University of New England

ABN: 75 792 454 315
Annual Financial Report for the year ended 31 December 2017

AUDITOR-GENERAL
NEW SOUTH WALES

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 Income Statement and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statements of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information 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 2017, 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 2017 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.

Parliament 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
- precluding the Auditor-General from providing non-audit services.

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

University Council's Responsibilities 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 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 Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities 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_responsibilities/ar3.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

16 March 2018
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 2017.

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 – Chair Academic Board (reappointed 20/02/2017)
Mr David van Aanholt
Mr Russell Evans
Mr Robert Finch
Mr Charles Hebblewhite
Dr Jack Hobbs
Ms Rosemary Leamon
Ms Catherine Millis
Dr Robyn Muldoon
Ms Anne Myers
Professor Margaret Sims
Ms Meredith Symons

There were no persons who were new members of Council in 2017.

There were no persons whose term on Council concluded in 2017.

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 2017, 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

2018 operations are expected to broadly align with the Strategic Plan and Budget approved by the Council in November 2017. Nonetheless, changes in higher education funding announced by the Commonwealth Government in the Mid-year Economic and Fiscal Outlook, including a freeze of Commonwealth Grant Scheme funding, will impact on the quantum of, and avenues available for achieving planned future revenue growth. The changes to CGS funding will require careful consideration of the allocation of Commonwealth Supported Places to commencing students.

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)
Animal Research Act 1985 (NSW)
Biodiversity Conservation Act 2016 (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)
Environment Protection and Biodiversity Conservation Act 1999 (Cth)
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 Greenhouse and Energy Reporting Act 2007 (Cth)
National Parks and Wildlife Act 1974 (NSW)
National Trust of Australia (New South Wales) Act 1990 (NSW)
Pesticides Act 1999 (NSW)
Protection of the Environment Operations Act 1997 (NSW)
Protection of the Environment Operations (Clean Air) Regulation 2010 (NSW)
Protection of the Environment Operations (General) Regulation 2009 (NSW)
Protection of the Environment Operations (Waste) Regulation 2014 (NSW)
Rural Fires Act 1997 (NSW)
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 2016 to 31 October 2017. Insurance has been renewed for the period 1 November 2017 to 31 October 2018 at a cost of $42,010. 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
16 March 2018

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 2017, and the numbers of meetings attended by each Council member were:

Summary of Council Members' Attendance to Committee Meetings 2017

Members of Council (2017)	**Council**		**Finance & Infrastructure**		**Audit & Risk**		**Innovation & Development**		**HDTT***		**Remuneration**		**Nominations**	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
The Chancellor														
Mr James Harris (from 20/11/14)	5	5	8	8			3	3	1	1	6	6	3	3
The Deputy-Chancellor														
Ms Jan McClelland (See below *Members appointed by Council)*														
Official Members														
Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14)	5	5	8	8	7	7	3	3	1	1	6	6	3	3
Professor Nick Reid, Chair Academic Board (reappointed 20/02/17)	5	5	6	8			2	3	1	1			3	3
Members appointed by the Minister														
Ms Meredith Symons	5	5	5	8										
Mr David van Aanholt	5	5	6	8	5	7	2	3			5	6		
Members appointed by Council														
Ms Jan McClelland	5	5	8	8	7	7	3	3	1	1	6	6	1	3
Ms Anne Myers	3	5			6	7	2	3						
Ms Rosemary Leamon	5	5	7	8	6	7	3	3						
Mr Robert Finch	5	5	8	8	7	7					6	6		
Mr Russell Evans	5	5					1	3						
Members elected by academic staff														
Professor Margaret Sims	4	5												
Members elected by the graduates														
Dr Robyn Muldoon	5	5							0	1	5	6		
Dr Jack Hobbs	4	5							0	1				
Member elected by non-academic staff														
Mr Charles Hebblewhite	5	5												
Member elected by the student body														
Ms Catherine Millis	5	5												

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

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 2017 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 2017 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	**Professor Annabelle Duncan**
Chancellor	**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
16 March 2018

Income Statement
for the year ended 31 December 2017

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	**157,506**	156,386	**157,506**	156,386
HELP - Australian Government payments	3	**78,831**	71,756	**78,831**	71,756
State and local government financial assistance	4	**3,064**	3,947	**2,649**	3,740
HECS-HELP - Student payments		**8,468**	8,449	**8,468**	8,449
Fees and charges	5	**41,943**	40,194	**39,682**	38,033
Investment revenue	6	**5,872**	4,911	**4,444**	4,108
Royalties, trademarks and licences	7	**145**	288	**150**	292
Consultancy and contracts	8	**4,198**	2,362	**995**	429
Other revenue	9	**30,031**	29,796	**14,736**	12,400
Gains on disposal of assets		**-**	229	**-**	89
Other investment income	6	**191**	169	**-**	-
Other income	9	**137**	267	**2,312**	2,794
Total income from continuing operations		**330,386**	318,754	**309,773**	298,476
Expenses from continuing operations					
Employee related expenses	10	**186,210**	180,727	**174,657**	170,043
Depreciation and amortisation	11	**23,157**	21,834	**22,551**	21,059
Repairs and maintenance	12	**7,353**	6,841	**7,434**	6,417
Borrowing costs	13	**1,067**	879	**1,055**	875
Impairment of assets	14	**667**	594	**2,158**	486
Losses on disposal of assets		**316**	-	**318**	-
Deferred superannuation expense	10, 40	**242**	106	**242**	106
Other expenses	15	**102,085**	94,572	**97,032**	88,981
Total expenses from continuing operations		**321,097**	305,553	**305,447**	287,967
Net result before income tax		**9,289**	13,201	**4,326**	10,509
Income tax expense		**-**	-	**-**	-
Net result attributable to members from continuing operations	29(b)	**9,289**	13,201	**4,326**	10,509

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Net result after income tax for the period		**9,289**	13,201	**4,326**	10,509
Items that may be reclassified to profit or loss					
Gain (loss) on value of available-for-sale financial assets, net of tax		**3,508**	4,166	**3,168**	4,174
Total		**3,508**	4,166	**3,168**	4,174
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of land, buildings and infrastructure, net of tax		**5,371**	8,150	**5,251**	8,007
Net Actuarial losses (gains) recognised in respect of defined benefit plans		**76**	(595)	**76**	(595)
Reserve transfer relating to controlled entity		**3**	-	**-**	-
Total		**5,450**	7,555	**5,327**	7,412
Total other comprehensive income		**8,958**	11,721	**8,495**	11,586
Total comprehensive income attributable to members of the University of New England		**18,247**	24,922	**12,821**	22,095

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

Statement of Financial Position
as at 31 December 2017

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Assets					
Current assets					
Cash and cash equivalents	**16**	**81,523**	83,830	**74,748**	75,798
Receivables	**17**	**7,114**	6,447	**5,315**	4,366
Inventories	**18**	**450**	303	**130**	98
Other financial assets	**19**	**73,000**	60,546	**73,000**	60,000
Non-current assets classified as held for sale	**20**	-	1,259	-	-
Other non-financial assets	**21**	**9,938**	7,985	**9,497**	7,974
Biological assets	**22**	**1,217**	1,076	**1,217**	1,076
Total current assets		**173,242**	161,446	**163,907**	149,312
Non-current assets					
Receivables	**17**	**320,039**	327,386	**320,039**	327,414
Other financial assets	**19**	**40,271**	32,920	**17,130**	14,962
Property, plant and equipment	**23**	**312,548**	315,062	**308,188**	311,343
Intangible assets	**24**	**1,631**	1,939	**670**	753
Total non-current assets		**674,489**	677,307	**646,027**	654,472
Total assets		**847,731**	838,753	**809,934**	803,784
Liabilities					
Current liabilities					
Trade and other payables	**25**	**7,663**	8,780	**5,823**	7,165
Borrowings	**26**	**27**	7	-	-
Provisions	**27**	**31,045**	31,990	**29,561**	30,495
Other liabilities	**28**	**17,768**	17,638	**19,240**	16,201
Total current liabilities		**56,503**	58,415	**54,624**	53,861
Non-current liabilities					
Borrowings	**26**	**20,077**	20,029	**20,000**	20,000
Provisions	**27**	**328,096**	335,521	**327,913**	335,368
Other liabilities	**28**	**99**	77	**99**	77
Total non-current liabilities		**348,272**	355,627	**348,012**	355,445
Total liabilities		**404,775**	414,043	**402,636**	409,306
Net assets		**442,956**	424,709	**407,298**	394,477
Equity					
Reserves	**29 (a)**	**101,870**	94,859	**99,979**	93,431
Retained earnings	**29 (b)**	**341,086**	329,850	**307,319**	301,046
Parent entity interest		**442,956**	424,709	**407,298**	394,477
Total equity		**442,956**	424,709	**407,298**	394,477

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 2017

	Consolidated			Parent Entity		
	Reserves $'000	**Retained earnings $'000**	**Total $'000**	**Reserves $'000**	**Retained earnings $'000**	**Total $'000**
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)
Total comprehensive income	12,316	12,605	24,921	12,181	9,914	22,095
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
Balance at 1 January 2017	94,859	329,850	424,709	93,431	301,046	394,477
Retrospective changes	-	-	-	-	-	-
Balance as restated	94,859	329,850	424,709	93,431	301,046	394,477
Net result	-	9,289	9,289	-	4,326	4,326
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	5,371	-	5,371	5,251	-	5,251
Gain/(loss) on revaluation of available-for-sale financial assets	3,508	-	3,508	3,168	-	3,168
Remeasurements of Defined Benefit Plans	-	76	76	-	76	76
Transfers from revaluation reserves to retained surplus for asset sales	(1,868)	1,871	3	(1,871)	1,871	-
Total comprehensive income	7,011	11,236	18,247	6,548	6,273	12,821
Balance at 31 December 2017	101,870	341,086	442,956	99,979	307,319	407,298

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 2017

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Cash flows from operating activities					
Australian Government grants		**233,399**	231,198	**233,399**	231,198
OS-HELP (net)		**(160)**	323	**(160)**	323
Superannuation supplementation		**19,832**	19,663	**19,832**	19,663
State Government Grants		**2,070**	2,740	**2,070**	2,740
HECS-HELP - Student payments		**9,395**	9,160	**8,980**	8,953
Receipts from student fees and other customers		**81,056**	77,775	**64,021**	58,283
Dividends received		**144**	131	**34**	16
Interest received		**4,241**	4,616	**3,975**	4,134
Payments to suppliers and employees (inclusive of GST)		**(326,755)**	(311,281)	**(309,386)**	(294,908)
Interest and other costs of finance		**(1,055)**	(875)	**(1,055)**	(875)
GST recovered		**4,727**	6,023	**5,269**	6,107
Net cash provided by / (used in) operating activities	**36**	**26,894**	39,473	**26,979**	35,634
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**76**	591	**3**	284
Payments for property, plant and equipment		**(15,159)**	(19,563)	**(14,132)**	(19,184)
Proceeds from sale of financial assets		**62,794**	65,462	**60,000**	57,000
Payments for financial assets		**(76,559)**	(75,488)	**(73,000)**	(60,000)
Loans to related parties		**-**	-	**(900)**	(1,000)
Other investing outflows		**(360)**	-	**-**	-
Net cash provided by / (used in) investing activities		**(29,208)**	(28,998)	**(28,029)**	(22,900)
Cash flows from financing activities					
Proceeds from borrowings		**9**	-	**-**	-
Repayment of borrowings		**(2)**	-	**-**	-
Other financing inflows		**-**	144	**-**	-
Other financing outflows		**-**	(1,275)	**-**	-
Net cash provided by / (used in) financing activities		**7**	(1,131)	**-**	-
Net increase / (decrease) in cash and cash equivalents		**(2,307)**	9,344	**(1,050)**	12,734
Cash and cash equivalents at the beginning of the financial year		**83,830**	74,486	**75,798**	63,064
Cash and cash equivalents at the end of the financial year		**81,523**	83,830	**74,748**	75,798

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 16 March 2018.

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 2017 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).

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.

Note 1. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

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 Goup'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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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.

(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.

Note 1. Summary of significant accounting policies (continued)

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

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.

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.

Note 1. Summary of significant accounting policies (continued)

(m) Fair value measurement (continued)

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.

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:

	2017	**2016**
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	n/a
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, buildings and infrastructure assets controlled by the University were revalued as at 31 December 2017 by Global Valuation Services Pty Ltd.

Note 1. Summary of significant accounting policies (continued)

(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 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.

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.

Note 1. Summary of significant accounting policies (continued)

(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.

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.

Note 1. Summary of significant accounting policies (continued)

(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 2017 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 2017 reporting period. The University has elected not to early adopt any of these standards.

Australian Accounting Standard AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' are mandatory from 1 January 2019. The standards replace AASB 118 'Revenue', AASB 111 'Construction Contracts' and AASB 1004 'Contributions'.

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expecxts to be entitled to in exchange for the provision of these goods or services. Revenue is only recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time.

Furthermore, AASB 1058 amends the income recognition requirements that apply to not-for-profit entities and establishes principles for not-for-profit entities that apply to:
(a) transactions where the consideration to acquire an asset is significantly less than the fair value principally to enable a not-for-profit entity to further its objectives;
(b) the receipt of voluneer services; and
(c) transfers made to enable an entity to acquire or construct a non-financail asset for its own use.

The University is in the process of assessing the changes, if any, to its revenue recognition policies upon the adoption of AASB 15 and AASB 1058. Until this process is complete, the University is unable to reasonably quantify the expected financial impacts of those standards in future periods.

Australian Accounting Standard AASB 16 'Leases' is mandatory from 1 January 2019 and replaces the current standard AASB 117 'Leases'. The University is in the process of assessing the changes, if any, to its recognition of leases upon the adoption of AASB 16. Until this process is complete, the University is unable to reasonably quantify the expected financial impacts of those standards in future periods.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2017	2016	**2017**	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	**329,122**	317,478	**9,247**	13,158	**847,731**	838,753
US/Canada	**717**	711	**24**	24	**-**	-
Unallocated	**547**	565	**18**	19	**-**	-
Total	**330,386**	318,754	**9,289**	13,201	**847,731**	838,753

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

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
(a) Commonwealth Grant Scheme and Other Grants	**41a**				
Commonwealth Grant Scheme [#1]		**111,929**	110,521	**111,929**	110,521
Promotion of Excellence in Learning and Teaching		**10**	111	**10**	111
Higher Education Participation Program		**2,345**	4,529	**2,345**	4,529
Disability Performance Funding [# 2]		**114**	135	**114**	135
Indigenous Student Success Program [# 3]		**2,070**	1,303	**2,070**	1,303
Total Commonwealth Grant Scheme and Other Grants		**116,468**	116,599	**116,468**	116,599
(b) Higher Education Loan Programs	**41b**				
HECS-HELP		**72,840**	65,582	**72,840**	65,582
FEE-HELP [#4]		**5,681**	5,875	**5,681**	5,875
SA-HELP		**311**	299	**311**	299
Total Higher Education Loan Programs		**78,832**	71,756	**78,832**	71,756
(c) Scholarships	**41c**				
Research Training Program [# 5]		**8,912**	3,093	**8,912**	3,093
Total Scholarships		**8,912**	3,093	**8,912**	3,093
(d) EDUCATION Research	**41c**				
Research Support Program [# 6]		**7,420**	12,966	**7,420**	12,966
Total EDUCATION Research Grants		**7,420**	12,966	**7,420**	12,966
(e) Other Captial Funding	**41e**				
Education Investment Fund		**-**	2,626	**-**	2,626
Total Other Capital Funding		**-**	2,626	**-**	2,626
(f) Australian Research Council	**41f**				
Discovery		**1,414**	1,310	**1,414**	1,310
Linkages [#7]		**421**	224	**421**	224
Total ARC		**1,835**	1,534	**1,835**	1,534
(g) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		**5,856**	4,784	**5,856**	4,784
Other Research Financial Assistance		**13,748**	11,002	**13,748**	11,002
Non-Research Financial Assistance		**3,267**	3,782	**3,267**	3,782
Total other Australian Government financial assistance		**22,871**	19,568	**22,871**	19,568
Total Australian Government financial assistance		**236,338**	228,142	**236,338**	228,142

#1 Includes the basic CGS grant amount, Regional Loading, Enabling Loading , Medical Student Loading, Allocated Places and Non Designated Courses.

