as 1 January 2015	-	-	-
Total comprehensive income			
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2015	-	-	-
Balance at 1 January 2016	-	-	-
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2016	-	-	-

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 2016

	2016 **$**	2015 $
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 2016 were authorised for issue in accordance with a resolution of the Board on 15 March 2017.

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 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 2016 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 any material commitments at 31 December 2016 (2015: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2016 (2015: 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 2016 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 2016

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the UNE Foundation (the Foundation), which comprise the statement of financial position as at 31 December 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 31 December 2016, 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Foundation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

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

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The Trustee's Responsibility for the Financial Statements

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

In preparing the financial statements, the Trustees must assess the Foundation's ability to continue as a going concern unless the Foundation will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf..

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Foundation carried out its activities effectively, efficiently and economically
- 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

S Bond .

Sally Bond
Director, Financial Audit Services

16 March 2017
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 2016 was a surplus of $3,711,244 (2015: $490,730).

Investment related revenue was $773,615 in 2016 (2015: $603,914). This was a 28.10 percent increase on the 2015 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*
15 March 2017	15 March 2017

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 2016 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 15 March 2017.

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*
15 March 2017	15 March 2017

Income Statement

For the year ended 31 December 2016

	Notes	**2016**	2015
		$	$
Income from continuing operations			
Donations and fundraising	**2**	3,942,020	1,077,326
Investment income	**3**	514,617	562,835
Other revenue	**4**	78,226	120,150
Other investment income	**3**	73,883	-
Gain on disposal of assets		141,024	-
Total income from continuing operations		4,749,770	1,760,311
Expenses from continuing operations			
Administrative expenses	**5**	80,251	62,686
Impairment of assets	**6**	7,111	-
Total expenses from continuing operations		87,362	62,686
Net result from continuing operations before distributions to UNE		4,662,408	1,697,625
Less distribution to UNE	**7**	(951,164)	(1,206,895)
Net result for the year after distribution to UNE		3,711,244	490,730

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

Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	**2016**	2015
		$	$
Net result for the year after distribution to UNE		3,711,244	490,730
Items that may be reclassified to profit or loss			
Gain/(loss) in fair value of available for sale financial assets	**13 (a)**	65,754	(10,811)
Items that will not be reclassified to profit or loss			
Transfer from reserves	**13 (a)**	(73,883)	-
Total other comprehensive income		3,703,115	479,919
Total comprehensive income for the period		3,703,115	479,919

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

Statement of Financial Position
As at 31 December 2016

	Notes	**2016**	2015
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	**8**	110,735	2,159,918
Trade and other receivables	**9**	99,536	196,300
Other financial assets	**10**	546,000	3,360,480
Non-current assets classified as held for sale	**11**	1,258,803	-
Total current assets		2,015,074	5,716,698
Non-current assets			
Other financial assets	**10**	14,698,083	7,246,401
Total non-current assets		14,698,083	7,246,401
Total assets		16,713,157	12,963,099
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	97,882	50,939
Total current liabilities		97,882	50,939
Total liabilities		97,882	50,939
Net assets		16,615,275	12,912,160
EQUITY			
Reserves	**13 (a)**	120,190	128,319
Retained earnings	**13 (b)**	16,495,085	12,783,841
Total equity		16,615,275	12,912,160

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 2016

	Reserves	Retained earnings	Total
Balance at 1 January 2015	139,130	12,293,111	12,432,241
Net result	-	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
Balance at 1 January 2016	128,319	12,783,841	12,912,160
Net result	-	3,711,244	3,711,244
Gain/(loss) on available for sale financial assets	65,754	-	65,754
Transfer to/(from) reserves on disposal of available for sale financial assets	(73,883)	-	(73,883)
Total comprehensive income	(8,129)	3,711,244	3,703,115
Balance at 31 December 2016	120,190	16,495,085	16,615,275

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 2016

	Notes	**2016** **$**	2015 $
Cash flows from operating activities			
Donations received		3,961,372	1,070,660
Transfer from UNE		30,692	31,206
Dividends received		33,487	92,932
Interest received		199,186	253,187
Other inflows		48,207	7,063
Payments to suppliers		(61,572)	(73,682)
Distribution to beneficiary		(915,978)	(1,210,875)
Net cash provided by / (used in) operating activities	**18**	3,295,394	170,492
Cash flows from investing activities			
Purchase of financial assets		(11,423,752)	(3,932,707)
Proceeds from sale of financial assets		6,079,175	4,213,294
Net cash provided by / (used in) investing activities		(5,344,577)	280,587
Net increase / (decrease) in cash and cash equivalents		(2,049,183)	451,079
Cash and cash equivalents at the beginning of the financial year		2,159,918	1,708,839
Cash and cash equivalents at the end of the financial year	**8**	110,735	2,159,918

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 2016 were authorised for issue by the Trustee on 15 March 2017.

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) Non-current assets held for sale

Non-current assets 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 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, 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 is recognised at the date of derecognition.

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.

1.0 Summary of significant accounting policies (continued)

(f) 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 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 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.

(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.

(g) 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.

1.0 Summary of significant accounting policies (continued)

(h) 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. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) 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.

(j) 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.

(k) 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.

(l) New standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2016 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 2016 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 2016.

		Notes	2016 $	2015 $
2.0	**Donation and fundraising**			
	Donations and fundraising		3,942,020	1,077,326
	Total donations and fundraising		**3,942,020**	**1,077,326**
3.0	**Investment income**			
	Interest		151,213	212,589
	Dividend		328,677	350,246
	Held-to-maturity		34,727	-
	Total investment income		**514,617**	**562,835**
	Other investment income			
	Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments		73,883	-
	Total other investment income		**73,883**	**-**
4.0	**Other revenue**			
	Transferred from UNE		30,749	77,606
	Franking credits		44,091	41,079
	Other		3,386	1,465
	Total other revenue		**78,226**	**120,150**
5.0	**Administrative Expenses**			
	Consultancy fees		80,081	62,465
	Bank fees		170	221
	Total administrative expenses		**80,251**	**62,686**
6.0	**Impairment of assets**			
	Impairment of investments		7,111	-
	Total impairment of assets		**7,111**	**-**
7.0	**Distribution to beneficiary**			
	University of New England - scholarships and prizes	1(j)	951,164	1,206,895
	Total distribution to beneficiary		**951,164**	**1,206,895**
8.0	**Cash and cash equivalents**			
	Cash at bank		**110,735**	2,159,918
	Total cash and cash equivalents		**110,735**	**2,159,918**

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

	2016 $	2015 $
Balances as above	110,735	2,159,918
Less: Bank Overdrafts	-	-
Balance per statement of cash flows	**110,735**	**2,159,918**

There were no at call investments in 2016 hence interest rate of Nil% (2015 - 3.28%). These deposits have an average maturity of Nil days (2015 - 90 days).

		2016 $	2015 $
9.0	**Trade and other receivables**		
	Trade receivables	500	24,100
	Total trade receivables	**500**	**24,100**

Impaired trade receivables

As at 31 December 2016 current receivables of the entity with a nominal value of $500 (2015: $24,100) were not impaired.

	2016 $	2015 $
Other receivables		
Other accrued income	86,996	110,804
GST Input Tax Credit	191	1,574
Accrued Interest	11,849	59,822
Total other receivables	**99,036**	**172,200**
Total trade and other receivables	**99,536**	**196,300**

		2016 $	2015 $
10.0	**Other financial assets**		
	Current		
	Held-to-maturity	546,000	3,360,480
	Total current other financial assets	**546,000**	**3,360,480**
	Non-current		
	Held-to-maturity	3,891,266	546,000
	Available for sale financial assets - At fair value		
	Domestic and International Equity Funds	10,593,588	6,494,813
	Australian listed equity securities	213,229	205,588
	Total non-current other financial assets	**14,698,083**	**7,246,401**
	Movement of available for sale financial assets are as follows:		
	Shares as at 1 January	6,700,401	6,387,353
	Acquired through purchase, dividend reinvestment and capital distribution	10,535,476	323,859
	Disposed	(6,494,813)	-
	Available for Sale Reserve (gain/loss)	65,753	(10,811)
	Fair value of investment at 31 December	**10,806,817**	**6,700,401**
11.0	**Non-current assets classified as held for sale**		
	Available for sale financial asset - Unit Trust - Fixed interest	1,258,803	-
	Total non-current assets classified as held for sale	1,258,803	-
12.0	**Trade and other payables**		
	Accrued expense for scholarships, prizes and consultancy fees	97,882	50,939
	Total trade and other payables	**97,882**	**50,939**

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

		2016	2015
		$	$
13.0	**Reserves and retained earnings**		
(a)	**Reserves**		
	Available for Sale Reserve - Investments	120,190	128,319
	Total reserves	**120,190**	**128,319**
	Movements		
	Available for Sale Reserve - Investments		
	Balance 1 January	128,319	139,130
	Less write back due to disposal of investment	(73,883)	-
	Gain/(Loss)	65,754	(10,811)
	Balance 31 December	**120,190**	**128,319**
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	12,783,841	12,293,111
	Transfer to reserves	-	-
	Net result for the year	3,711,244	490,730
	Retained earnings at 31 December	**16,495,085**	**12,783,841**

(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.

14.0 Remuneration of auditors

The audit fee payable by the University of New England, in respect of the audit of the financial reports for the Trust to the Audit Office of NSW for the financial year ended 31 December 2016 was $11,400 (2015: $11,000).

15.0 Contingencies

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

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

16.0 Commitments

The entity has not identified any material commitments at 31 December 2016 (2015: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2015: Nil).

17.0 Related parties

(a) Corporate Trustee

Directors of the Corporate Trustee

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

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
Mr Martin Dolan - appointed 29 November 2016

17.0 Related parties (continued)

(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.

(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:

	2016	2015
Transactions during the period	**$**	$
University of New England		
Income received from	-	132,604
Transferred prizes and scholarship funds	30,749	77,606
Expenditures incurred for scholarships and prizes	(951,163)	(1,210,875)
Net	**(920,414)**	**(1,000,665)**
With other related parties		
Income received - UNE Life Pty Ltd	-	3,500
Income received - Sport UNE Pty Ltd	-	1,000
Income received - Agricultural Business Research Institute	12,000	24,200
Net	12,000	28,700

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

University of New England		
Receivables	4,366	60
Payables	71,529	33,633
With other related parties		
Receivables	-	12,100
Payables	530	-

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

Net result for the period	3,711,244	490,730
Less non cash revenue		
Capitalisation and reinvestment of dividend	(351,761)	(297,630)
Net (Gain)/Loss on sale of Units	(141,024)	-
Net prior years gains/(loss) transferred from reserves on disposal	(73,883)	-
Add non cash expenditures		
Impairment of assets	7,111	
Decrease/(increase) in trade and other debtors	96,764	(13,854)
Increase/(decrease) in payables	46,943	(8,754)
Net cash provided by / (used in) operating activities	**3,295,394**	**170,492**

19.0 Events subsequent to reporting period

There are no reportable events occurring after balance date.

20.0 Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	9	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	8	Term Deposits are stated at cost	There was no term deposits invested for less than 90 days in 2016.
Other Financial Assets	10	Domestic and International equity carried at market value	Investment of perpetual pool funds managed by the Fund Managers.
	10	Held-to-maturity deposits - current are stated at cost	Interest rates are between 2.96% and 3.73% with average maturity of 258 days.
	10	Held-to-maturity deposits- non current are stated at cost	Investment of immediate pool funds managed by the Fund Managers.
Listed Shares	10	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and Accruals	12	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms 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.