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs should be combined and reported in Indigenous Student Success Program for 2016.

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

#5 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme as of 1 January 2017.

#6 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities as of 1 January 2017.

#7 ARC Linkage Infrastructure, Equipment and Facilities grants should be reported in (e) Capital.

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000

Note 4. State and Local Government financial assistance

	Note	2017	2016	2017	2016
Non-capital					
Research grants		**2,070**	2,740	**2,070**	2,740
Non research grants		**994**	1,207	**579**	1,000
Total State and Local Government financial assistance		**3,064**	3,947	**2,649**	3,740

Note 5. Fees and charges

	Note	2017	2016	2017	2016
Course fees and charges					
Fee-paying onshore overseas students		**20,362**	17,673	**20,362**	17,673
Fee-paying domestic postgraduate students		**2,057**	3,331	**2,057**	3,331
Fee-paying domestic undergraduate students		**316**	322	**316**	322
Fee-paying domestic non-award students		**428**	293	**428**	293
Other domestic course fees and charges		**2,527**	1,720	**809**	372
Total course fees and charges		**25,690**	23,339	**23,972**	21,991
Other non-course fees and charges					
Student services and amenities fees from students		**512**	504	**512**	504
Parking fees		**425**	435	**425**	436
Conference income		**338**	151	**339**	152
College residential rental		**13,539**	13,976	**13,539**	13,976
Other non course fees and charges		**1,439**	1,789	**895**	974
Total other fees and charges		**16,253**	16,855	**15,710**	16,042
Total fees and charges		**41,943**	40,194	**39,682**	38,033

Note 6. Investment revenue and other investment income

	Note	2017	2016	2017	2016
Investment revenue					
Interest income:					
Bank deposits		**4,241**	4,376	**3,876**	3,984
Other loans and receivables		**63**	108	**35**	108
Dividend from equity investments		**1,568**	427	**533**	16
Total investment revenue		**5,872**	4,911	**4,444**	4,108
Other investment income					
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		191	95	-	-
Total other investment income		**191**	169	**-**	-

Note 7. Royalties, trademarks and licences

	Note	2017	2016	2017	2016
Royalties, trademarks and licences		**145**	288	**150**	292
Total royalties, trademarks and licences		**145**	288	**150**	292

Note 8. Consultancy and contracts

	Note	2017	2016	2017	2016
Consultancy		**4,000**	2,295	**797**	362
Contract research		**198**	67	**198**	67
Total consultancy and contracts		**4,198**	2,362	**995**	429

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000

Note 9. Other revenue and income

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Other revenue					
Donations and bequests		**2,042**	4,356	**426**	414
Non-government grants		**7,913**	5,947	**7,947**	5,947
Sundry trading income		**20,076**	19,490	**6,363**	6,036
Foreign exchange gains		**-**	3	**-**	3
Total other revenue		**30,031**	29,796	**14,736**	12,400
Other income					
Other income		**137**	267	**2,312**	2,794
Total other income		**137**	267	**2,312**	2,794
Total other revenue and income		**30,168**	30,063	**17,048**	15,194

Note 10. Employee related expenses

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Academic					
Salaries		**66,476**	63,457	**66,476**	63,457
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**11,813**	10,826	**11,813**	10,826
Payroll tax		**4,772**	4,458	**4,772**	4,458
Worker's compensation		**240**	287	**240**	287
Long service leave expense		**2,057**	2,018	**2,057**	2,018
Annual leave		**4,816**	5,195	**4,816**	5,195
Other		**186**	43	**186**	43
Total academic		**90,360**	86,284	**90,360**	86,284
Non-academic					
Salaries		**70,585**	69,596	**60,857**	60,631
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**12,000**	11,175	**11,051**	10,289
Payroll tax		**4,842**	4,740	**4,308**	4,207
Worker's compensation		**282**	334	**218**	281
Long service leave expense		**1,919**	1,988	**1,883**	1,968
Annual leave		**4,949**	5,645	**4,751**	5,438
Other		**1,273**	965	**1,228**	945
Total non-academic		**95,850**	94,443	**84,297**	83,759
Total employee related expenses		**186,210**	180,727	**174,657**	170,043
Deferred superannuation expense	40	**242**	106	**242**	106
Total employee related expenses, including deferred government employee benefits for superannuation		**186,452**	180,833	**174,899**	170,149

Note 11. Depreciation and amortisation

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Depreciation					
Buildings		**12,235**	11,499	**12,154**	11,416
Infrastructure		**2,416**	2,331	**2,412**	2,327
Plant and equipment		**8,123**	7,658	**7,902**	7,233
Total depreciation		**22,774**	21,488	**22,468**	20,976
Amortisation					
Leasehold improvements		**73**	75	-	-
Intangibles		**310**	271	**83**	83
Total amortisation		**383**	346	**83**	83
Total depreciation and amortisation		**23,157**	21,834	**22,551**	21,059

Note 12. Repairs and maintenance

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Buildings		**1,843**	1,613	**1,843**	1,608
Infrastructure		**3,151**	2,907	**3,434**	2,907
Plant, furniture and equipment		**962**	976	**760**	615
Grounds		**279**	404	**279**	346
Computer service costs		**1,118**	941	**1,118**	941
Total repairs and maintenance		**7,353**	6,841	**7,434**	6,417

Note 13. Borrowing costs

Interest expense		**1,067**	879	**1,055**	875
Total borrowing costs expensed		**1,067**	879	**1,055**	875

Note 14. Impairment of assets

Bad debts		**226**	357	**188**	278
Doubtful debts		**79**	230	**70**	198
Impairment of investments		**362**	7	**-**	10
Impairment of related party loans		**-**	-	**1,900**	-
Total impairment of assets		**667**	594	**2,158**	486

Note 15. Other expenses

Scholarships, grants and prizes		**11,748**	10,032	**11,767**	10,027
Non-capitalised equipment		**2,885**	2,283	**2,865**	2,082
Advertising, marketing and promotional expenses		**14,577**	12,255	**14,381**	12,100
Utilities		**4,420**	4,278	**4,086**	3,759
Consummables and materials		**5,889**	4,921	**2,755**	2,576
Telecommunications		**1,296**	1,646	**843**	1,175
Travel, entertainment and staff development		**8,553**	7,120	**8,280**	6,897
Books, serials and other library media		**5,029**	4,598	**4,962**	4,552
Printing and Stationery		**1,566**	1,342	**1,530**	1,321
Consultants and professional fees		**15,147**	14,607	**11,723**	11,744
External contributions		**4,630**	8,130	**9,088**	10,455
Catering services		**2,208**	2,161	**2,186**	2,201
Property and facilities		**6,473**	6,115	**6,287**	5,897
Foreign exchange loss		**64**	-	**64**	-
Information technology		**8,214**	8,981	**8,210**	8,949
Inter entity transfer		**-**	-	**-**	-
Miscellaneous expenses		**9,386**	6,103	**8,005**	5,246
Total other expenses		**102,085**	94,572	**97,032**	88,981

Note 16. Cash and cash equivalents — 1(h)

Cash at bank and on hand		**13,745**	14,573	**11,748**	11,798
Short-term deposits at call		**67,778**	69,257	**63,000**	64,000
Total cash and cash equivalents		**81,523**	83,830	**74,748**	75,798

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

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

Balances as above		**81,523**	83,830	**74,748**	75,798
Less: Bank overdrafts		**-**	-	**-**	-
Balance per statement of cash flows		**81,523**	83,830	**74,748**	75,798

(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 1.60% (2016: 1.00% and 1.85%).

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000

Note 16. Cash and cash equivalents (continued)

(c) Deposits at call

The deposits are bearing floating interest rates between 2.40% and 2.65% (2016: 2.45% and 3.00%). These deposits have an average maturity date of 190 days (2016: 183 days).

Note 17. Receivables

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Current					
Trade and other debtors	1(i)	**8,702**	7,941	**6,824**	5,805
Less: Provision for impaired receivables		**(1,588)**	(1,494)	**(1,509)**	(1,439)
Total current receivables		**7,114**	6,447	**5,315**	4,366
Non-current					
Other receivables		**49**	49	**49**	77
Deferred government benefit for superannuation	40	**319,990**	327,337	**319,990**	327,337
Total non-current receivables		**320,039**	327,386	**320,039**	327,414
Total receivables		**327,153**	333,833	**325,354**	331,780

As of 31 December 2017, there were no amounts in current receivables that were taken up as past due but not impaired (2016: $0.396m).

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
3 to 6 months	**-**	292	**-**	288
6 to 12 months	**-**	178	**-**	108
Over 12 months	**-**	-	**-**	-
Total past due but not impaired current receivables	**-**	470	**-**	396

(a) Impaired receivables

As at 31 December 2017 current receivables of the Group with a nominal value of $1.588 milion (2016: $2.197 million) were impaired. The amount of the provision was $1.588 million (2016: $1.494 milion). It was assessed that all receivables would be impaired. The impaired receivables for the parent entity in 2017 was $1.509 million (2016: $1.768 million).

The ageing of these receivables is as follows:

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
3 to 6 months	**772**	649	**762**	486
6 to 12 months	**331**	1,145	**263**	884
Over 12 months	**485**	403	**484**	398
Total current impaired receivables	**1,588**	2,197	**1,509**	1,768

Movements in the provision for impaired receivables are as follows:

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
As at 1 January	**(1,494)**	(1,263)	**(1,439)**	(1,242)
Provision for impairment recognised during the year	**(716)**	(1,254)	**(654)**	(1,137)
Receivables written off during the year as uncollectible	**226**	300	**188**	222
Unused amount reversed	**396**	723	**396**	718
At 31 December	**(1,588)**	(1,494)	**(1,509)**	(1,439)

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	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
	1(j)				
Current					
Fodder and produce		**130**	98	**130**	98
Other stocks		**320**	205	**-**	-
Total current inventories		**450**	303	**130**	98

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Note 19. Other financial assets	1(l)				
Current					
Held-to-maturity		**73,000**	60,546	**73,000**	60,000
Total current other financial assets		**73,000**	60,546	**73,000**	60,000
Non-current					
Loans to related parties		-	-	**1,900**	1,000
Less: Provision for impairment loans to related parties		-		**(1,900)**	-
Held-to-maturity		**4,691**	3,891	**-**	-
Available for sale		**35,580**	29,029	**17,130**	13,962
Total non-current other financial assets		**40,271**	32,920	**17,130**	14,962

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

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Available for sale investments	**-**	1,259	**-**	-
Total non-current assets classified as held for sale	**-**	1,259	**-**	-

Note 21. Other non-financial assets

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Current				
Accrued income	**4,228**	1,194	**3,798**	1,147
Prepaid expenses	**4,512**	4,628	**4,501**	4,589
Other non-financial assets	**1,198**	2,163	**1,198**	2,239
Total current other non-financial assets	**9,938**	7,985	**9,497**	7,974

Note 22. Biological assets

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Livestock	**1,217**	1,076	**1,217**	1,076
Total biological assets	**1,217**	1,076	**1,217**	1,076

Reconciliation of changes in the carrying amount of biological assets

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Livestock - Balance as at 1 January	**1,076**	927	**1,076**	927
Purchases	**185**	146	**185**	146
Natural increases	**606**	553	**606**	553
Sales	**(650)**	(552)	**(650)**	(552)
Increment/(decrement) in fair value of biological assets	**-**	2	**-**	2
Balance as at 31 December	**1,217**	1,076	**1,217**	1,076
Total biological assets	**1,217**	1,076	**1,217**	1,076

At 31 December 2017 livestock held for sale comprised 249 cattle and 7,416 sheep (2016: 233 cattle and 7,558 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 rare books $'000	Other** $'000	Work in Progress $'000	Total $'000
At 1 January 2016										
- Cost	2,254	-	41,305	58,131	795	2,756	-	2,097	19,497	**126,835**
- Valuation	19,695	20,012	177,544	-	-	-	1,769	-	-	**219,020**
Accumulated depreciation and impairment	(417)	-	(1,886)	(30,709)	(565)	(2,756)	-	-	-	**(36,333)**
Net book amount	**21,532**	**20,012**	**216,963**	**27,422**	**230**	**-**	**1,769**	**2,097**	**19,497**	**309,522**
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)	-	-	-	-	-	**(164)**
Disposals	-	-	-	(1,486)	-	-	-	-	-	**(1,486)**
Revaluation surplus	531	225	7,396	-	-	-	-	-	-	**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	**22,041**	**20,237**	**233,045**	**26,472**	**155**	**36**	**1,769**	**2,204**	**9,102**	**315,061**

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 rare books $'000	Other** $'000	Work in Progress $'000	Total $'000
Year ended 31 December 2017										
Opening net book amount	22,041	20,237	233,045	26,472	155	36	1,769	2,204	9,102	**315,061**
Depreciation written back on disposal	-	-	14	911	-	-	-	-	-	**925**
Transfers	(1,712)	-	(557)	6,082	-	-	-	11	(3,824)	**-**
Derecognition	-	-	-	(2)	-	-	-	-	(120)	**(122)**
Disposals	-	-	(118)	(1,144)	-	-	-	-	-	**(1,262)**
Revaluation surplus	529	380	4,462	-	-	-	-	-	-	**5,371**
Additions	412	-	2	2,388	-	82	-	52	12,236	**15,172**
Donations	-	-	-	-	-	-	-	250	-	**250**
Impairment losses	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(2,416)	-	(12,235)	(8,101)	(73)	(22)	-	-	-	**(22,847)**
Closing net book amount	**18,854**	**20,617**	**224,613**	**26,606**	**82**	**96**	**1,769**	**2,517**	**17,394**	**312,548**
At 31 December 2017										
- Cost	591	-	723	73,435	796	116	1,769	2,517	17,394	**97,341**
- Valuation	18,283	20,617	223,929	-	-	-	-	-	-	**262,829**
Accumulated depreciation and impairment	(20)	-	(39)	(46,829)	(714)	(20)	-	-	-	**(47,622)**
Net book amount	**18,854**	**20,617**	**224,613**	**26,606**	**82**	**96**	**1,769**	**2,517**	**17,394**	**312,548**

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure $'000	Land $'000	Buildings $'000	Plant and equipment* $'000	Leased plant & equipment $'000	Library rare books $'000	Other** $'000	Work in Progress $'000	Total $'000
At 1 January 2016									
- 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**
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**
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**

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure $'000	Land $'000	Buildings $'000	Plant and equipment* $'000	Leased plant & equipment $'000	Library rare books $'000	Other** $'000	Work in Progress $'000	Total $'000
Year ended 31 December 2017									
Opening net book amount	21,965	19,837	230,652	25,814	-	1,769	2,204	9,102	**311,343**
Depreciation written back on disposal	-	-	14	910	-	-	-	-	**924**
Transfers	(1,712)	-	(557)	6,082	-	-	11	(3,824)	**-**
Derecognition	-	-	-	-	-	-	-	(120)	**(120)**
Disposals	-	-	(118)	(1,133)	-	-	-	-	**(1,251)**
Revaluation surplus	529	330	4,393	-	-	-	-	-	**5,252**
Additions	412	-	2	1,556	-	-	52	12,236	**14,258**
Donations	-	-	-	-	-	-	250	-	**250**
Impairment losses	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(2,412)	-	(12,154)	(7,902)	-	-	-	-	**(22,468)**
Closing net book amount	**18,782**	**20,167**	**222,232**	**25,327**	**-**	**1,769**	**2,517**	**17,394**	**308,188**
At 31 December 2017									
- Cost	591	-	723	69,543	-	1,769	2,517	17,394	**92,537**
- Valuation	18,211	20,167	221,548	-	-	-	-	-	**259,926**
Accumulated depreciation and impairment	(20)	-	(39)	(44,216)	-	-	-	-	**(44,275)**
Net book amount	**18,782**	**20,167**	**222,232**	**25,327**	**-**	**1,769**	**2,517**	**17,394**	**308,188**

* 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 2017 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
Note 24. Intangible assets	1(q)					
Consolidated						
At 1 January 2016						
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)
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
Year ended 31 December 2017						
Opening net book amount		472	525	362	580	1,939
Additions - internal development		27	-	-	518	545
Additions - Separately acquired		4	-	-	-	4
Impairment losses		-	-	(362)	-	(362)
Amortisation charge		(174)	-	-	(137)	(311)
Work in progress movement		-	-	-	(184)	(184)
Closing net book amount		329	525	-	777	1,631
At 31 December 2017						
Cost		11,026	525	1,269	984	13,804
Accumulated amortisation and impairment		(10,697)	-	(1,269)	(207)	(12,173)
Net book amount		329	525	-	777	1,631

Intangible assets

	Note	Software Development $'000	Licences $'000	Total $'000
Intangible assets	1(q)			
Parent				
At 1 January 2016				
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 - internally developed		-	-	-
Disposals		-	-	-
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
Year ended 31 December 2017				
Opening net book amount		253	500	753
Additions		-	-	-
Disposals		-	-	-
Amortisation charge		(83)	-	(83)
Closing net book amount		170	500	670
At 31 December 2017				
Cost		10,718	500	11,218
Accumulated amortisation and impairment		(10,548)	-	(10,548)
Net book amount		170	500	670

Note 25. Trade and other payables

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Current					
Trade payables	1(r)	**6,437**	7,390	**4,597**	5,775
Refundable receipts		**-**	4	**-**	4
OS-HELP Liability to Australian Government		**1,226**	1,386	**1,226**	1,386
Total current trade and other payables		**7,663**	8,780	**5,823**	7,165

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 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Australian dollars	**7,663**	8,780	**5,823**	7,165

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

Note 26. Borrowings

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Current				
Finance lease liabilities	**27**	7	**-**	-
Total current borrowings	**27**	7	**-**	-
Non-current				
Finance lease liabilities	**77**	29	**-**	-
Unsecured bank loans	**20,000**	20,000	**20,000**	20,000
Total non-current borrowings	**20,077**	20,029	**20,000**	20,000
Total borrowings	**20,104**	20,036	**20,000**	20,000

(a) Assets pledged as security
The Group and parent entity had no assets pledged as security in 2017.

(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 38.

Note 27. Provisions 1(u)

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	**10,455**	10,237	**9,972**	9,750
Long service leave	**3,426**	3,312	**3,330**	3,191
Staffing	**-**	325	**-**	325
Other	**3**	4	**-**	-
Subtotal	**13,884**	13,878	**13,302**	13,266
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	**4,336**	5,197	**3,985**	4,814
Long service leave	**12,825**	12,915	**12,274**	12,415
Subtotal	**17,161**	18,112	**16,259**	17,229
Total current provisions	**31,045**	31,990	**29,561**	30,495

Note 27. Provisions (continued)

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
	1(u)				
Non-current provisions					
Employee benefits					
Long service leave		**5,615**	5,382	**5,432**	5,229
Deferred government benefits for superannuation		**321,339**	328,385	**321,339**	328,385
Professorial superannuation		**1,142**	1,754	**1,142**	1,754
Total non-current provisions		**328,096**	335,521	**327,913**	335,368
Total provisions		**359,141**	367,511	**357,474**	365,863

Note 28. Other liabilities

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Current				
(i) Accrued liabilities				
Salary related	**4,280**	4,524	**4,241**	4,396
Other accrued expenditure	**2,574**	1,832	**5,323**	1,909
	6,854	6,356	**9,564**	6,305
(ii) Monies received in advance				
Australian Government unspent financial assistance	**1,930**	2,727	**1,930**	2,727
Fees in advance	**7,966**	7,660	**6,728**	6,274
	9,896	10,387	**8,658**	9,001
(iii) Trust funds				
Security deposits	**34**	25	**34**	25
Employee deduction clearing accounts	**774**	687	**774**	687
Associated entities	**36**	11	**36**	11
Other	**174**	172	**174**	172
	1,018	895	**1,018**	895
Total current other liabilities	**17,768**	17,638	**19,240**	16,201
Non Current				
Fees in advance	**99**	-	**99**	-
Other non-current liabilities	**-**	77	**-**	77
Total non current other liabilities	**99**	77	**99**	77
Total other liabilities	**17,867**	17,715	**19,339**	16,278

Note 29. Reserves and retained earnings

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
(a) Reserves				
Revaluation reserve - investments	**17,536**	14,025	**17,072**	13,905
Revaluation reserve - buildings	**59,399**	56,808	**58,374**	55,853
Revaluation reserve - land	**12,266**	11,886	**11,896**	11,566
Revaluation reserve - infrastructure	**12,669**	12,140	**12,636**	12,107
Total reserves	**101,870**	94,859	**99,978**	93,431
Movements				
Asset revaluation reserve - investments				
Balance 1 January	**14,025**	9,859	**13,904**	9,730
Transfer from reserves	**2**	-	**-**	-
Increment/(decrement) on revaluation	**3,509**	4,166	**3,168**	4,174
Balance 31 December	**17,536**	14,025	**17,072**	13,904
Asset revaluation reserve - buildings				
Balance 1 January	**56,808**	49,415	**55,853**	48,598
Increment/(decrement) on revaluation	**4,463**	7,396	**4,393**	7,258
Transfer to/(from) retained earnings on disposal	**(1,872)**	(3)	**(1,872)**	(3)
Balance 31 December	**59,399**	56,808	**58,374**	55,853

Note 29. Reserves and retained earnings (continued)

(a) Reserves (continued)

Movements (continued)

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent entity 2017 $'000	Parent entity 2016 $'000
Asset revaluation reserve - land					
Balance 1 January		**11,885**	11,661	**11,566**	11,342
Increment/(decrement) on revaluation		**381**	224	**330**	224
Balance 31 December		**12,266**	11,885	**11,896**	11,566
Asset revaluation reserve - infrastructure					
Balance 1 January		**12,140**	11,608	**12,107**	11,579
Increment/(decrement) on revaluation		**529**	532	**529**	528
Balance 31 December		**12,669**	12,140	**12,636**	12,107
(b) Retained earnings					
Movements in retained earnings were as follows:					
Retained earnings at 1 January		**329,850**	317,372	**301,046**	291,354
Actuarial changes for defined benefit superannuation schemes		**76**	(595)	**76**	(595)
Other		**(1)**	(131)	**(1)**	(225)
Transfer to\ retained earnings on disposal of revalued assets		**1,872**	3	**1,872**	3
Net result for the year		**9,289**	13,201	**4,326**	10,509
Retained earnings at 31 December		**341,086**	329,850	**307,319**	301,046

(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) Names of 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 Joyce Kirk (until 31 December 2017)
Professor Jonathan Powles (from 5 June 2017)
Professor Heiko Daniel
Professor Mingan Choct (from 13 November 2017)
Professor Peter Creamer
Mr Kris Kauffmann
Mr Brendan Peet
Professor Sue Thomas (until 12 June 2017)
Mr Trevor Goldstone (until 6 November 2017)

(c) Remuneration of Council Members and Executives

i) Remuneration of council members	Note	Consolidated 2017 Number	Consolidated 2016 Number	Parent entity 2017 Number	Parent entity 2016 Number
Nil to $9,999		**27**	25	**4**	4
$10,000 to $19,999		**9**	8	**9**	8
$20,000 to $29,999		**1**	1	**1**	1
$30,000 to $39,999		**1**	1	**1**	1
		38	35	**15**	14

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

Note 30. Key management personnel disclosures (continued)

	Note	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
(c) Remuneration of Council Members and Executives (continued)					
ii) Remuneration of executive officers		**Number**	**Number**	**Number**	**Number**
$130,000 to $139,999		**2**	1	**-**	-
$150,000 to $159,999		**-**	2	**-**	1
$160,000 to $169,999		**-**	1	**-**	-
$170,000 to $179,999		**1**	-	**1**	-
$180,000 to $189,999		**-**	1	**-**	-
$200,000 to $209,999		**1**	1	**-**	-
$230,000 to $239,999		**1**	1	**-**	1
$240,000 to $249,999		**1**	-	**1**	-
$260,000 to $269,999		**1**	-	**1**	-
$270,000 to $279,999		**1**	-	**1**	-
$300,000 to $309,999		**1**	3	**1**	3
$310,000 to $319,999		**2**	1	**2**	1
$320,000 to $329,999		**1**	-	**1**	-
$450,000 to $459,999		**-**	1	**-**	1
$720,000 to $729,999		**-**	1	**-**	1
$730,000 to $739,999		**1**	-	**1**	-
		13	13	**9**	8
(d) Key management personnel compensation		**$'000**	$'000	**$'000**	$'000
Short-term employee benefits		**3,705**	4,033	**2,603**	2,648
Post-employment benefits		**393**	370	**376**	349
Termination benefits		**-**	-	**-**	-
Total key management personnel compensation		**4,098**	4,403	**2,979**	2,997

(e) Loans to key management personnel

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

Note 31. Remuneration of auditors

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

	Consolidated 2017	Consolidated 2016	Parent entity 2017	Parent entity 2016
Audit the Financial Statements				
Fees paid to the Audit Office of NSW	**387**	374	**271**	262
Total paid for audit services	**387**	374	**271**	262
Other audit and assurance services				
The Institute of Internal Auditors	**10**	-	**10**	-
Total paid for audit and assurance services	**10**	-	**10**	-
Total audit fees	**397**	374	**281**	262

Note 32. Contingencies

As at 31 December 2017 there are no legal proceedings pending against the University that would represent a material contingent liability.

Note 33. Commitments

	Note	Consolidated 2017 $'000	2016 $'000	Parent entity 2017 $'000	2016 $'000
(a) Capital commitments					
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:					
Property, plant and equipment					
Within one year		**5,852**	6,241	**5,852**	6,241
Between one and five years		**44**	-	**44**	-
Later than five years		**-**	-	**-**	-
Total Property, plant and equpment commitments		**5,896**	6,241	**5,896**	6,241
(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:					
Within one year		**1,115**	1,247	**961**	1,047
Between one and five years		**1,289**	2,219	**1,192**	1,982
Later than five years		**-**	-	**132**	-
Total operating leases		**2,404**	3,466	**2,285**	3,029
(ii) Finance Leases					
Commitments in relation to finance leases are payable as follows:					
Within one year		**27**	7	**-**	-
Between one and five years		**70**	29	**-**	-
Later than five years		**-**	-	**-**	-
Total finance leases		**97**	36	**-**	-
Total lease commitments		**2,501**	3,502	**2,285**	3,029

No lease arrangement existing as at 31 December 2017 contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 34. Related parties

(a) Parent entities

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

(b) Subsidiaries

Interest in subsidiaries are set out in note 35.

(c) Key management personnel

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

	Note	Parent entity 2017 $'000	2016 $'000
(d) Transactions with related parties			
The following transactions occurred with related parties:			
Sale of goods and services		**3,130**	2,347
Purchase of goods and services		**856**	772
Contributions to related parties		**4,202**	2,128
Total		**8,188**	5,247

Note 34. Related parties (continued)

	Note	Parent entity 2017 $'000	Parent entity 2016 $'000
(e) Loans to related parties			
Loans to subsidiaries			
Beginning of the year		**1,028**	-
Loans advanced		**900**	1,000
Loan repayment received		**-**	-
Impairment of loan		**(1,900)**	-
Interest charged		**-**	28
Interest written off		**(28)**	-
End of year		**-**	1,028

(f) Outstanding balances

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

	2017 $'000	2016 $'000
Current receivables		
Subsidiaries (sale of goods)	**455**	188
Total current receivables	**455**	188
Non-current receivables		
Subsidiaries (loans to related parties)	**1,900**	1,000
Subsidiaries (provision for impairment of loans to related parties)	**(1,900)**	-
Total non-current receivables	**-**	1,000
Current payables		
Subsidiaries (purchases of goods)	**5**	-
Subsidiaries (contributions)	**3,070**	-
Total current payables	**3,075**	-

(g) Terms and conditions of outstanding balances

A loan to a related party was impaired by the parent entity in 2017. The loan remained as a payable in the related party financial statements.

No provisions for doubtful debts have been raised in relation to any outstanding balances.

(h) 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.

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 2017 %	Ownership interest 2016 %
UNE Partnerships Pty Ltd	Armidale, NSW	100	100
Agricultural Business Research Institute	Armidale, NSW	100	100
UNE Life Pty Ltd	Armidale, NSW	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Armidale, NSW	100	100
Sport UNE for 2016	Armidale, NSW	-	100

Sport UNE ceased trading on 30 November 2016 and all operations after that date 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	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Net result for the period	**9,289**	13,201	**4,326**	10,509
Depreciation and amortisation	**23,158**	21,383	**22,551**	21,059
Impairment of assets	**362**	56	**-**	10
Provision for impaired receivables	**100**	229	**70**	197
Provision for impaired related party loans	**-**	-	**1,900**	-
Actuarial gain / (loss) on deferred superannuation	**76**	(595)	**76**	(595)
Capitalisation and reinvestment of dividend	**(1,027)**	(352)	**-**	-
Gain on transfer	**-**	(74)	**-**	-
Gain/(loss) on revaluation of investments	**(198)**	-	**-**	-
Non-cash items other (income) / expenditure	**(250)**	-	**(250)**	-
Loss / (gain) on asset derecognition	**-**	(294)	**-**	-
Net (gain) / loss on disposal of non-current assets	**321**	(227)	**318**	(89)
Increase / (decrease) in payables and prepaid income	**1,050**	2,917	**963**	1,690
Increase / (decrease) in provision for employee entitlements	**(8,434)**	(16,299)	**(8,389)**	(16,140)
Increase / (decrease) in other provisions	**-**	15	**-**	-
Increase / (decrease) in trust funds	**613**	(322)	**613**	(322)
(Increase) / decrease in receivables and prepaid expenses	**1,982**	19,795	**4,833**	19,281
(Increase) / decrease in inventories	**(148)**	40	**(32)**	34
Net cash provided by / (used in) operating activities	**26,894**	39,473	**26,979**	35,634

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

As at 31 March 2018, the University will relinquish management of the Newling Campus in Armidale back to the NSW State Government. The University will write-off property assets with a written down value of approximately $8.8 million in the year ending 31 December 2018 due to the reliinquishment of the control of these assets.