Notes to the financial statements
31 December 2016
(continued)

Financial risk management - continued

31 December 2016	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	1.50%	-	110,735				110,735
At call Investments	0.00%		-				-
Receivables						99,536	99,536
Held-to-maturity	3.18%		546,000				546,000
Available for sale						10,593,588	10,593,588
Listed Shares						213,229	213,229
Held-to-maturity				3,891,266			3,891,266
Total Financial Assets		-	656,735	3,891,266		10,906,353	15,454,354
Financial Liabilities							
Payables						97,882	97,882
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		97,882	97,882
Net Financial Assets(Liabilities)		-	656,735	3,891,266		10,808,471	15,356,472

Comparative figures for the previous year are as follows:

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 and 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

20.0 Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2016	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	110,735	(1,107)	(1,107)	1,107	1,107	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	99,536												
Held-to-maturity	546,000	(5,460)	(5,460)	5,460	5,460								
Other financial assets	10,593,588		-							(105,936)	(105,936)	105,936	105,936
Listed Shares	213,229									(2,132)	(2,132)	2,132	2,132
Held-to-maturity	3,891,266					(38,913)	(38,913)	38,913	38,913	(38,913)	(38,913)	38,913	38,913
Total Financial Assets	15,454,354												
Financial Liabilities													
Payables	97,882	N/A	N/A	N/A	N/A								
Total Financial Liabilities	97,882												
Total increase / (decrease)	15,356,472	-	-	-	-								

Comparative figures for the previous year are as follows:

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													
Creditors	50,939	N/A	N/A	N/A	N/A								
Total Financial Liabilities	50,939												
Total increase / (decrease)	12,912,160	-	-	-	-								

21.0 Fair Value Measurements

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**	
	2016	2015	2016	2015
	$	$	$	$
Financial assets				
Cash and cash equivalents	110,735	2,159,918	110,735	2,159,918
Held-to-maturity investments - current	546,000	3,360,480	546,000	3,360,480
Held-to-maturity investments - non current	3,891,266	546,000	3,891,266	546,000
Equity securities	10,806,817	6,700,401	10,806,817	6,700,401
Non-current assets classified as held for sale	1,258,803	-	1,258,803	-
Total financial assets	16,613,621	12,766,799	16,613,621	12,766,799

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

	31 Dec 2016	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	546,000	546,000		-
Held-to-maturity investments - non current	3,891,266	3,891,266		-
Equity securities	10,806,817	213,229	10,593,588	-
Non-current assets classified as held for sale	1,258,803	-	1,258,803	
Total	16,602,422	4,650,495	11,951,927	-

	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	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Life Pty Ltd

ABN: 29 065 648 419 Annual Financial Report for the year ended 31 December 2016

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Limited

To Members of the New South Wales Parliament

Opinion

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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2016, 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

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

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

The Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the Directors must assess the Company's ability to continue as a going concern unless the Company will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf..
The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- 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

S Bond .

Sally Bond
Director, Financial Audit Services

9 March 2017
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 2016 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 noting the factors outlined in Note 1(r) of the financial statements.

Signed in accordance with a resolution of the Directors.

Brendan Peet
Company Secretary

David Schmude
Director

9th March 2017

Income Statement
For the year ended 31 December 2016

	Note	2016 $	2015 $
Income from continuing operations			
Trading income	**2**	4,995,336	4,656,542
Investment revenue	**3**	27,653	38,003
Other revenue	**4**	1,960,886	731,196
Total income from continuing operations		6,983,875	5,425,741
Expenses from continuing operations			
Employee related expenses	**5**	2,621,312	2,194,800
Depreciation and amortisation	**6**	357,736	128,594
Repairs and maintenance	**7**	232,827	162,715
Other expenses	**8**	3,438,749	3,001,282
Total expenses from continuing operations		6,650,624	5,487,391
Net result attributable to the Entity	**18**	333,251	(61,650)

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

Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	2016 $	2015 $
Net result after income tax for the period		333,251	(61,650)
Other comprehensive income		-	-
Total comprehensive income for the period		333,251	(61,650)

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

Statement of Financial Position
As at 31 December 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	**9**	2,088,817	1,393,362
Receivables	**10**	126,297	77,267
Inventories	**11**	204,638	206,663
Non financial assets	**13**	-	10,536
Total current assets		2,419,752	1,687,828
Non-current assets			
Other financial assets	**12**	500	500
Property, plant and equipment	**14**	580,857	383,252
Intangible assets	**15**	152,477	136,233
Total non-current assets		733,834	519,985
Total assets		3,153,586	2,207,813
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	884,416	259,390
Provisions	**17**	84,637	96,141
Total current liabilities		969,053	355,531
Non-current liabilities			
Provisions	**17**	44,000	45,000
Total non-current liabilities		44,000	45,000
Total liabilities		1,013,053	400,531
Net assets		2,140,533	1,807,282
EQUITY			
Retained earnings	**18**	2,140,413	1,807,162
Share Capital	**18**	120	120
Total equity		2,140,533	1,807,282

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 2016

	Shares	Retained earnings	Total
Balance at 1 January 2015	120	1,868,812	1,868,932
Net result	-	(61,650)	(61,650)
Issue of Share Capital	-	-	-
Total comprehensive income	-	(61,650)	(61,650)
Balance at 31 December 2015	120	1,807,162	1,807,282
Balance at 1 January 2016	120	1,807,162	1,807,282
Net result	-	333,251	333,251
Total comprehensive income	-	333,251	333,251
Balance at 31 December 2016	120	2,140,413	2,140,533

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 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		6,665,288	5,970,308
Interest received		27,653	38,002
Payments to suppliers and employees (inclusive of GST)		(6,330,507)	(6,028,298)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	**25**	362,434	(19,988)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	3,272
Payments for property, plant and equipment		(118,002)	(200,107)
Net cash provided by / (used in) investing activities		(118,002)	(196,835)
Cash flows from financing activities			
Cash transfer from Sport UNE Pty Ltd		1,582,133	-
Assets from Sport UNE Pty Ltd		143,686	-
Liabilities transfer from Sport UNE Pty Ltd		(1,274,795)	-
Net cash provided by / (used in) financing activities		451,024	-
Net increase / (decrease) in cash and cash equivalents		695,456	(216,823)
Cash and cash equivalents at the beginning of the financial year		1,393,359	1,610,182
Cash and cash equivalents at the end of the financial year		2,088,815	1,393,359

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".*

By resoultion of the University of New England Council on the 16th September 2016, Sport UNE Pty Ltd ceased trading as at the 30th November 2016. As at this date the all assets and liabilites were transferred to UNE Life Pty Ltd .

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution on 9 March 2017.

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 annual financial statements represent the audited general purpose financial statements of UNE Life Pty Ltd. They have been prepared on an accrual basis and comply with Australian Accounting Standard.

Additionally the statements have been prepared in accordance with the following statutory requirements.

- *Public Finance and Audit Act 1983,*
- *Public Finance and Audit Regulations 2015.*

UNE Life Pty Ltd 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 IFRS requirements.