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 2.40 % and 3.00%. Average maturity of 189 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	26	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	26	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	25 & 28(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group 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 2017	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	13,745	(137)	(137)	137	137	-	-	-	-	-	-	-	-
Short term deposits - at call	67,778	(678)	(678)	678	678	-	-	-	-	-	-	-	-
Receivables	7,114	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	73,000	(730)	(730)	730	730	-	-	-	-	-	-	-	-
Held-to-maturity - non-current	4,691	(47)	(47)	47	47	-	-	-	-	-	-	-	-
Listed shares	35,580	-	-	-	-	-	-	-	-	(356)	(356)	356	356
Unlisted shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Payables	7,663	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	20,077	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,871	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,592)	(1,592)	1,592	1,592	-	-	-	-	(356)	(356)	356	356

Comparative figures for the previous year are as follows:

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													
Payables	8,780	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	20,029	-	-			-	-	-	-	-	-	-	-
Other liabilities	7,251	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,483)	(1,483)	1,483	1,483	-	-	-	-	(290)	(290)	290	290

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 the controlled entites, 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 2017	Average interest rate %	Variable interest rate $'000	Less than 1 year $'000	1 to 5 years $'000	5+ years $'000	Non-interest Bearing $'000	Total $'000
Financial assets							
Cash at bank and on hand	1.30%	13,745	-	-	-	-	13,745
Short term deposits - at call	2.50%	-	67,778	-	-	-	67,778
Receivables		-	-	-	-	7,114	7,114
Held-to-maturity - current	2.48%	-	73,000	-	-	-	73,000
Held-to-maturity - non-current		-	-	4,691	-	-	4,691
Listed shares		-	-	-	-	35,580	35,580
Unlisted shares		-	-	-	-	-	-
Total financial assets		13,745	140,778	4,691	-	42,694	201,908
Financial liabilities							
Payables		-	-	-	-	7,663	7,663
Borrowings		-	-	20,077	-	-	20,077
Other liabilities		-	-	-	-	7,871	7,871
Total financial liabilities		-	-	20,077	-	15,534	35,611

Comparative figures for the previous year are as follows:

31 December 2016	Average interest rate %	Variable interest rate $'000	Less than 1 year $'000	1 to 5 years $'000	5+ years $'000	Non-interest Bearing $'000	Total $'000
Financial assets							
Cash 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							
Payables		-	-	-	-	8,780	8,780
Borrowings		-	-	20,029	-	-	20,029
Other liabilities		-	-	-	-	7,251	7,251
Total financial liabilities		-	-	20,029	-	16,031	36,060

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:

	Notes	Carrying amount		Fair value	
Consolidated		**2017**	2016	**2017**	2016
		$'000	$'000	**$'000**	$'000
Financial assets					
Other financial assets					
Held-to-maturity	**19**	**77,691**	64,437	**77,691**	64,437
Available for sale	**19**	**35,580**	29,029	**35,580**	29,029
Total financial assets		**113,271**	93,466	**113,271**	93,466
Non-financial assets					
Non-current assets held for sale	**20**	**-**	1,259	**-**	1,259
Other non-financial assets					
Accrued income	**21**	**4,228**	1,194	**4,228**	1,194
Prepaid expenses	**21**	**4,512**	4,628	**4,512**	4,628
Other non-financial assets	**21**	**1,198**	2,163	**1,198**	2,163
Total non-financial assets		**9,938**	9,244	**9,938**	9,244
Financial liabilities					
Payables	**25**	**7,663**	8,780	**7,663**	8,780
Borrowings	**26**	**20,104**	20,029	**20,104**	20,029
Total financial liabilities		**27,767**	28,809	**27,767**	28,809

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.

(i) Disclosed fair values

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments (level 3).

The fair value of non-current borrowings disclosed in note 26 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.
The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

Note 39. Fair Value Measurements (continued)

(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 2017:

Fair value measurements at 31 December 2017			**Consolidated**		
Recurring fair value measurements	**Note**	**2017**	**Level 1**	**Level 2**	**Level 3**
Financial assets		**$'000**	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets					
Equity securities		35,580	35,580	-	-
Other financial assets					
Held-to-maturity - current		73,000	73,000	-	-
Held-to-maturity - non-current		4,691	4,691	-	-
Total financial assets		113,271	113,271	-	-

Fair value measurements at 31 December 2017			**Consolidated**		
Recurring fair value measurements	**Note**	**2017**	**Level 1**	**Level 2**	**Level 3**
		$'000	**$'000**	**$'000**	**$'000**
Non-financial assets					
Land		20,617	-	20,617	-
Buildings		224,613	-	31,882	192,731
Infrastructure		18,854	-	2,081	16,773
Total non-financial assets		264,084	-	54,580	209,504
Financial liabilities					
Payables		7,663	-	7,663	-
Borrowings		20,077	-	20,077	-
Total liabilities		27,740	-	27,740	-

Fair value measurements at 31 December 2016		**Consolidated**		
Recurring fair value measurements	**2016**	**Level 1**	**Level 2**	**Level 3**
Financial assets	**$000**	**$000**	**$000**	**$000**
Available-for-sale financial assets				
Equity securities	29,029	29,029	-	-
Other financial assets				
Held-to-maturity - current	60,546	60,546	-	-
Held-to-maturity - non-current	3,891	3,891	-	-
Total financial assets	93,466	93,466	-	-
Non-financial assets				
Land	20,237	-	20,237	-
Buildings	233,044	-	34,003	199,041
Infrastructure	22,042	-	2,775	19,267
Total non-financial assets	275,323	-	57,015	218,308
Financial liabilities				
Payables	8,780	-	8,780	-
Borrowings	20,029	-	20,029	-
Total financial liabilities	28,809	-	28,809	-

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

During 2017, 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.

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.

(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 2017 and 2016:

Level 3 fair value measurements 2017	**Unlisted equity secutiries $000**	**Buildings $000**	**Other financial assets $000**	**Infrastructure $000**	**Financial liabilities $000**	**Total $000**
Opening balance	-	199,041	-	19,266	-	218,307
Acquisitions	-	(555)	-	(1,300)	-	(1,855)
Depreciation written back on disposal	-	14	-	-	-	14
Revaluation surplus	-	4,650	-	883	-	5,533
Disposals	-	(12)	-	-	-	(12)
Recognised in profit or loss	-	(10,408)	-	(2,075)	-	(12,483)
Recognised in other comprehensive income	-	-	-	-	-	-
Closing balance	-	192,730	-	16,774	-	209,504
Level 3 fair value measurements 2016						
Opening balance	-	183,027	1	18,536	-	201,565
Acquisitions	-	20,152	-	2,309	-	22,461
Impaired assets disposed	-	-	(1)	-	-	(1)
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

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 2017. Works of art and museums were 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 2017 $000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Land	20,617	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 $11.2 million. Decrease in replacement cost of buildings by 5% would decrease value by $11.2 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	223,929	Global Valuations	+-5%	
Infrastructure	18,283	Global Valuations	+-5%	
Buildings	684	Value of transfers from WIP	n/a	
Infrastructure	571	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 secctions 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 $0.471 million in 2017, (2016: $0.457million) 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 2017	20,324	20,270	60,250	304,474	405,318
Defined benefit obligation - 31 Dec 2016	20,978	20,666	62,120	340,014	443,778

b) Categories of 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.

As at 30 November 2017	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	3,882,212	1,859,162	2,023,050	-
Australian fixed interest	2,824,790	21,937	2,802,853	-
International fixed interest	1,477,710	9,233	1,468,477	-
Australian equities	9,183,595	8,739,598	443,972	25
International equities	12,135,582	9,159,066	2,975,726	790
Property	3,551,499	867,863	606,475	2,077,161
Alternatives	7,926,781	391,892	3,611,120	3,923,769
Total	**40,982,169**	**21,048,751**	**13,931,673**	**6,001,745**

* Actual asset allocation as at 31 December 2017 is not yet available, the latest available as at 30 November 2017 has been used.

As at 30 November 2016	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	2,229,551	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**

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 cororporate 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;

Note 40. Defined Benefit Plans (continued)

b) Categories of plan assets (continued)

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

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

State schemes (SASS, SANCS, SSS)	**2017 (%)**	2016 (%)
Discount rate(s)		
Expected return on plan assets	7.4	6.4
Expected rate(s) of salary increase	2.7% to 30 June 2019 then 3.2% pa thereafter	2.7% to 30 June 2019 then 3.2% thereaft
Expected return on reimbursement rights	6.4	7.4
Rate of CPI Increase	2.2	2.2
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.3	2.3
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	2.3	2.3
Expected rate(s) of salary increase	3.0	3.0

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$)	355,347,847	395,431,153	321,699,238

	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$)	355,347,847	374,873,891	337,319,976

	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$)	355,347,847	356,127,170	354,601,686

	Base case	**Scenario G lower mortality***	**Scenario H higher mortality****
Defined benefit obligation (A$)	355,347,847	359,526,683	351,485,654

* Assumes the short term pensioner mortality improvement factors for years 2016-2021 also apply for years after 2021.
** Assumes the long term pensioner mortality improvement factors for years post 2021 also apply for years 2016 to 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 2017
Discount rate	2.65%
Salary increase rate (exclude promotional increases)	2.50% 2017/2018 and 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	2.25% 2017/2018 to 2019/2020; 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.

Note 40. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity (continued)

	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.

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.

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2017

	$'000 SASS	$'000 SANCS	$'000 SSS	$'000 PSF	$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	24,057	4,221	327,070	7,261	362,609
Provision for pension entitlements	-	-	-	-	-
Total liabilities	24,057	4,221	327,070	7,261	362,609
Add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	24,057	4,221	327,070	7,261	362,609
Assets					
Receivable for deferred government contribution for superannuation	16,284	(121)	17,846	6,119	40,128
Total assets recognised in statement of financial position	16,284	(121)	17,846	6,119	40,128
Net liability recognised in the statement of financial position	(7,773)	(4,342)	(309,224)	(1,142)	(322,481)

Net liability reconciliation - 2017	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	24,057	4,221	327,070	7,261	362,609
Fair value of plan assets	16,284	(121)	17,846	6,119	40,128
Net liability	7,773	4,342	309,224	1,142	322,481
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	**7,773**	**4,342**	**309,224**	**1,142**	**322,481**

Reimbursement rights - 2017		**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right		6,049	4,611	316,677	-	327,337
Return on reimbursement rights		934	(497)	(7,784)	-	(7,347)
Remeasurements		-	-	-	-	-
Closing value of reimbursement right	17	**6,983**	**4,114**	**308,893**	**-**	**319,990**

Present value of obligations - 2017	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	24,056	4,646	331,892	7,957	368,551
Current service cost	720	157	254	244	1,375
Past service cost	-	-	-		-
Interest expense	630	119	8,952	133	9,834
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 changes in financial assumptions	125	31	3,208	-	3,364
Actuarial losses/(gains) arising from liability experience	1,158	334	(468)	81	1,105
Experience (gains)/losses	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Plan participants	320	-	157	-	477
Payments from plan					
Benefits paid	(2,834)	(748)	(15,842)	(1,154)	(20,578)
Taxes, premiums & expenses paid	(120)	(317)	(1,082)	-	(1,519)
Closing defined benefit obligation	**24,055**	**4,222**	**327,071**	**7,261**	**362,609**

Present value of plan assets - 2017	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening fair value of plan assets	17,407	(132)	14,933	6,203	38,411
Interest (income)	453	1	408	135	997

Note 40. Defined Benefit Plans (continued)

d) Statement of Financial Position amounts (continued)

	$'000 SASS	$'000 SANCS	$'000 SSS	$'000 PSF	$'000 Total
Remeasurements					
Return on plan asset, excluding amounts included in net interest expense	481	(2)	62	-	541
Actuarial (loss)/gain on fund assets	-	-	-	464	464
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Employers	575	1,078	19,211	471	21,335
Plan participants	320	-	157	-	477
Payments from plan					
Benefits paid	(2,834)	(748)	(15,842)	(1,154)	(20,578)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(120)	(317)	(1,082)	-	(1,519)
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	**16,282**	**(120)**	**17,847**	**6,119**	**40,128**

Amounts recognised in the statement of financial position - 2016

	SASS	SANCS	SSS	PSF	Total
Liabilities					
Provision for deferred government benefits 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: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
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 reconciliation - 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	1,364	(926)	(15,680)	-	(15,242)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right 17	**6,049**	**4,611**	**316,677**	**-**	**327,337**

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
Contributions					
Plan participants	396	-	202	-	598
Payments from plan					
Benefits paid	(7,146)	(1,076)	(15,686)	(1,061)	(24,969)
Taxes, premiums & 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
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	276	(3)	65	-	338
Actuarial losses/(gains) on fund assets	-	-	-	411	411
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 & expenses paid	(128)	(55)	(950)	-	(1,133)
Closing fair value of plan assets	**17,407**	**(132)**	**14,933**	**6,203**	**38,411**

Note 40. Defined Benefit Plans (continued)

e) Amounts recognised in other statements

	$'000 SASS	$'000 SANCS	$'000 SSS	$'000 PSF	$'000 Total
Amounts recognised in the Income Statement – 2017					
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	720	157	254	244	1,375
Past service cost	-	-	-	-	-
Net interest	177	118	8,544	(2)	8,837
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	897	275	8,798	242	10,212
Amounts recognised in the Statement of Comprehensive Income - 2017					
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	-	-	-	-	-
Actuarial losses (gains) arising from experience adjustments	-	-	-	81	81
Actual return on plan assets less interest income	-	-	-	(464)	(464)
Total remeasurements in other comprehensive income	-	-	-	(383)	(383)
Total remeasurements recognised in the Statement of Comprehensive Income			-	(383)	(383)
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 29).					
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 amounts recognised in the Statement of Comprehensive Income	-	-	-	220	220

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 2017, the assets of the DBD in aggregate were estimated to be $2,797 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 114.5%. 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 2017, the assets of the DBD in aggregate were estimated to be $4,258 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 123.9%. 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 actuari investigation of the DBD as at 1 July 2017. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	5.3% p.a	6.6% p.a.
Gross of tax investment return – commercial rate indexed pensions	2.9% p.a.	2.9% p.a.
Net of tax investment return - non pensioner members	4.7% p.a.	5.8% p.a.
Consumer Price Index	2.0% p.a.	2.0% p.a.
Inflationary salary increases long term	3.0% p.a.	3.0% p.a.

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

A Clause 34 monitoring period was initiated following the 30 June 2013 actuarial investigation.

Following the end of the monitoring period on 30 June 2017, the Fund's actuary advised that the Trustee is not required to take any further action, and that monitoring period is now ceased.

Note 41. Acquittal of Australian Government financial assistance

41a Education - CGS and Other Education Grants

Parent entity (University) only

	Note	Commonwealth Grant Scheme #1 2017 $'000	Commonwealth Grant Scheme #1 2016 $'000	Indigenous Student Success Program #3 2017 $'000	Indigenous Student Success Program #3 2016 $'000	Access and Participation Fund 2017 $'000	Access and Participation Fund 2016 $'000	Disability Performance Funding #2 2017 $'000	Disability Performance Funding #2 2016 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**110,046**	112,053	**2,138**	1,303	**2,345**	4,529	**114**	135
Net accrual adjustments		**1,883**	(1,533)	**(68)**	-	**-**	-	**-**	-
Revenue for the period	3(a)	**111,929**	110,520	**2,070**	1,303	**2,345**	4,529	**114**	135
Surplus / (deficit) from the previous year		**(959)**	(575)	**95**	311	**1,508**	1,186	**(106)**	(88)
Total revenue including accrued revenue		**110,970**	109,945	**2,165**	1,614	**3,853**	5,715	**8**	47
Less expenses including accrued expenses		**111,893**	110,904	**1,918**	1,519	**3,853**	4,207	**8**	153
Surplus / (deficit) for reporting period		**(923)**	(959)	**247**	95	**-**	1,508	**-**	(106)

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

2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.

3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs should be combined and reported in Indigenous Student Success Program for 2016.

Parent entity (University) only

	Note	Promotion of Excellence in Learning and Teaching 2017 $000	Promotion of Excellence in Learning and Teaching 2016 $000	Total 2017 $000	Total 2016 $000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the pogram)		**20**	111	**114,663**	118,131
Net accrual adjustments		**(10)**	-	**1,805**	(1,533)
Revenue for the period	3(a)	**10**	111	**116,468**	116,598
Surplus / (deficit) from the previous year		**444**	559	**982**	1,393
Total revenue including accrued revenue		**454**	670	**117,450**	117,991
Less expenses including accrued expenses		**454**	226	**118,126**	117,009
Surplus / (deficit) for reporting period		**-**	444	**(676)**	982

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

Parent entity (University) only

	Note	HECS-HELP (Australian Government payments only) 2017 $'000	HECS-HELP (Australian Government payments only) 2016 $'000	FEE-HELP #4 2017 $'000	FEE-HELP #4 2016 $'000	SA-HELP 2017 $'000	SA-HELP 2016 $'000	Total 2017 $'000	Total 2016 $'000
Cash Payable / (Receivable) at beginning of year		**1,270**	338	**497**	(100)	**2**	8	**1,769**	246
Financial assistance received in Cash during the reporting period		**72,156**	66,514	**5,305**	6,472	**314**	293	**77,775**	73,279
Cash available for the period		**73,426**	66,852	**5,802**	6,372	**316**	301	**79,544**	73,525
Revenue earned	3(b)	**72,840**	65,582	**5,681**	5,875	**311**	299	**78,832**	71,756
Cash Payable / (Receivable) at end of year		**586**	1,270	**121**	497	**5**	2	**712**	1,769

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

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

Parent entity (University) only

41c Department of Education and Training Research

	Note	Research Training Program 2017 $'000	Research Training Program 2016 $'000	Research Support Program 2017 $'000	Research Support Program 2016 $'000	Total 2017 $'000	Total 2016 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**8,912**	8,910	**7,420**	6,864	**16,332**	15,774
Net accrual adjustments		**-**	-	**-**	-	**-**	-
Revenue for the period	3(c)(d)	**8,912**	8,910	**7,420**	6,864	**16,332**	15,774
Surplus / (deficit) from the previous year		**386**	428	**-**	-	**386**	428
Total revenue including accrued revenue		**9,298**	9,338	**7,420**	6,864	**16,718**	16,202
Less expenses including accrued expenses		**9,298**	8,952	**7,420**	6,864	**16,718**	15,816
Surplus / (deficit) for reporting period		**-**	386	**-**	-	**-**	386

41d Total Higher Education Provider Research Training Program expenditure[#5]

	Total Domestic Students $'000	Total Overseas Students $'000
Research Training Program Fees offsets	3,740	-
Research Training Program Stipends	4,862	696
Research Training Program Allowances	-	2
Total for all types of support	8,602	698

#5 Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program

Parent entity (University) only

41e Other Capital Funding

	Note	Education Investment Fund 2017 $'000	Education Investment Fund 2016 $'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**-**	2,626
Net accrual adjustments		**-**	-
Revenue for the period	3(e)	**-**	2,626
Surplus / (deficit) from the previous year		**-**	-
Total revenue including accrued revenue		**-**	2,626
Less expenses including accrued expenses		**-**	2,626
Surplus / (deficit) for reporting period		**-**	-

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

41f Australian Research Council Grants

		Parent entity (University) only					
		Discovery		Linkages		Total	
	Note	**2017**	2016	**2017**	2016	**2017**	2016
		$'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)		**1,414**	1,310	**421**	224	**1,835**	1,534
Net accrual adjustments		**-**	-	**-**	-	**-**	-
Revenue for the period	3(f)(i)(ii)	**1,414**	1,310	**421**	224	**1,835**	1,534
Surplus / (deficit) from the previous year		**837**	1,017	**430**	529	**1,267**	1,546
Total revenue including accrued revenue		**2,251**	2,327	**851**	753	**3,102**	3,080
Less expenses including accrued expenses		1,416	1,490	515	323	**1,931**	1,813
Surplus / (deficit) for reporting period		**835**	837	**336**	430	**1,171**	1,267

41g Other Australian Government Financial Assistance

		Parent entity (University) only	
	Note	**2017**	2016
		$'000	$'000
Cash Received during the reporting period		**22,871**	19,568
Cash Spent during the reporting period		**(22,871)**	(19,568)
Net Cash received		**-**	-
Cash Surplus / (deficit) from the previous period		**-**	-
Cash Surplus / (deficit) for the reporting period		**-**	-

41h OS-HELP

		Parent entity (University) only	
	Note	**2017**	2016
		$'000	$'000
Cash Received during the reporting period		**1,163**	1,515
Cash Spent during the reporting period		**(1,323)**	(1,192)
Net Cash received		**(160)**	323
Cash Surplus / (deficit) from the previous period		**1,386**	1,063
Cash Surplus / (deficit) for the reporting period		**1,226**	1,386

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

41i Higher Education Superannuation Program

	Note	2017 $'000	2016 $'000
Cash Received during the reporting period		**19,832**	19,663
University contribution in respect of current employees		**-**	-
Cash available		**19,832**	19,663
Cash Surplus / (deficit) from the previous period		**-**	-
Cash available for current period		**19,832**	19,663
Contributions to specified defined benefit funds		**(19,832)**	(19,663)
Cash Surplus / (deficit) this period	**17,40**	**-**	-

41i Student Services and Amenities Fee

	Note	2017 $'000	2016 $'000
Unspent / (overspent) revenue from previous period		**756**	1,433
SA-HELP Revenue Earned	**3(b)**	**311**	299
Student Services and Amenities Fees direct from Students	**5**	**512**	504
Total revenue expendable in period		**1,579**	2,236
Student Services expenses during period		**1,243**	1,480
Unspent / (overspent) Student Services Revenue		**336**	756

End of Audited Financial Statements

Agricultural Business Research Institute

ABN: 59 781 301 088
Annual Financial Report for the year ended 31 December 2017

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 Profit or Loss and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, 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 2017 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 fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing 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 2 March 2018, 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' Responsibilities 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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_responsibilities/ar4.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

8 March 2018
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 2017 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 principal 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:	**Professor Heiko DANIEL**
Experience:	Professor Daniel is the Deputy Vice-Chancellor (Research) (DVCR). In this role, Professor Daniel provides strategic leadership for all aspects of the University's research activities, oversight of the UNE Research Strategic Plan and oversees the strategies and operations of the Research Services Directorate.
Special Responsibilities	IBRS Sub-Committee Board member since June 2015.
Name and Occupation:	**Peter Brett COOMBE**
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Mr Coombe is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Brett has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Association's Technical Committee. Board Member since July 2014.
Name and Occupation:	**Morris George MCINNES**
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Mr McInnes manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council.
Special Responsibilities	Dairy Express Sub-Committee Board member since November 2009.
Name and Occupation:	**Kris KAUFFMANN**
Experience:	Kris Kauffmann was appointed as member of the Agricultural Business Institute Board in May 2017. Kris is the Chief Financial Officer of UNE and previously held the role of Executive Director Policy, Planning and External Relations at UNE. Kris has extensive experience in strategic planning and resource management in public institutions both in Australia and abroad. Mr Kauffmann has completed a Masters of Public Policy and Management (London), a Graduate Diploma in Applied Finance and a Bachelor of Business (Economic Hons). He is a member of the Australian Institute of Company Directors and is a Certified Finance and Treasury Professional.
Special Responsibilities	Finance and Admin Sub-Committee Board member since May 2017.

Name and Occupation:	**James Sebastian NEAL**
Qualifications:	B Ag Sci (Hon 1) PhD MAICD
Experience:	James Neal has a PhD in Veterinary Science from the University of Sydney and Agricultural science degree from the University of Adelaide. He has worked as a research Scientist for New South Wales Department of Primary Industries for 8 years and Adelaide University for 2 years. He has been a director of the Australian Dairy Herd Improvement Scheme. James currently runs a 700 cow dairy farm on Oxley Island Taree NSW. Board member since May 2017.
Name and Occupation:	**Karen DADO**
Qualifications:	BSc (UNSW), MBA (London), Certificate Governance & Risk Management
Experience:	Experienced management consultant and company director. Former Director at PricewaterhouseCoopers in their London and Sydney offices. Advises on governance and risk matters, strategy, financial and operational performance improvement. Provides corporate advisory assistance to technology start-ups including in the agricultural sector and to organisations commercialising internet of things business solutions and data-analytics software. Experienced management consultant and company director. Former Director at PricewaterhouseCoopers in their London and Sydney offices. Advises on governance and risk matters, strategy, financial and operational performance improvement. Provides corporate advisory assistance to technology start-ups including in the agricultural sector and to organisations commercialising internet of things business solutions and data-analytics software. Board member since November 2017.
Name and Occupation:	**Barry John PAFF**
Experience:	Mr Paff has previous experience as a dairy farmer at Raleigh, milking 300 cows for many years and on the Board of Norco Co-operative and Norco Pauls JV Board, prior involvement in NSW Dairy Farmer's Association Dairy Committee, currently a lucerne farmer near Tamworth.
Special Responsibilities	Dairy Express Sub-Committee Board member since October 2005 Resigned May 2017.
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 Resigned May 2017.

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, 2017 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	3
Ian Michael LOCKE	4	4
Barry John PAFF	2	2
Sue THOMAS	2	2
Peter Brett COOMBE	4	4
Morris George MCINNES	4	3
Heiko DANIEL	4	2
Kris Kauffmann	2	2
James Sebastian NEAL	2	2
Karen DADO	0	0

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 2017, 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 $275,448.99 (2016 = $267,133) and the surplus after fair value adjustments on the financial assets was $394,319 (2016 = $267,133)

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

Significant Changes in the State of Affairs

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

Events Subsequent to the End of the Reporting Period

There are no reportable events occuring after the balance date.

Likely Developments and Expected Results of Operations

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

Environmental Regulations

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

Indemnification of Officers

The company obtains insurance as part of the University of New England's commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of $36,200 for Directors and Officers Insurance covered the period 1 November 2016 to 31 October 2017. Insurance has been renewed for the Group for the period 1 November 2017 to 31 October 2018 at a cost of $42,010. 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 2017.

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

Date: 7th March, 2018

R A Barwell
Director

AUDITOR-GENERAL
NEW SOUTH WALES

To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Agricultural Business Research Institute for the year ended 31 December 2017, 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

2 March 2018
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 2017;

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
Date: 7th March 2018

R A Barwell
Director

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

In accordance with a resolution of the directors 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 2017 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 and 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
Date: 7th March 2018

R A Barwell
Director

Statement of Profit or Loss

For the Period ended 31 December 2017

	Notes	2017 $	2016 $
Income from continuing operations			
Investment revenue	**2**	220,328	275,913
Trading revenue	**4**	8,090,612	7,693,762
Total income from continuing operations		8,310,940	7,969,675
Expenses from continuing operations			
Employee related expenses	**5**	5,261,027	5,236,737
Depreciation and amortisation	**6**	244,916	235,456
Repairs and maintenance	**7**	40,324	105,078
Borrowing costs	**9**	11,990	801
Impairment of assets	**8**	22,230	5,456
Investment losses	**3**	-	-
Other expenses	**9**	2,651,581	2,214,386
Total expenses from continuing operations		8,232,068	7,797,914
Net result from continuing operations		**78,872**	**171,761**
Other Gains/(Losses)			
Other investment gain/(loss)	**3**	190,950	88,766
Gain/(Loss) on sale of assets	**3**	5,627	6,606
Net result attributable to the ABRI	**20(b)**	**275,449**	**267,133**

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

Statement of Comprehensive Income

For the Period ended 31 December 2017

	Notes	2017 $	2016 $
Net result for the period		275,449	267,133
Items that will not be reclassified to profit or loss			
Gain/(loss) on revaluation of land, buildings and infrastructure		118,870	143,143
Total other comprehensive income		118,870	143,143
Total comprehensive income for the period		394,319	410,276

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

Statement of Financial Position

As at 31 December 2017

	Notes	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	5,057,252	5,589,025
Receivables	**11**	1,890,036	1,608,434
Other assets	**13**	289,331	44,379
Total current assets		7,236,619	7,241,838
Non-current assets			
Other financial assets	**12**	4,504,607	4,259,793
Property, plant and equipment	**14**	3,632,298	3,112,134
Intangible assets	**15**	36,931	91,159
Total non-current assets		8,173,836	7,463,086
Total assets		15,410,455	14,704,924
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	536,987	229,362
Borrowings	**17**	27,102	7,209
Provisions	**18**	1,109,324	1,154,897
Other liabilities	**19**	670,218	688,164
Total current liabilities		2,343,631	2,079,632
Non-current liabilities			
Borrowings	**17**	70,098	28,884
Provisions	**18**	90,000	84,000
Total non-current liabilities		160,098	112,884
Total liabilities		2,503,729	2,192,516
Net assets		12,906,726	12,512,408
EQUITY			
Asset revaluation reserve	**20(a)**	1,427,909	1,309,039
Retained earnings	**20(b)**	11,478,817	11,203,369
Total equity attributable to equity holders of the company		12,906,726	12,512,408

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 2017

	Notes	Reserves	Retained Earnings	Total
Balance at 1 January 2016		1,165,896	10,936,235	12,102,131
Net result			267,133	267,133
Revaluation of Land, Buildings and Infrastructure		143,143	-	143,143
Total comprehensive income		143,143	267,133	410,276
Balance at 31 December 2016	20(a)	1,309,039	11,203,368	12,512,407
Balance at 1 January 2017		1,309,039	11,203,368	12,512,407
Net result			275,449	275,449
Revaluation of Land, buildings and infrastructure		118,870	-	118,870
Total comprehensive income		118,870	275,449	394,319
Balance at 31 December 2017	20(a)	1,427,909	11,478,817	12,906,726

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

Statement of Cash Flows

Total comprehensive income for the period

	Notes	**2017** **$**	2016 $
Cash flows from operating activities			
Receipts from customers		8,373,119	8,674,886
Dividends received		-	81,540
Interest received		220,328	243,368
Payments to suppliers and employees		(7,896,487)	(8,099,051)
GST recovered/paid		(588,513)	(540,882)
Net cash provided by operating activities	26	108,447	359,861
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(710,853)	(136,547)
Proceeds from sale of financial assets		70,633	2,306,627
Payments for financial assets		-	(4,140,000)
Proceeds from sales of investments		-	-
Net cash used in investing activities		(640,220)	(1,969,920)
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		(531,773)	(1,609,277)
Cash and cash equivalents at the beginning of the financial year		5,589,025	7,198,302
Cash and cash equivalents at the end of the financial year	10	5,057,252	5,589,025

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, 2017 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 principal address of ABRI is: C/o UNE, The Short Run, Armidale, NSW 2351

The financial statements for the year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Board on 13 February 2018

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 3 - 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 2017 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 2017 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 2017 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 2017.