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, 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. In some cases this may not be probable until consideration is received or an uncertainty is removed. 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.

Note 1. Summary of significant accounting policies (continued)

(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) Tade 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 30 days from the date of recognition .

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 Entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability the the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivables are 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 receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

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

(i) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and 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.

Note 1. Summary of significant accounting policies (continued)

(j) Property, 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. All plant and equipment under this threshold is expensed when purchased.

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:

	2016	2015
Leasehold Improvements -	5 - 50 yrs	5 - 50 yrs
Plant & Equipment -	2 - 10 yrs	2 - 10 yrs
Motor Vehicle -	3 -10 yrs,	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 loses.

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

Note 1. Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(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 Australian Taxation Office. 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 Australian Taxation Office 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) Licenses

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

(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) 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".

(s) New accounting standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations have been published for the 31 December 2016 reporting period.

The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future interpretations and considers the impact to be insignificant for the year ending December 2016

Note 1. Summary of significant accounting policies (continued)

(t) Business transfer

On the 30th November 2016 Sport UNE Pty Ltd ceased operations as at this date all assets and liabilities of Sport UNE Pty Ltd were transferred to UNE Life Pty Ltd. The transfer also included the trading name of Sport UNE which is now registered to UNE Life Pty Ltd.

		Note	2016 $	2015 $
Note 2.	**Trading income**			
	Sale of goods		4,754,291	4,383,040
	Rendering of services		241,045	273,502
			4,995,336	4,656,542
Note 3.	**Investment revenue**			
	Interest		27,653	38,003
	Total investment revenue		27,653	38,003
Note 4.	**Other revenue**			
	UNE contribution		434,786	284,000
	UNE Student Services & Amenities contribution		514,657	305,541
	Rent		106,836	139,763
	Transition of Business*		904,607	-
	Other revenue		-	1,892
			1,960,886	731,196

Transition of business relates to the net assets of Sport UNE Pty Ltd being transferred to UNE Life Pty Ltd on the close of business on the 30th of November 2016.

		Note	2016 $	2015 $
Note 5.	**Employee related expenses**			
	Salaries		2,258,045	1,871,670
	Contribution to funded superannuation and pension schemes		212,457	184,743
	Payroll tax		127,932	112,652
	Worker's compensation		30,777	8,131
	Annual & long service leave		(12,503)	4,620
	Other (Allowances, penalties and fringe benefits tax)		4,604	12,984
	Total employee related expenses		2,621,312	2,194,800
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Plant and Equipment		239,731	41,732
	Motor Vehicles		12,938	3,325
	Total depreciation		252,669	45,057
	Amortisation			
	Leasehold improvements		75,390	74,086
	Intangibles		29,677	9,451
	Total amortisation		105,067	83,537
	Total depreciation and amortisation		357,736	128,594
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		232,827	162,715
	Total repairs and maintenance		232,827	162,715

		Notes	2016 $	2015 $
Note 8.	**Other expenses**			
	Cost of Goods Sold		2,183,802	2,156,725
	Advertising		54,936	68,101
	Cleaning and materials		25,343	26,741
	Computer Expenses		42,021	20,648
	Insurance		12,025	4,516
	Printing and Stationery		21,465	19,136
	Minor Equipment Purchases		80,774	110,354
	Security		45,177	33,251
	Utilities		186,613	148,857
	Rent		106,837	84,762
	Personnel services paid*		184,346	
	Subscriptions and Membership		48,786	27,971
	Student Programs and activities		47,701	-
	Student Experience Expense		96,455	83,957
	Other Expenditure		302,468	216,263
	Total other expenses		3,438,749	3,001,282

*personnel services paid relates to staff suppliied by the University of New England to assist in the operations of UNE Life

Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand and at bank		1,527,780	880,954
	Short term deposits		561,037	512,408
	Total cash and cash equivalents		2,088,817	1,393,362

(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:

	2016	2015
Balances as above	2,088,817	1,393,362
Less: Bank Overdrafts	-	-
Balance per cash flow statement	2,088,817	1,393,362

(b) Cash on hand

	2016	2015
These are non-interest bearing.	14,010	12,810

(c) Deposits at call

The deposits at call and at investment terms of less than12 months are bearing floating and fixed interest rates between 1.85% and 2.7% (2015 - 2.35% and 2.9%). These deposits have an average maturity of 4 days.

Note 10. Receivables

	Notes	2016	2015
Current			
Trade and trade receivables		130,966	77,267
Less: Provision for impaired receivables	1(h)	(4,669)	-
Total receivables		126,297	77,267

As of 31 December 2016, trade receivables of $24,385 (2015: $3,082) were past due but not impaired current receivables. 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:

	2016	2015
3 to 6 months	4,585	1,160
6 to 12 months	19,800	1,922
Over 12 months	-	-
Total Past due but not impaired current receivables	24,385	3,082

(a) Impaired receivables

As at 31 December 2016 current receivables of the entity with a nominal value of $4669(2015: $Nil) were impaired. The amount of the provision was $4669 **(**2015: $Nil).

	Notes	2016 $	2015 $

Note 10. Receivables (continued)

(a) Impaired 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	2016 $	2015 $
	1(i)		
Current			
Stock on hand		204,638	206,663
Total current inventories		204,638	206,663

Note 12. Other financial assets

	2016 $	2015 $
Non-current		
Available for sale	500	500
Total non-current other financial assets	500	500

Note 13. Other non-financial assets

	2016 $	2015 $
Current		
Prepaid Expenses	-	10,536
Total current other non-financial assets	-	10,536

Note 14. Property, plant and equipment

	2016 $	2015 $
Plant and equipment - At cost	846,854	352,590
Less: Accumulated depreciation	(461,997)	(222,619)
	384,857	129,971
Motor Vehicles – At cost	77,454	46,405
Less: Accumulated depreciation	(31,224)	(18,285)
	46,230	28,120
Leasehold improvements - At cost	672,527	672,527
Less: Accumulated Amortisation	(522,757)	(447,366)
	149,770	225,161
Total Property Plant & Equipment	580,857	383,252