Notes to the financial statements (continued)
31 December 2017

	Notes	2017 $	2016 $
Note 2. Investment revenue			
Interest		220,328	194,373
Dividend Income		-	81,540
Total investment revenue		220,328	275,913
Note 3. Gains and losses			
Other investment gains/(losses)		190,950	88,766
Gain on sale of assets		5,627	6,606
Total gains and losses		196,577	95,372
Note 4. Trading revenue			
Fees and charges		8,090,612	7,693,762
Total trading revenue		8,090,612	7,693,762
Note 5. Employee related expenses			
Salaries		4,610,062	4,548,158
Contribution to funded superannuation and pension schemes		426,569	418,062
Payroll tax		235,967	228,929
Worker's compensation		12,712	11,789
Leave accrual expense		(34,573)	18,234
Other (Allowances, penalties and fringe benefits tax)		10,289	11,565
Total employee related expenses		5,261,026	5,236,737
Note 6. Depreciation and amortisation			
Depreciation			
Buildings		81,320	82,572
Infrastructure		3,850	4,000
Furniture and Fittings		22,399	20,060
Plant and Equipment		56,216	35,328
Motor Vehicles		19,528	12,635
Leased assets		7,375	1,147
Total depreciation		190,688	155,742
Amortisation			
Intangibles		54,228	79,714
Total amortisation		54,228	79,714
Total depreciation and amortisation		244,916	235,456
Note 7. Repairs and maintenance			
Plant/furniture/equipment		40,324	105,078
Total repairs and maintenance		40,324	105,078
Note 8. Impairment of assets			
Bad Debts		22,230	5,456
Total impairment of assets		22,230	5,456
Note 9. Other expenses			
Non-capitalised equipment		17,774	13,874
Advertising, marketing and promotional expenses		20,996	31,620
Utilities		31,631	30,375
Postal and Telecommunications		422,970	425,355
Travel and Entertainment		158,875	125,507
Operating Lease Rental Charges		42,447	44,376
Consultants		880,013	809,042
Royalties		135,575	124,740
Computer and Office Supplies		373,876	198,614
Other Expenditure		567,424	410,883
Total other expenses		2,651,581	2,214,386

Notes to the financial statements
(continued)
31 December 2017

	Notes	2017 $	2016 $
Note 9. Other expenses (continued)			
Borrowing costs		11,990	801
Reconciliation of Finance costs			
Finance lease interest		11,990	801
Less : amount capitalised		-	-
Total borrowing costs expensed		11,990	801

Note 10. Cash and cash equivalents

Cash at bank		313,182	892,916
At call investments		4,744,070	4,696,109
Total cash and cash equivalents		5,057,252	5,589,025

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

Balances as above		5,057,252	5,589,025
Less: Bank Overdrafts		-	-
Balance per cash flow statement		5,057,252	5,589,025

(b) Deposits at call
The deposits are bearing floating interest rates between 2.5% and 2.75% (2016: 2.5% and 2.8%). These deposits have an average maturity of 288 days.

Note 11. Receivables
Current

Trade and Other Debtors		1,927,632	1,626,489
Less: Provision for impaired receivables	1(h)	(37,596)	(18,055)
Total receivables		1,890,036	1,608,434

(a) Impaired receivables

As at 31 December 2017 current receivables of the entity with a nominal value of $37,596 (2016: $18,055) were impaired. The amount of the provision was $37,596 (2016: $18,055).

The ageing of these receivables is as follows:

3 to 6 months		-	-
Over 6 months		37,596	18,055
		37,596	18,055

As of 31 December 2017, trade receivables of $358,654 (2016: $247,124) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months		276,562	24,884
Over 6 months		82,091	222,240
		358,654	247,124

Movements in the provision for impaired receivables are as follows:

As at 1 January		18,055	16,379
Provision for impairment recognised during the year		41,771	8,632
Receivables written off during the year as uncollectible		(22,230)	(6,956)
		37,596	18,055

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	2017 $	2016 $
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		4,504,607	4,259,793
Total non-current other financial assets		4,504,607	4,259,793
Note 13. Other assets			
Current			
Accrued Income		278,475	17,189
Prepaid Expenses		10,856	27,190
Total current other non-financial assets		289,331	44,379

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 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**
Year ended 31 December 2017								
Opening net book amount	400,000	2,393,000	77,000	108,310	33,253	35,729	64,841	3,112,133
Additions	-	-	-	505,569	0	80,639	16,705	**602,912**
Revaluation increment/(decrement)	50,000	69,520	(650)	-		-	-	**118,870**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	0	-	-	**-**
Assets classified as held for sale and other disposals	-	-	-	-	(10,930)	-	-	**(10,930)**
Depreciation charge	-	(81,320)	(3,850)	(56,216)	(6,088)	(20,815)	(22,399)	**(190,688)**
Closing net book amount	**450,000**	**2,381,200**	**72,500**	**557,663**	**16,235**	**95,553**	**59,147**	**3,632,298**
At 31 December 2017								
- Cost	-	-	-	2,079,959	50,775	116,368	292,493	**2,539,595**
- Valuation	450,000	2,381,200	72,500	-	-	-	-	**2,903,700**
Accumulated depreciation	-	-	-	(1,522,296)	(34,539)	(20,815)	(233,347)	**(1,810,997)**
Net book amount	**450,000**	**2,381,200**	**72,500**	**557,663**	**16,235**	**95,553**	**59,147**	**3,632,298**

Note 15. Intangible assets

	Notes	2017	2016
	1(l)	$	$
At 1 January			
Cost		2,474,137	2,474,137
Accumulated amortisation and impairment		(2,437,206)	(2,382,978)
Net book amount		36,931	91,159
Year ended 31 December			
Opening net book amount		91,159	170,873
Amortisation charge		(54,228)	(79,714)
Closing net book amount		36,931	91,159

Note 16. Trade and other payables

		2017	2016
Current			
Trade Payables		364,793	68,284
Other Payables		172,194	161,078
Total current trade and other payables		536,987	229,362

Note 17. Borrowings

		2017	2016
Current			
Finance Lease (i)			
ALP Automotive		27,102	7,209
Total current borrowings		27,102	7,209
Non-current			
Finance Lease			
ALP Automotive		70,098	28,884
Total non-current borrowings		70,098	28,884

Note 18. Provisions

	Notes	2017	2016
	1(n)		
Current provisions expected to be settled within 12 months			
Annual leave		309,724	323,296
Long service leave		84,000	77,000
Make good provision		3,600	3,600
Total Current Provision		397,324	403,896
Current provisions expected to be settled wholly after more than 12 Months			
Employee benefits			
Annual leave		315,000	327,000
Long service leave		397,000	424,000
Make good provision		-	-
Subtotal		712,000	751,000
Total Current Provision		1,109,324	1,154,896
Non-current provisions			
Employee benefits			
Long service leave		90,000	84,000
Total non-current provision		90,000	84,000
Total provisions		1,199,324	1,238,896

Note 19. Other Liabilities

		2017	2016
Current			
Accrued Liabilities			
Accrued Expenses		373,603	298,528
Fees in Advance		241,087	284,266
GST Payable		55,529	105,370
Total current other liabilities		670,219	688,164

Note 20. Reserves and retained earnings

		2017	2016
a) Reserves			
Revaluation Reserve			
- Land		370,000	320,000
- Buildings		1,024,530	955,010
- Infrastructure		33,379	34,029
		1,427,909	1,309,039

	2017 $	2016 $
Note 20. Reserves and retained earnings (continued)		
Movements in reserves were as follows:		
Reserves at 1 January - Land	320,000	320,000
Increment/(decrement) on revaluation	50,000	-
Reserves at 31 December	370,000	320,000
Reserves at 1 January - Buildings	955,010	955,010
Increment/(decrement) on revaluation	69,520	-
Reserves at 31 December	1,024,530	955,010
Reserves at 1 January - Infrastructure	34,029	34,029
Increment/(decrement) on revaluation	(650)	-
Reserves at 31 December	33,379	34,029
b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	11,203,368	10,936,234
Net Operating Result for the year	275,449	267,134
Retained Earnings at 31 December	11,478,817	11,203,368
Total Equity	12,906,726	12,512,407

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.

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

Aggregate Remuneration of Board Members	$	$
Total Aggregate Remuneration	6,000	6,000

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

Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	919,102	823,552

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:	26,000	25,000
Total remuneration for audit services	26,000	25,000

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

	2017 $	2016 $
Operating Leases		
Within one year	34,860	29,880
Between one and five years	-	34,860
Total future minimum lease payments	34,860	64,740
(ii) Finance Leases		
Within one year	27,102	7,209
Between one and five years	70,098	28,884
Total future minimum lease payments	97,200	36,093
Total lease commitments	132,060	100,833

No lease arrangements, existing as at 31 December 2017, 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 in note 21.

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

The following transactions occurred with related parties:

	2017 $	2016 $
Transactions during the period		
University of New England		
Income received from	-	-
Payments made to	123,231	(159,736)
Net	123,231	(159,736)

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

	2017 $	2016 $
University of New England		
Payables to	81,861	226

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

	2017 $	2016 $
Operating result for the period	275,449	171,760
Depreciation and amortisation	244,916	235,456
Provision for impaired receivables	22,230	1,676
(Gain)/Loss on revaluation of investments	(190,950)	-
Gain on sale	(5,627)	-
Increase/(Decrease) in Payables and Prepaid Income	264,446	(325,677)
Increase/(Decrease) in Provision for Employee Entitlements	(14,000)	4,000
Increase/(Decrease) in Provision for Annual Leave	(25,572)	14,234
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(462,445)	258,412
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	108,447	359,861

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 2.57%. Average maturity of 288 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.

Financial risk management (continued)

(c) Liquidity Risk

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

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

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

31 December 2017	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	313,182					313,182
Investments-Term Deposits	2.60		4,744,070				4,744,070
Receivables						1,890,036	1,890,036
Listed Shares						4,504,607	4,504,607
Accrued Income						278,475	278,475
Total Financial Assets		313,182	4,744,070			6,673,118	11,730,370
Financial Liabilities							
Payables						364,793	364,793
Total Financial Liabilities						364,793	364,793
Net Financial Assets(Liabilities)		313,182	4,744,070			6,308,325	11,365,577

Comparative figures for the previous year are as follows:

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 and 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							
Borrowings							
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

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2017	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	313,182	(3,132)	(3,132)	3,132	3,132	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,744,070	(47,441)	(47,441)	47,441	47,441	N/A	N/A	N/A	N/A
Receivables	1,890,036								
Listed Shares	4,504,607					(45,046)	(45,046)	45,046	45,046
Accrued Income	278,475								
Total Financial Assets	11,730,370	(50,573)	(50,573)	50,573	50,573	(45,046)	(45,046)	45,046	45,046
Financial Liabilities									
Creditors	536,987	(5,370)	(5,370)	5,370	5,370	N/A	N/A	N/A	N/A
Total Financial Liabilities	536,987	(5,370)	(5,370)	5,370	5,370				
Total increase / (decrease)	11,193,383	(45,203)	(45,203)	45,203	45,203	(45,046)	(45,046)	45,046	45,046

Comparative figures for the previous year are as follows:

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

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

A full revaluation of Land, Buidings and Infrastructure was conducted in October 2017.

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 2017.

	31 Dec 2017 $	Level 1 $	Level 2	Level 3
Financial assets				
Other financial assets	4,504,607	4,504,607	-	-
Total	4,504,607	4,504,607	-	-
Non financial assets				
Land	450,000	-	450,000	
Buildings	2,381,200	-	-	2,381,200
Infrastructure	72,500	-	-	72,500
Total	2,903,700	-	450,000	2,453,700

	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	-	400,000	2,470,000

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 in 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 2017	**Land**	**Buildings**	**Infrastructure**	**Total**
Opening balance	400,000	2,393,000	77,000	2,870,000
Adoption of AASB 13	0	0	0	0
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(81,320)	(3,850)	(85,170)
Recognised in other comprehensive income	50,000	69,520	-650	118,870
Closing balance	**450,000**	**2,381,200**	**72,500**	**2,903,700**

Level 3 Fair value measurements 2016	**Land**	**Buildings**	**Infrastructure**	**Total**
Opening balance	400,000	2,337,429	76,000	2,813,429
Recognised in profit or loss *	0	(82,572)	(4,000)	(86,572)
Recognised in other comprehensive income	0	138,143	5,000	143,143
Closing balance	**400,000**	**2,393,000**	**77,000**	**2,870,000**

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

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

Description	**Fair value at 31 Dec**	**Unobservable inputs**	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Land	450,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,381,200	Global Valuation	3	
Infrastructure	72,500	Global Valuation	3	

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report for the year ended 31 December 2017

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 Profit or Loss and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, 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 2017 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 fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing non-audit services.

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of UNE Foundation Limited on 5 March 2018, 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' Responsibilities 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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_responsibilities/ar4.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

8 March 2018
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 2017 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 with Safe Food Production Queensland, the Australian Wine and Brandy Corporation, the Australian Wheat Board, AWB Ltd, the Wheat Export Authority, Landcare Australia Ltd, the Forests and Wood Products Research and Development Corporation, the Australian Wool Research and Promotion Organisation and the Woolmark Company. He was Commonwealth Commissioner on the Murray Darling Basin Commission between 1994 and 1998, Chair of the National Land and Water Resources Audit Advisory Council between 2003 and 2008, and a Director of the Co-operative Research Centre on Biosecurity.

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

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

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

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

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

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

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

Appointed a Director of UNE Foundation Ltd on 24 November 2010. Retired on 24 October 2017.

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.

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. Retired on 26 September 2017.

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 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 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 sixteen 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 and UNE Life Pty Ltd. He is the Secretary of the Association of Australian University Secretaries and is Secretary 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	Meetings Attended	Eligible to Attend
Mr Paul Barratt	5	6
Professor Annabelle Duncan*	2	6
Mr Martin Dolan	5	6
Ms Caroline Forrest	6	6
Mr Geoff Gorrie	6	6
Ms Kerrie Murphy	3	5
Ms Meredith Symons	3	6
Ms Janine Wilson	4	5
Mr John Wilson	5	6

**When an apology, Prof Duncan was represented by Mr Kris Kauffmann, Chief Financial Officer.*

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 2017, the collective liability of members was $700 ($100 per member, maximum number of members is 9).

Review of Operations

During 2017, the company continued to operate as trustee of UNE Foundation and had no financial results.

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 2017.

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

07 March 2018

Professor Annabelle Duncan
Director

07 March 2018

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 2017, 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

5 March 2018
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 2017;

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

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

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

Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
07 March 2018	07 March 2018

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 2017 and the results of its operations and transactions of the Company for the year then ended;

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

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

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

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

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

Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
07 March 2018	07 March 2018

Statement of Profit or Loss
For the year ended 31 December 2017

	2017	2016
	$	$
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 2017

	2017	2016
	$	$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position
As at 31 December 2017

	2017	2016
	$	$
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 2017

	Reserves	Retained Earnings	Total
Balance as 1 January 2016	-	-	-
Total comprehensive income			
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2016	-	-	-
Balance at 1 January 2017	-	-	-
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2017	-	-	-

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 2017

	2017 **$**	2016 $
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 2017 were authorised for issue in accordance with a resolution of the Board on 07 March 2018.

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

1(b) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001* , Australian Accounting Standards and Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2015* .

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

2.0 Auditors remuneration

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

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2017 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.

Notes to the financial statements
31 December 2017
(continued)

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 2017 (2016: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2017 (2016: 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 2017 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 2017

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UNE Foundation (the Foundation), which comprise the Statement of Profit or Loss and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 2017, 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 fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing 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 Trustees' Responsibilities 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 are responsible for assessing the Foundation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Foundation will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities 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: www.auasb.gov.au/auditors_responsibilities/ar4.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

8 March 2018
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 to act as Trustee of a charitable trust to be known as UNE Foundation.

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 2017 was a surplus of $3,862,063 (2016: $3,711,244).

Investment related revenue was $1,214,860 in 2017 (2016: $773,615). This was a 57 percent increase on the 2016 financial year.

Significant Changes in the State of Affairs

There were 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*
07 March 2018	07 March 2018

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 2017 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 07 March 2018.

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

Mr Paul Barratt
Chair - Director

07 March 2018

Professor Annabelle Duncan
Director

07 March 2018

Statement of Profit or Loss

For the year ended 31 December 2017

	Notes	**2017**	2016
		$	$
Income from continuing operations			
Donations and fundraising	**2**	1,615,615	3,942,020
Investment income	**3**	1,156,868	514,617
Other revenue	**4**	2,176,959	78,226
Other investment income	**3**	-	73,883
Gain on disposal of assets		-	141,024
Total income from continuing operations		4,949,442	4,749,770
Expenses from continuing operations			
Administrative expenses	**5**	129,224	80,251
Impairment of assets	**6**	-	7,111
Loss on disposal of assets		3,534	-
Total expenses from continuing operations		132,758	87,362
Net result from continuing operations before distributions to UNE		4,816,684	4,662,408
Distribution to UNE	**7**	954,621	951,164
Net result for the year after distribution to UNE		3,862,063	3,711,244

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 2017

	Notes	**2017**	2016
		$	$
Net result for the year after distribution to UNE		3,862,063	3,711,244
Items that may be reclassified to profit or loss			
Unrealised gain in fair value of available for sale financial assets	**13 (a)**	340,969	65,754
Items that will not be reclassified to profit or loss			
Transfer from reserves	**13 (a)**	3,218	(73,883)
Total comprehensive income for the period		4,206,250	3,703,115

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

Statement of Financial Position
As at 31 December 2017

	Notes	**2017**	2016
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	**8**	49,433	110,735
Trade and other receivables	**9**	2,215,799	99,536
Other financial assets	**10**	-	546,000
Non-current assets classified as held for sale	**11**	-	1,258,803
Total current assets		2,265,232	2,015,074
Non-current assets			
Other financial assets	**10**	18,635,265	14,698,083
Total non-current assets		18,635,265	14,698,083
Total assets		20,900,497	16,713,157
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	78,972	97,882
Total current liabilities		78,972	97,882
Total liabilities		78,972	97,882
Net assets		20,821,525	16,615,275
EQUITY			
Reserves	**13 (a)**	464,377	120,190
Retained earnings	**13 (b)**	20,357,148	16,495,085
Total equity		20,821,525	16,615,275

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 2017

	Reserves	Retained earnings	Total
Balance at 1 January 2016	128,319	12,783,841	12,912,160
Net result	-	3,711,244	3,711,244
Unrealised gain on available for sale financial assets	65,754	-	65,754
Transfer (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
Balance at 1 January 2017	120,190	16,495,085	16,615,275
Net result	-	3,862,063	3,862,063
Unrealised gain on available for sale financial assets	340,969	-	340,969
Transfer to reserves on disposal of available for sale financial assets	3,218	-	3,218
Total comprehensive income	344,187	3,862,063	4,206,250
Balance at 31 December 2017	464,377	20,357,148	20,821,525

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 2017

	Notes	**2017** **$**	2016 $
Cash flows from operating activities			
Donations received		1,568,234	3,961,372
Transfer from UNE		44,200	30,692
Dividends received		109,942	33,487
Interest received		23,412	199,186
Other inflows		60,296	48,207
Payments to suppliers		(120,287)	(61,572)
Distribution to beneficiary		(982,297)	(915,978)
Net cash provided by operating activities	**18**	703,500	3,295,394
Cash flows from investing activities			
Purchase of financial assets		(3,558,804)	(11,423,752)
Proceeds from sale of financial assets		2,794,002	6,079,175
Net cash used in investing activities		(764,802)	(5,344,577)
Net decrease in cash and cash equivalents		(61,302)	(2,049,183)
Cash and cash equivalents at the beginning of the financial year		110,735	2,159,918
Cash and cash equivalents at the end of the financial year	**8**	49,433	110,735

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 2017 were authorised for issue by the Trustee on 07 March 2018.

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.

(f) Investments and other financial assets

Classification

(i) 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.

(ii) 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 statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

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

Subsequent measurement

Available-for-sale financial assets are carried at fair value. 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 statement of profit or loss within other income or other expenses in the period in which they arise.

Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

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 statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

(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.

(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 2017 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 2017 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 2017.

Notes to the financial statements
31 December 2017
(continued)

	Notes	2017	2016
		$	$
Note 2. Donation and fundraising			
Donations and fundraising		1,615,615	3,942,020
Total donations and fundraising		**1,615,615**	**3,942,020**
Note 3. Investment income			
Bank interest		11,571	151,213
Dividend		1,035,256	328,677
Available for sale		110,041	34,727
Total investment income		**1,156,868**	**514,617**
Other investment income			
Cumulative gain reclassified from equity on disposal of available-for-sale investments		-	73,883
Total other investment income		**-**	**73,883**
Note 4. Other revenue			
Transferred from UNE		2,114,381	30,749
Franking credits		57,991	44,091
Other		4,587	3,386
Total other revenue		**2,176,959**	**78,226**
Note 5. Administrative expenses			
Consultancy fees		129,052	80,081
Bank fees		172	170
Total administrative expenses		**129,224**	**80,251**
Note 6. Impairment of assets			
Impairment of investments		-	7,111
Total impairment of assets		**-**	7,111
Note 7. Distribution to beneficiary			
University of New England - scholarships and prizes	1(k)	954,621	951,164
Total distribution to beneficiary		**954,621**	**951,164**
Note 8. Cash and cash equivalents			
Cash at bank		**49,433**	110,735
Total cash and cash equivalents		**49,433**	**110,735**

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

	2017	2016
Balances as above	49,433	110,735
Less: Bank Overdrafts	-	-
Balance per statement of cash flows	**49,433**	**110,735**

	2017	2016
	$	$

Note 9. Trade and other receivables

Trade receivables	47,150	500
Total trade receivables	**47,150**	**500**

Impaired trade receivables
As at 31 December 2017 current receivables of the entity with a nominal value of $47,150 (2016: $500) were not impaired.

Other receivables		
Other accrued income	2,168,641	86,996
GST Input Tax Credit	-	191
Accrued Interest	8	11,849
Total other receivables	**2,168,649**	**99,036**
Total trade and other receivables	**2,215,799**	**99,536**

Note 10. Other financial assets

Current

Held-to-maturity	-	546,000
Total current other financial assets	**-**	**546,000**

Non-current

Available for sale financial assets	18,635,265	14,698,083
Total non-current other financial assets	**18,635,265**	**14,698,083**

Movement of available for sale financial assets are as follows:

Shares as at 1 January	14,698,083	6,700,401
Acquired through purchase, dividend reinvestment and capital distribution	3,596,212	14,426,742
Disposed	-	(6,494,813)
Unrealised gain in available for sale reserve	340,970	65,753
Fair value of investment at 31 December	**18,635,265**	**14,698,083**

Note 11. 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

Note 12. Trade and other payables

Accrued expense for scholarships, prizes and consultancy fees	78,972	97,882
Total trade and other payables	**78,972**	**97,882**

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

Note 13. Reserves and retained earnings

	2017 **$**	2016 $
(a) Reserves		
Available for Sale Reserve - Investments	464,377	120,190
Total reserves	**464,377**	**120,190**
Movements		
Available for Sale Reserve - Investments		
Balance 1 January	120,190	128,319
Transfer to/(from) on disposal of investments	3,218	(73,883)
Unrealised gains in market value on valuation	340,969	65,754
Balance 31 December	**464,377**	**120,190**

(b) Retained earnings

Movements in retained earnings were as follows:		
Retained earnings at 1 January	16,495,085	12,783,841
Net result for the year	3,862,063	3,711,244
Retained earnings at 31 December	**20,357,148**	**16,495,085**

(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.

Note 14. 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 2017 was $11,800 (2016: $11,400).

Note 15. 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.

Note 16. Commitments

The entity has not identified any material commitments at 31 December 2017 (2016: Nil).

Capital Commitments
There was no capital expenditure contracted for at the reporting date. (2016 Nil).

Note 17. 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 - retired 24 October 2017
Ms Caroline Forrest
Ms Janine Wilson - retired 26 September 2017
Mr John Wilson
Ms Meredith Symons
Mr Martin Dolan

Note 17. 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:

	2017	2016
Transactions during the period	**$**	$
University of New England		
Income received from	-	-
Transferred prizes and scholarship funds	2,114,381	30,749
Expenditures incurred for scholarships and prizes	(954,621)	(951,163)
Net	**1,159,760**	**(920,414)**
With other related parties		
Income received - UNE Life Pty Ltd	-	-
Income received - Agricultural Business Research Institute	12,100	12,000
Net	12,100	12,000

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

University of New England		
Receivables	2,075,298	4,366
Payables	44,383	71,529
With other related parties		
Receivables	-	-
Payables	-	530

Note 18. Reconciliation of operating result after income tax to net cash flows from operating activities

Net result for the period	3,862,063	3,711,244
Less non cash revenue		
Capitalisation and reinvestment of dividend	(1,026,923)	(351,761)
Net (Gain)/Loss on sale of Units	3,534	(141,024)
Net prior years (loss) transferred from reserves on disposal	-	(73,883)
Add non cash expenditures		
Impairment of assets	-	7,111
Decrease/(increase) in trade and other debtors	(2,116,264)	96,764
Increase/(decrease) in payables	(18,910)	46,943
Net cash provided by operating activities	**703,500**	**3,295,394**

Note 19. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 20. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	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 were no term deposit investments in 2017.
Available-for-sale	10	Domestic and International equity carried at market value	Investment of perpetual pool funds managed by the Fund Managers.
	10	Australian cash enhanced fund - stated at market value	Investment of immediate pool funds managed by the Fund Managers.
	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 interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates.

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

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

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

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

Financial risk management - continued

31 December 2017	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%	-	49,433				49,433
Receivables						2,215,799	2,215,799
Available for sale					4,691,091	13,739,038	18,430,129
Available for sale - Listed Shares						205,136	205,136
Total Financial Assets		-	49,433	-	4,691,091	16,159,973	20,900,497
Financial Liabilities							
Payables						78,972	78,972
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		78,972	78,972
Net Financial Assets(Liabilities)		-	49,433	-	4,691,091	16,081,001	20,821,525

Comparative figures for the previous year are as follows:

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 and cash equivalents	1.50%	-	110,735				110,735
Receivables						99,536	99,536
Held-to-maturity	3.18%		546,000				546,000
Available for sale					3,891,266	10,593,588	14,484,854
Available for sale - Listed Shares						213,229	213,229
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

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 2017	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	49,433	(494)	(494)	494	494	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	2,215,799												
Available for sale	18,430,129									(184,301)	(184,301)	184,301	184,301
Available for sale - Listed Shares	205,136									(2,051)	(2,051)	2,051	2,051
Total Financial Assets	20,900,497												
Financial Liabilities													
Payables	78,972	N/A	N/A	N/A	N/A								
Total Financial Liabilities	78,972												
Total increase / (decrease)	20,821,525												

Comparative figures for the previous year are as follows:

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
Receivables	99,536												
Held-to-maturity	546,000	(5,460)	(5,460)	5,460	5,460								
Available for sale	14,484,854									(144,849)	(144,849)	144,849	144,849
Available for sale - Listed Shares	213,229									(2,132)	(2,132)	2,132	2,132
Total Financial Assets	15,454,354												
Financial Liabilities													
Creditors	97,882	N/A	N/A	N/A	N/A								
Total Financial Liabilities	97,882												
Total increase / (decrease)	15,356,472												

Note 21. 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 for identical assets or liabilities.
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**	
	2017	2016	2017	2016
	$	$	$	$
Financial assets				
Cash and cash equivalents	49,433	110,735	49,433	110,735
Held-to-maturity investments - current	-	546,000	-	546,000
Available for sale	18,635,265	14,698,083	18,635,265	14,698,083
Non-current assets classified as held for sale	-	1,258,803	-	1,258,803
Total financial assets	18,684,698	16,613,621	18,684,698	16,613,621

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

	31 Dec 2017	Level 1	Level 2	Level 3
Financial assets				
Available for sale	18,635,265	205,136	18,430,129	-
Receivables	2,215,799	-	2,215,799	-
Total	20,851,064	205,136	20,645,928	-

	31 Dec 2016	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	546,000	546,000		-
Equity securities	14,698,083	213,229	14,484,854	-
Receivables	99,536	-	99,536	-
Non-current assets classified as held for sale	1,258,803	-	1,258,803	-
Total	16,602,422	759,229	15,843,193	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Life
Pty Ltd

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2017

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 Profit or Loss and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 2017, 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 fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing 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' Responsibilities 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Company will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities 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: www.auasb.gov.au/auditors_responsibilities/ar4.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 2018
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 2017 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulations 2015;*
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable noting the factors outlined in Note 1(r) of the financial statements.

Signed in accordance with a resolution of the Directors.

Dr Kerry Hudson
Director

Mr David Schmude
Director

8 March 2018

Statement of Profit or Loss
For the year ended 31 December 2017

	Note	**2017**	2016
		$	$
Income from continuing operations			
Trading income	**2**	6,449,191	4,995,336
Investment revenue	**3**	19,865	27,653
Other revenue	**4**	2,241,489	1,960,886
Total income from continuing operations		8,710,545	6,983,875
Expenses from continuing operations			
Employee related expenses	**5**	3,501,139	2,621,312
Depreciation and amortisation	**6**	209,211	357,736
Repairs and maintenance	**7**	162,133	232,827
Other expenses	**8**	5,118,802	3,438,749
Total expenses from continuing operations		8,991,285	6,650,624
Net result attributable to the Entity	**18**	(280,740)	333,251

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 2017

	Note	**2017**	2016
		$	$
Net result for the period		(280,740)	333,251
Other comprehensive income		-	-
Total comprehensive income for the period		(280,740)	333,251

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

Statement of Financial Position
As at 31 December 2017

	Note	**2017**	2016
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	**9**	990,376	2,088,817
Receivables	**10**	1,146,061	126,297
Inventories	**11**	320,290	204,638
Non financial assets	**13**	-	-
Total current assets		2,456,727	2,419,752
Non-current assets			
Other financial assets	**12**	500	500
Property, plant and equipment	**14**	693,338	580,857
Intangible assets	**15**	122,228	152,477
Total non-current assets		816,066	733,834
Total assets		3,272,793	3,153,586
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	1,240,406	884,416
Provisions	**17**	104,594	84,637
Total current liabilities		1,345,000	969,053
Non-current liabilities			
Provisions	**17**	68,000	44,000
Total non-current liabilities		68,000	44,000
Total liabilities		1,413,000	1,013,053
Net assets		1,859,793	2,140,533
EQUITY			
Retained earnings	**18**	1,859,673	2,140,413
Share Capital	**18**	120	120
Total equity		1,859,793	2,140,533

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 2017

	Shares	Retained earnings	Total
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
Balance at 1 January 2017	120	2,140,413	2,140,533
Net result	-	(280,740)	(280,740)
Total comprehensive income	-	(280,740)	(280,740)
Balance at 31 December 2017	120	1,859,673	1,859,793

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 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers		8,543,049	6,665,288
Interest received		19,865	27,653
Payments to suppliers and employees (inclusive of GST)		(9,369,909)	(6,330,507)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	**25**	(806,995)	362,434
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(291,444)	(118,002)
Net cash provided by / (used in) investing activities		(291,444)	(118,002)
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		(1,098,439)	695,456
Cash and cash equivalents at the beginning of the financial year		2,088,815	1,393,359
Cash and cash equivalents at the end of the financial year		990,376	2,088,815

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Services UNE Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 14 July 1994 and is domiciled in Australia. On the 19th of December 2013, the University of New England, being the sole Member and owning 100% of the issued shares through a special resolution resolved that Services UNE Limited:

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

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

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

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

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution on 8 March 2018.