Reconciliation

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

	2016 $	2015 $
Plant and Equipment		
Carrying amount at beginning of year	129,971	131,971
Additions	41,041	24,772
Additions from business transfer	453,223	-
Disposals	-	-
Depreciation	(239,378)	(26,772)
Carrying amount at end of year	384,857	129,971

	Notes	2016 $	2015 $
Note 14. Property, plant and equipment (continued)			
Motor Vehicles			
Carrying amount at beginning of year		28,120	-
Additions		31,049	46,405
Disposals		-	-
Depreciation		(12,939)	(18,285)
Carrying amount at end of year		46,230	28,120
Leasehold improvements			
Carrying amount at beginning of year		225,161	290,303
Additions		-	8,944
Disposals		-	-
Amortisation		(75,391)	(74,086)
Carrying amount at end of year		149,770	225,161
Note 15. Intangible assets	1(k)		
Australia Post Licence – At cost		25,000	25,000
Computer Software		166,596	120,684
Less Amortisation		(39,119)	(9,451)
		127,477	111,233
Total Intangible assets		152,477	136,233
Note 16. Trade and other payables			
Current			
Trade Payables & Accruals		594,116	259,390
Income in Advance		152,448	-
Funds held in Trust		92,493	-
GST payable		13,623	-
PAYG Payable		31,736	-
Total current trade and other payables		884,416	259,390
Note 17. Provisions	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		59,637	72,141
Long service leave		7,000	6,000
Subtotal		66,637	78,141
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Long service leave		18,000	18,000
Subtotal		18,000	18,000
Total Current Provision		84,637	96,141
Non-current provisions			
Employee benefits			
Long service leave		44,000	45,000
Total non-current provision		44,000	45,000
Total provisions		128,637	141,141
Summary movements employee benefits			
Carrying amount at start of year		141,140	136,520
Current year movement in provisions			
- Annual Leave		(3,503)	5,620
- Long Service Leave - current		(8,000)	(1,000)
- Long Service Leave - non current		(1,000)	-
Carrying amount at end of year		128,637	141,140

Note 18. Reserves and retained earnings

Reserves

Movements in retained earnings were as follows:		
Retained earnings at 1 January	1,807,162	1,868,812
Net result for the year	333,251	(61,650)
Retained earnings at 31 December	2,140,413	1,807,162

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:

Director
Mr David Schmude

The following persons resigned from the board during the year:
Ms Anita Taylor (resigned 18th March 2016)

The following persons held the role of company secretary of the board for the year:
Mr Brendan Peet

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 the University of New England.

(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

	2016	2015
	No.	**No.**
Nil to $9,999	2	3
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-

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:	30,000	25,000
Total paid for audit services	30,000	25,000

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

	2016	2015
	$	$

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2016 of $0 (2015: $0).

(b) Lease Commitments

(i) Operating Leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows;

	2016 $	2015 $
Within one year	116,739	114,360
Between one and five years	233,477	343,098
GST Recoverable	(31,838)	(41,587)
Later than five years	-	-
Total operating leases	318,378	415,871

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 2016, (2015: Nil).

	2016 $	2015 $
Total commitments	318,378	415,871

No lease arrangements, existing as at 31 December 2016, 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
UNE Life Pty Ltd is a 100% owned subsidiary of 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:

	2016	2015
Transactions during the period	**$**	$
University of New England		
UNE - Commercial transactions	410,448	270,924
UNE Support	317,900	284,000
Student Ammenities Contribution	511,525	305,541
Payments made	(359,376)	(330,377)
Net	880,497	530,088
With other related parties		
Income received	993,039	90,534
Payments made	-	-
Net	993,039	90,534

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

University of New England		
Receivables	39,693	50,391
Payables	(159,067)	(5,800)
Sport UNE Pty Ltd		
Receivables	-	72
Payables	-	-

(e) Guarantees
There have been no guarantees given.

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

Note 25. Reconciliation of net result after income tax to net cash provided by / (used by) operating activities

Net result for the period	333,251	(61,650)
Depreciation and amortisation	357,736	128,594
Gain on Transfer	(904,607)	-
Net (gain) / loss on sale of non-current assets	-	(3,272)
Increase/(Decrease) in Payables and Prepaid Income	624,665	(171,138)
Increase/(Decrease) in Provision for Employee Entitlements	(12,504)	4,621
(Increase)/Decrease in Receivables and Prepaid Expenses	(38,493)	57,739
(Increase)/Decrease in Inventories	2,386	25,118
Net cash provided by / (used in) operating activities	362,434	(19,988)

Note 26. Events occuring after the end of the 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)	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 at Call are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	9	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are 2.6%. Average maturity of 4 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2016.	
Creditors and Accruals (Excludes statutory payables and unearned revenue)	16	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled 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

Note 27. Financial risk management (continued)

(c) Liquidity Risk (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.

The following tables summarise the maturity of the Groups financial assets and financial liabilities:

31 December 2016	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.30%	1,513,770	561,037			14,010	2,088,817
Receivables & other non-financial assets						126,297	126,297
Unlisted shares						500	500
Total Financial Assets		1,513,770	561,037			140,807	2,215,614
Financial Liabilities							
Borrowings			-	-			-
Payables						884,416	884,416
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		884,416	884,416

31 December 2015	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	2.50%	868,145	512,408			12,810	1,393,363
Receivables & other non-financial assets						77,267	77,267
Unlisted shares						500	500
Total Financial Assets		868,145	512,408			90,577	1,471,130
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					259,390	259,390
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		259,390	259,390

Note 27. Financial risk management (continued)

(c) Liquidity Risk (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 2016	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	2,074,807	(20,748)	(20,748)	20,748	20,748
Receivables	126,297	-	-	-	-
Unlisted shares	500	-	-	-	-
Total Financial Assets	2,201,604				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	259,390	-	-	-	-
Other Amounts Owing	-	-	-	-	-
Total Financial Liabilities	259,390				
Total increase / (decrease)	1,942,214				

31 December 2015	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	1,380,552	(13,806)	(13,806)	13,806	13,806
Receivables	77,267	-	-	-	-
Listed Shares	500	-	-	-	-
Total Financial Assets	1,458,319				
Financial Liabilities					
Borrowings	-	-	-	-	-
Creditors	429,828	-	-	-	-
Other Amounts Owing	-	-	-	-	-
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,028,491				

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	2016	2015	2016	2015
		$	$	$	$
Financial assets					
Cash and cash equivalents	***9***	2,088,817	1,393,362	2,088,817	1,393,362
Receivables	***10***	126,297	77,267	126,297	77,267
Other financial assets	***12***	500	500	500	500
Total financial assets		2,215,614	1,471,129	2,215,614	1,471,129
Financial liabilities					
Payables	***16***	884,416	259,390	884,416	259,390
Total financial liabilities		884,416	259,390	884,416	259,390

End of Audited Financial Statements

UNE Partnerships Pty Ltd

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Limited

To Members of the New South Wales Parliament

Opinion

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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2016, 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

The PF&A Act further promotes independence by ensuring the Auditor–General and the Audit Office of New South Wales are not compromised in their roles 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.

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

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

The Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, Directors must assess the Company's ability to continue as a going concern unless the Company will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf..

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- 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

S Bond.

Sally Bond
Director, Financial Audit Services

16 March 2017
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 2016 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.

....
Mr James HARRIS
Director / Chairman

....
Mr Philip Attard
Director

16 March 2017

Income Statement
For the year ended 31 December 2016

	Notes	2016 $	2015 $
Income from continuing operations			
Sales revenue	**2**	4,302,750	4,782,789
Investment revenue	**3**	3,056	29,890
Total income from continuing operations		4,305,806	4,812,679
Expenses from continuing operations			
Employee related expenses	**4**	2,978,179	2,499,790
Depreciation and amortisation	**5**	94,687	208,779
Impairment of assets	**6**	101,154	463
Marketing and promotion		47,302	101,154
Travel and accommodation		100,631	82,204
Course delivery expenses		1,072,795	1,247,012
Other expenses	**7**	1,049,658	2,138,524
Total expenses from continuing operations		5,444,406	6,277,926
Net result attributable to UNE Partnerships Pty Limited	**17(b)**	(1,138,600)	(1,465,247)

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

Statement of Comprehensive Income
For the year ended 31 December 2016

	Notes	2016 $	2015 $
Net result for the period		(1,138,600)	(1,465,247)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,138,600)	(1,465,247)

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

Statement of Financial Position
As at 31 December 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	242,989	191,106
Receivables	**9**	558,458	827,912
Inventories	**10**	-	3,355
Other non-financial assets	**11**	21,567	16,153
Total current assets		823,014	1,038,526
Non-current assets			
Plant and equipment	**12**	25,717	36,600
Intangible assets	**13**	942,648	899,010
Total non-current assets		968,365	935,610
Total assets		1,791,379	1,974,136
LIABILITIES			
Current liabilities			
Trade and other payables	**14**	393,411	200,074
Provisions	**15**	254,402	364,887
Other liabilities	**16**	1,124,281	1,248,197
Total current liabilities		1,772,094	1,813,158
Non-current liabilities			
Provisions	**15**	25,457	56,805
Loans		1,028,255	-
Total non-current liabilities		1,053,712	56,805
Total liabilities		2,825,806	1,869,963
Net assets		(1,034,427)	104,173
EQUITY			
Issued capital	**17(a)**	1,198,937	1,198,937
Retained earnings	**17(b)**	(2,233,364)	(1,094,764)
Total equity attributable to equity holders of the company		(1,034,427)	104,173
Total equity		(1,034,427)	104,173

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 2016

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2015	1,198,937	$370,484	$1,569,420
Net result 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
Balance at 1 January 2016	1,198,937	($1,094,763)	$104,174
Net result attributable to UNE Partnerships Pty Ltd	-	($1,138,600)	($1,138,600)
Total comprehensive income	-	($1,138,600)	($1,138,600)
Balance at 31 December 2016	1,198,937	($2,233,363)	($1,034,426)

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 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from student fees and other customers		4,315,820	4,033,267
Receipts from government funded students		207,487	747,984
Interest received		3,056	51,610
Payments to suppliers and employees		(5,210,799)	(5,785,957)
GST recovered/paid		(84,519)	(20,939)
Net cash provided by / (used in) operating activities	**23**	(768,955)	(974,035)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		650	-
Payments for property, plant and equipment		(9,415)	782
Net cash outflow for intangibles purchased/created		(170,395)	(409,121)
Net cash provided by / (used in) investing activities		(179,160)	(408,339)
Cash flows from financing activities			
Proceeds from borrowings		1,000,000	-
Net cash provided by / (used in) financing activities		1,000,000	-
Net increase / (decrease) in cash and cash equivalents		51,885	(1,382,374)
Cash and cash equivalents at the beginning of the financial year		191,106	1,573,480
Cash and cash equivalents at the end of the financial year	**8**	242,991	191,106

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 2016 was authorised for issue in accordance with a resolution of the Board on 16 March 2017.

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
In 2015, the Entity made a voluntary change to its accounting policy for recognising revenue in relation to course fees from fee paying students. Refer 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* . As course fees are invoiced, all educational delivery components of sales are posted to deffered 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 complete is maintained. A corresponding proportion of enrolment fees are 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.

Note 1. Summary of significant accounting policies (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 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 invoice.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are expensed. 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 expensed as a bad debt receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Costs comprise of direct materials and/or labour only.

Note 1. Summary of significant accounting policies (continued)

(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 only directly attributable costs including costs of materials, services and direct labour. 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.

Note 1. Summary of significant accounting policies (continued)

(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 2016 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 2016.

Note 1. Summary of significant accounting policies (continued)

(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 o 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 Receivec in Advance on 1 January 2015 by $916,158 and increase Other Expenses by $916,158.