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:

	2017	2016
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 2017 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 2017.

	Note	2017 $	2016 $
Note 2. Trading income			
Sale of goods		5,878,760	4,754,291
Rendering of services		570,431	241,045
Total trading income		6,449,191	4,995,336
Note 3. Investment revenue			
Interest		19,865	27,653
Total investment revenue		19,865	27,653
Note 4. Other revenue			
UNE contribution		1,295,659	434,786
UNE Student Services & Amenities contribution		836,642	514,657
Rent		71,093	106,836
Transition of Business		-	904,607
Other revenue		38,095	-
Total other revenue		2,241,489	1,960,886
Note 5. Employee related expenses			
Salaries		2,928,072	2,258,045
Contribution to funded superannuation and pension schemes		287,608	212,457
Payroll tax		172,741	127,932
Worker's compensation		29,857	30,777
Annual & long service leave		44,819	(12,503)
Other (Allowances, penalties and uniforms)		38,042	4,604
Total employee related expenses		3,501,139	2,621,312
Note 6. Depreciation and amortisation			
Depreciation			
Plant and Equipment		87,264	239,731
Motor Vehicles		13,931	12,938
Total depreciation		101,195	252,669
Amortisation			
Leasehold improvements		73,017	75,390
Intangibles		34,999	29,677
Total amortisation		108,016	105,067
Total depreciation and amortisation		209,211	357,736
Note 7. Repairs and maintenance			
Plant/furniture/equipment		162,133	232,827
Total repairs and maintenance		162,133	232,827

	Notes	2017 $	2016 $
Note 8. Other expenses			
Cost of Goods Sold		2,360,005	2,183,802
Advertising		78,666	54,936
Cleaning and materials		117,055	25,343
Computer Expenses		44,717	42,021
Insurance		5,585	12,025
Printing and Stationery		36,108	21,465
Minor Equipment Purchases		73,337	80,774
Security		48,492	45,177
Utilities		286,204	186,613
Rent		108,469	106,837
Personnel services paid*		1,136,455	184,346
Subscriptions and Membership		66,924	48,786
Student Programs and activities		325,019	47,701
Student Experience Expense		144,184	96,455
Other Expenditure		287,582	302,468
Total other expenses		5,118,802	3,438,749

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

	Notes	2017 $	2016 $
Note 9. Cash and cash equivalents	1(g)		
Cash on hand and at bank		956,281	1,527,780
Short term deposits		34,095	561,037
Total cash and cash equivalents		990,376	2,088,817

(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:

	2017 $	2016 $
Balances as above	990,376	2,088,817
Less: Bank Overdrafts	-	-
Balance per cash flow statement	990,376	2,088,817

(b) Cash on hand

	2017 $	2016 $
These are non-interest bearing.	21,367	14,010

(c) Deposits at call
The deposits at call and at investment terms of less than12 months are bearing floating and fixed interest rates between 1.75% and 2.5% (2016 - 1.85% and 2.7%). These deposits have an average maturity of 30 days.

Note 10. Receivables

	Notes	2017 $	2016 $
Current			
Trade and other receivables		1,147,510	130,966
Less: Provision for impaired receivables	1(h)	(1,449)	(4,669)
Total receivables		1,146,061	126,297

As of 31 December 2017, trade receivables of $48,129 (2016: $24,385) 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:

	2017 $	2016 $
3 to 6 months	30,916	4,585
6 to 12 months	17,213	19,800
Over 12 months	-	-
Total Past due but not impaired current receivables	48,129	24,385

(a) Impaired receivables

As at 31 December 2017 current receivables of the entity with a nominal value of $1449 (2016: $4,669) were impaired. The amount of the provision was $1449 **(**2016: $4,669).

	Notes	2017 $	2016 $

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	2017 $	2016 $
Current	1(i)		
Stock on hand		320,290	204,638
Total current inventories		320,290	204,638

Note 12. Other financial assets

	2017 $	2016 $
Non-current		
Available for sale	500	500
Total non-current other financial assets	500	500

Note 13. Other non-financial assets

	2017 $	2016 $
Current		
Prepaid Expenses	-	-
Total current other non-financial assets	-	-

Note 14. Property, plant and equipment

	2017 $	2016 $
Plant and equipment - At cost	1,013,982	846,854
Less: Accumulated depreciation	(550,350)	(461,997)
	463,632	384,857
Motor Vehicles – At cost	198,109	77,454
Less: Accumulated depreciation	(45,156)	(31,224)
	152,953	46,230
Leasehold improvements - At cost	672,527	672,527
Less: Accumulated Amortisation	(595,774)	(522,757)
	76,753	149,770
Total Property Plant & Equipment	693,338	580,857

Reconciliation

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

	2017 $	2016 $
Plant and Equipment		
Carrying amount at beginning of year	384,857	129,971
Additions	166,039	41,041
Additions from business transfer	-	453,223
Disposals	-	-
Depreciation	(87,264)	(239,378)
Carrying amount at end of year	463,632	384,857

Note 14. Property, plant and equipment (continued)

	Notes	2017 $	2016 $
Motor Vehicles			
Carrying amount at beginning of year		46,230	28,120
Additions		120,654	31,049
Disposals		-	-
Depreciation		(13,931)	(12,939)
Carrying amount at end of year		152,953	46,230
Leasehold improvements			
Carrying amount at beginning of year		149,770	225,161
Additions		-	-
Disposals		-	-
Amortisation		(73,017)	(75,391)
Carrying amount at end of year		76,753	149,770

Note 15. Intangible assets 1(k)

	2017 $	2016 $
Australia Post Licence – At cost	25,000	25,000
Computer Software	170,258	166,596
Less Amortisation	(73,030)	(39,119)
	97,228	127,477
Total Intangible assets	122,228	152,477

Note 16. Trade and other payables

	2017 $	2016 $
Current		
Trade Payables & Accruals	583,455	594,116
Income in Advance	431,822	152,448
Funds held in Trust	117,759	92,493
GST payable	41,936	13,623
PAYG Payable	65,434	31,736
Total current trade and other payables	1,240,406	884,416

Note 17. Provisions 1(m)

	2017 $	2016 $
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	67,594	59,637
Long service leave	12,000	7,000
Subtotal	79,594	66,637
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Long service leave	25,000	18,000
Subtotal	25,000	18,000
Total Current Provision	104,594	84,637
Non-current provisions		
Employee benefits		
Long service leave	68,000	44,000
Total non-current provision	68,000	44,000
Total provisions	172,594	128,637
Summary movements employee benefits		
Carrying amount at start of year	128,637	141,140
Current year movement in provisions		
- Annual Leave	7,957	(3,503)
- Long Service Leave - current	12,000	(8,000)
- Long Service Leave - non current	24,000	(1,000)
Carrying amount at end of year	172,594	128,637

Note 18. Reserves and retained earnings

	2017	2016
	$	$
Retained Earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	2,140,413	1,807,162
Net result for the year	(280,740)	333,251
Retained earnings at 31 December	1,859,673	2,140,413

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 were appointed to the board on the 9th March 2017:
Dr Kerry Hudson
Mrs Megan Aitken
Prof Peter Creamer
Ms Kara Tighe

The following persons resigned from the board on the 14th June 2017:
Ms Kara Tighe

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 & Chief Executive Officer
Mr Ashley Clee - Deputy Director & Chief Financial Officer

Mr Schmude's and Mr Clee's remuneration is met by the University of New England.

(b) Remuneration of Board Members and Executives
Members of staff serving as Directors receiving remuneration as per their employment conditions are excluded

Remuneration of Board Members

	2017 No.	2016 No.
Nil to $9,999	3	2

	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	12	-

	2017	2016
	$	$

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:

	2017 $	2016 $
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	42,000	30,000
Total paid for audit services	42,000	30,000

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

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2017 of $0 (2016: $0).

(b) Lease Commitments

(i) Operating Leases

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

	2017 $	2016 $
Within one year	118,872	116,739
Between one and five years	118,872	233,477
GST Recoverable	(21,613)	(31,838)
Later than five years	-	-
Total operating leases	216,131	318,378

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 2017, (2016: Nil).

	2017 $	2016 $
Total commitments	216,131	318,378

No lease arrangements, existing as at 31 December 2017, 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:

	2017	2016
Transactions during the period	**$**	$
University of New England		
UNE - Commercial transactions	812,000	410,448
UNE Support	1,295,659	317,900
Student Ammenities Contribution	836,642	511,525
Payments made	(1,868,000)	(359,376)
Net	1,076,301	880,497
With other related parties		
Income received	-	993,039
Payments made	-	-
Net	-	993,039

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

University of New England		
Receivables	1,000,480	39,693
Payables	(276,535)	(159,067)

(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	(280,740)	333,251
Depreciation and amortisation	209,211	357,736
Gain on Transfer	-	(904,607)
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables and Prepaid Income	357,443	624,665
Increase/(Decrease) in Provision for Employee Entitlements	43,957	(12,504)
(Increase)/Decrease in Receivables and Prepaid Expenses	(1,021,213)	(38,493)
(Increase)/Decrease in Inventories	(115,653)	2,386
Net cash provided by / (used in) operating activities	(806,995)	362,434

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 2.5%. Average maturity of 330 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2017.	
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.

(iii) Price risk
The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk
The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

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

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

(b) Credit Risk
Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation 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 2017	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	1.90%	934,914	34,095			21,367	990,376
Receivables & other non-financial assets						1,146,061	1,146,061
Unlisted shares						500	500
Total Financial Assets		934,914	34,095			1,167,928	2,136,937
Financial Liabilities							
Borrowings			-	-			-
Payables						583,455	583,455
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		583,455	583,455

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 and 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	-					594,116	594,116
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		594,116	594,116

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 2017	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	969,009	(9,690)	(9,690)	9,690	9,690
Receivables	1,146,061	-	-	-	-
Unlisted shares	500	-	-	-	-
Total Financial Assets	2,115,570				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	583,455	-	-	-	-
Other Amounts Owing	-	-	-	-	-
Total Financial Liabilities	583,455				
Total increase / (decrease)	1,532,115				

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	-	-	-	-	-
Creditors	594,116	-	-	-	-
Other Amounts Owing	-	-	-	-	-
Total Financial Liabilities	594,116				
Total increase / (decrease)	1,607,488				

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	2017	2016	2017	2016
		$	$	$	$
Financial assets					
Cash and cash equivalents	***9***	990,376	2,088,817	990,376	2,088,817
Receivables	***10***	1,146,061	126,297	1,146,061	126,297
Other financial assets	***12***	500	500	500	500
Total financial assets		2,136,937	2,215,614	2,136,937	2,215,614
Financial liabilities					
Payables	***16***	1,240,406	884,416	1,240,406	884,416
Total financial liabilities		1,240,406	884,416	1,240,406	884,416

End of Audited Financial Statements

UNE Partnerships Pty Ltd

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2017

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 Income Statement and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 2017, 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 fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing 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' Responsibilities 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Company will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities 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: www.auasb.gov.au/auditors_responsibilities/ar4.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 2018
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 2017 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.

Director / Chairman

Director

9 March 2018

Income Statement
For the year ended 31 December 2017

	Notes	2017 $	2016 $
Income from continuing operations			
Sales revenue	**2**	5,879,729	4,302,750
Investment revenue	**3**	3,056	3,056
Total income from continuing operations		5,882,785	4,305,806
Expenses from continuing operations			
Employee related expenses	**4**	2,791,311	2,978,179
Depreciation and amortisation	**5**	152,520	94,687
Impairment of assets	**6**	380,936	101,154
Marketing and promotion		95,741	47,302
Travel and accommodation		108,271	100,631
Course delivery expenses		623,669	1,072,795
Other expenses	**7**	2,620,593	1,049,658
Total expenses from continuing operations		6,773,041	5,444,406
Net result attributable to UNE Partnerships Pty Limited	**16(b)**	(890,256)	(1,138,600)

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

Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	2017 $	2016 $
Net result for the period		(890,256)	(1,138,600)
Other comprehensive income		-	-
Total comprehensive income for the period		(890,256)	(1,138,600)

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

Statement of Financial Position
As at 31 December 2017

	Note	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	678,817	242,989
Receivables	**9**	282,819	558,458
Other non-financial assets	**10**	53,753	21,567
Total current assets		1,015,389	823,014
Non-current assets			
Plant and equipment	**11**	34,163	25,717
Intangible assets	**12**	802,232	942,648
Total non-current assets		836,395	968,365
Total assets		1,851,784	1,791,379
LIABILITIES			
Current liabilities			
Trade and other payables	**13**	442,922	393,411
Provisions	**14**	270,044	254,402
Other liabilities	**15**	1,036,173	1,124,281
Borrowings		700,000	-
Total current liabilities		2,449,139	1,772,094
Non-current liabilities			
Provisions	**14**	25,164	25,457
Borrowings		1,302,164	1,028,255
Total non-current liabilities		1,327,328	1,053,712
Total liabilities		3,776,467	2,825,806
Net assets		(1,924,683)	(1,034,427)
EQUITY			
Issued capital	**16(a)**	1,198,937	1,198,937
Retained earnings	**16(b)**	(3,123,620)	(2,233,364)
Total equity attributable to equity holders of the company		(1,924,683)	(1,034,427)
Total equity		(1,924,683)	(1,034,427)

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 2017

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2016	1,198,937	($1,094,764)	$104,173
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	($2,233,364)	($1,034,427)
Balance at 1 January 2017	1,198,937	($2,233,364)	($1,034,427)
Net result attributable to UNE Partnerships Pty Ltd	-	($890,256)	($890,256)
Total comprehensive income	-	($890,256)	($890,256)
Balance at 31 December 2017	1,198,937	($3,123,620)	($1,924,683)

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 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from student fees and other customers		5,905,848	4,315,820
Receipts from government funded students		415,033	207,487
Interest received		3,056	3,056
Payments to suppliers and employees		(6,460,061)	(5,210,799)
GST recovered/paid		47,311	(84,519)
Net cash provided by / (used in) operating activities	**22**	(88,813)	(768,955)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,773	650
Payments for property, plant and equipment		(23,665)	(9,415)
Net cash outflow for intangibles purchased/created		(360,424)	(170,395)
Net cash provided by / (used in) investing activities		(382,316)	(179,160)
Cash flows from financing activities			
Proceeds from borrowings		908,789	1,000,000
Repayment of borrowings		(1,834)	-
Net cash provided by / (used in) financing activities		906,955	1,000,000
Net increase / (decrease) in cash and cash equivalents		435,826	51,885
Cash and cash equivalents at the beginning of the financial year		242,991	191,106
Cash and cash equivalents at the end of the financial year	**8**	678,817	242,991

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 2017 was authorised for issue in accordance with a resolution of the Board on 9 March 2018.

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

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.

(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.

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 (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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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) 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. The Board believe the going concern basis of accounting is appropriate as the University of New England has undertaken to support the Entity to ensure it can operate as a going concern.

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017 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 2017.

		Note	2017 $	2016 $
Note 2.	**Sales revenue**			
	Education services - fee