		Note	2016 $	2015 $
Note 2.	**Sales revenue**			
	Education services - fee paying		1,347,603	1,109,030
	Education services - government funded		207,488	747,984
	Workshops		651,157	1,353,809
	Consultancy		1,932,757	1,382,813
	Product sales		22,213	62,780
	Other revenue		141,533	125,264
	Profit on sale of assets		-	1,110
	Total sales revenue		4,302,750	4,782,789
Note 3.	**Investment revenue**			
	Interest		3,056	29,890
	Total investment revenue		3,056	29,890
Note 4.	**Employee related expenses**			
	Salaries		2,310,825	1,972,573
	Contribution to funded superannuation and pension schemes		255,920	229,333
	Payroll tax		176,157	145,916
	Worker's compensation		10,474	6,837
	Long service leave expense		10,645	5,551
	Annual leave		211,277	134,916
	Other (allowances, penalties and fringe benefits tax)		2,881	4,664
	Total employee related expenses		2,978,179	2,499,790
Note 5.	**Depreciation and amortisation**			
	Depreciation			
	Furniture and Fittings		1,373	5,594
	Computer equipment		15,516	26,462
	Total depreciation		16,889	32,056
	Amortisation			
	Intellectual property and courseware		49,092	86,118
	Software developments		-	4,486
	Contracts acquired in acquisition		28,706	86,119
	Total amortisation		77,798	176,723
	Total depreciation and amortisation		94,687	208,779
Note 6.	**Impairment of assets**			
	Bad debts		71,241	2,240
	Movement in provision for doubtful debts		29,913	(1,777)
	Total impairment of assets		101,154	463
Note 7.	**Other expenses**			
	Change to policy on income recogniton		-	916,158
	Non-capitalised equipment		61,042	42,148
	Utilities		17,681	18,061
	Consumables and materials		22,185	25,524
	Telecommunications		37,048	50,936
	Books, serials and other library media		45,676	121,208
	Consultants and authors' fees		684,041	606,279
	Room hire and catering		21,915	51,473
	Interest expense		30,558	-
	Property and facilities		125,064	152,841
	Repairs & maintenance - plant/furniture/equipment		-	4,022
	Other expenditure		4,448	149,874
	Total other expenses		1,049,658	2,138,524

		Note	2016 $	2015 $
Note 8.	**Cash and cash equivalents**	1(g)		
	Cash on hand		225	2,908
	Cash at bank		242,764	188,198
	At call investments		-	-
	Total cash and cash equivalents		242,989	191,106

(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:

	2016 $	2015 $
Balances as above	242,989	191,106
Less: Bank overdrafts	-	-
Balance per cash flow statement	242,989	191,106

(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% and 1.50% (2015 - 1.95% and 2.1%).

		Note	2016 $	2015 $
Note 9.	**Receivables**			
	Current			
	Trade and other debtors		590,498	830,039
	Less: Provision for impaired receivables	1(h)	(32,040)	(2,127)
	Total receivables		558,458	827,912

(a) Impaired receivables

As at 31 December 2016 current receivables of the entity with a nominal value of $32,040 (2015: $8,959) were impaired. The amount of the provision was $32,040 (2015: $2,127). The individually impaired receivables mainly relate to a number of individual students who are in unexpectedly difficult economic situations.

The ageing of these receivables is as follows:

	2016 $	2015 $
3 to 6 months	-	-
Over 6 months	32,040	8,959
	32,040	8,959

As of 31 December 2016, trade receivables of $177,154 (2015: $366,304) 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:

	2016 $	2015 $
0 to 3 months	137,934	166,956
Over 3 months	39,220	199,348
	177,154	366,304

Movements in the provision for impaired receivables are as follows:

	2016 $	2015 $
As at 1 January	2,127	3,904
Provision for impairment recognised during the year	101,154	463
Receivables written off during the year as uncollectible	(71,241)	(2,240)
As at 31 December	32,040	2,127

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.

		Note	2016 $	2015 $
Note 10.	**Inventories**	1(i)		
	Current			
	Stock of course materials		-	3,355
	Total current inventories		-	3,355
Note 11.	**Other non-financial assets**			
	Current			
	Prepaid expenses		13,159	16,153
	Securtiy bonds		8,408	-
	Total current other non-financial assets		21,567	16,153
Note 12.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		45,208	45,209
	Accumulated depreciation		(42,140)	(41,110)
			3,068	4,099
	Computer cost:			
	At cost		191,424	232,241
	Accumulated depreciation		(173,491)	(204,799)
			17,933	27,442
	Leasehold improvements:			
	At cost		122,701	122,701
	Accumulated depreciation		(117,985)	(117,642)
			4,716	5,059
	Total Plant and Equipment		25,717	36,600

Movements in Carrying Amounts

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

	Plant & Equipment	Computer Equipment	Leasehold Improvements	Total
Balance at 1 January 2015	5,171	51,194	9,581	65,946
Additions	-	2,710	-	2,710
Depreciation expense	(1,072)	(26,462)	(4,522)	(32,056)
Derecognition	-	-	-	-
Depreciation written back on disposal	-	-	-	-
Balance at 31 December 2015	4,099	27,442	5,059	36,600
Balance 1 January 2016	4,099	27,442	5,059	36,600
Additions	-	9,415	-	9,415
Depreciation expense	(1,030)	(15,516)	(343)	(16,889)
Derecognition	-	(50,232)	-	(50,232)
Depreciation written back on disposal	-	46,824	-	46,824
Carrying amount at 31 December 2016	3,069	17,933	4,716	25,718

		Note	$	$
Note 13.	**Intangible assets**			
	(a) Course Development Expenses			
	Cost		342,258	418,506
	Accumulated amortisation		(70,012)	(348,808)
	Course materials - work in progress		308,205	389,450
	Net carrying value		580,451	459,148
	Reconciliation of course development expenses			
	Balance at the beginning of year		459,148	201,362
	Additions		251,640	7,900
	Eliminations		-	(53,445)
	Amortisation charge		(49,092)	(86,119)
	Work in progress movement		(81,245)	389,450
	Closing carrying value at 31 December		580,451	459,148
	(b) Acquisition Expenses			
	Goodwill at cost (incl contingent portion)		584,504	584,505
	Accumulated impairment losses		(222,307)	(222,307)
	Value of contracts and client relationships, at cost		684,575	684,575
	Accumulated amortisation		(684,575)	(655,869)
	Net carrying value		362,197	390,904
	Reconciliation of acquisition outlays			
	Balance as at the beginning of year		390,903	477,022
	Impairment charge		-	-
	Amortisation charge		(28,706)	(86,119)
	Closing carrying value at 31 December		362,197	390,903
	(c) Software Expenses			
	Cost		19,205	68,490
	Accumulated amortisation		(19,205)	(19,531)
	Net carrying value		-	48,959
	Reconciliation of software expenses			
	Balance as at the beginning of year		48,959	-
	Additions		-	68,490
	Amortisation		-	(19,531)
	Write off obsolete software		(48,959)	-
	Closing carrying value at 31 December		-	48,959
	Total net carrying value		942,648	899,010
Note 14.	**Trade and other payables**			
	Current			
	Trade payables		391,569	200,074
	GST payable		1,842	-
	Total current trade and other payables		393,411	200,074

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

		Note	2016 $	2015 $
Note 15.	**Provisions**	1(m)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		103,416	197,184
	Long service leave		37,218	167,703
	Subtotal		140,634	364,887
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		55,555	-
	Long service leave		58,213	-
	Subtotal		113,768	-
	Total Current Provision		254,402	364,887
	Non-current provisions			
	Employee benefits			
	Long service leave		25,457	56,805
	Total non-current provision		25,457	56,805
	Total provisions		279,859	421,692
Note 16.	**Other Liabilities**			
	(a) Current			
	Accrued Liabilities			
	Salary Related		128,567	2,711
	Other Accrued Expenditure		-	-
	Income received in advance		995,714	1,245,486
	Total current other liabilities		1,124,281	1,248,197
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		(1,094,764)	370,484
	Net Operating Result for the year		(1,138,600)	(1,465,247)
	Retained earnings at 31 December		(2,233,364)	(1,094,764)

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 (resigned 14 April 2016)
Suzanne A. JONES
Janette McCLELLAND
Shaun G. McDONAGH (resigned 30 September 2016)
Professor Alison J. NETHERY (resigned 18 February 2016)
Kris Kauffmann (appointed 30 September 2016)

Executive Officer

Shaun G. McDonagh (resigned 30 Sep 2016)
Timothy J. Cattarall (appointed 8 Sep 2016)

(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 2016 payments to non-executive directors have been included as paid/accrued.

	2016	2015
	No.	**No.**
Nil to $9,999	3	6
	3	6
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	21,000	27,295
Remuneration of executive officers	**No.**	**No.**
Nil to $150,000	1	-
$175,001 to $200,000	1	
$200,001 to $224,999	-	1
	2	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	253,087	221,147

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:

	2016	2015
	$	$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	36,000	23,500
Total remuneration for audit services	36,000	23,500

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	629,065	215,172
Contingent liability - funded enrolment - delivery costs not yet incurred	-	(34,162)
Net contingent balance	629,065	181,009

Note 21. Commitments

(a) Capital Commitments
There were no commitments for capital expenditure at 31 December 2016 (2015: Nil).

(b) Lease Commitments

Operating Leases		
Within one year	53,325	125,049
Between one and five years	-	50,830
Later than five years	-	-
Total operating leases	53,325	175,879
Total lease commitments	53,325	175,879

No lease arrangements, existing as at 31 December 2016, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

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:

Transactions during the period	**2016** **$**	2015 $
University of New England		
Sales to University of New England	8,104	3,297
Purchases from the University of New England	96,181	566,716
Net	(88,077)	(563,419)
Loans from University of New England		
Beginning of the year	-	-
Loans advanced	1,000,000	-
Loan repayments received	-	-
Interest charged	28,255	-
Interest received	-	-
End of year	1,028,255	-

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

Receivables	-	-
Current receivables (sale of goods and services)		
University of New England	-	-
Other related entities	-	-
Total current receivables	-	-
Current payables (purchases of goods and services)		
University of New England	7,078	(86,431)
Other related entities	-	-
Total current payables	7,078	(86,431)
Non-current payables (loans)		
University of New England	1,028,255	-
Total non-current payables	1,028,255	-

Note 22. Related parties (continued)

(d) Transactions with related parties (continued)

With other related parties		
Receivables	-	-
Payables	-	-

(e) Guarantees
There have been no guarantees given.

(f) Terms and conditions
Related party outstanding balances are unsecured. Sales and purchases of goods and services are provided on interest-free ter

(g) loan facilities
A loan agreement between UNE Partnerships and the University of New England was signed on 12th December 2016, providing an unsecured loan facility of up to $1,900,000 until 31 March 2020. Interest is currently charged at 4.5% per annum and capitalised.

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

	2016	2015
	$	$
Net result for the period	(1,138,600)	(1,465,247)
Depreciation and amortisation	94,687	208,779
Write-off of assets	48,959	-
Provision for impaired receivables	29,913	463
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	2,761	-
Increase/(Decrease) in payables and prepaid income	(56,434)	506,968
Increase/(Decrease) in provision for employee entitlements	(15,978)	79,060
Increase/(Decrease) in interest payable	28,255	-
(Increase)/Decrease in receivables and prepaid expenses	234,127	(314,339)
(Increase)/Decrease in inventories	3,355	11,391
Net cash provided by / (used in) operating activities	(768,955)	(972,925)

Note 24. Events occurring after the end of the reporting period

There are no reportable events occurring after the end of the reporting period.

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	
Financial Liabilities			
Borrowings		Borrowings are stated at the amount drawn down plus capitlised interest.	
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.

Note 25. Financial risk management (continued)

(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 2016	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	1.00	242,989	-	-	-	-	242,989
Investments - term deposits	0.00	-	-	-	-	-	-
Receivables	-	-	-	-	-	558,458	558,458
Total Financial Assets		242,989	-			558,458	801,447
Financial Liabilities							
Borrowings	4.50	1,028,255	-	-	-		1,028,255
Payables	-	-	-	-	-	391,569	391,569
Other amounts owing	-	-	-	-	-	128,567	128,567
Total Financial Liabilities		1,028,255	-	-		520,136	1,548,391
Net Financial Assets(Liabilities)		(785,266)	-	-		38,322	(746,944)

Comparative figures for the previous year are as follows:

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 and cash equivalents	2.00	188,198	-	-	-	2,908	191,106
Investments - Term Deposits	1.95	-	-	-	-	-	-
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

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 2016	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	242,989	(2,430)	(2,430)	2,430	2,430	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	558,458	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	801,447	(2,430)	(2,430)	2,430	2,430	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	1,028,255	10,283	10,283	(10,283)	(10,283)								
Payables	391,569	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	128,567	-		-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	520,136	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)	281,311	- 2,430	- 2,430	2,430	2,430	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS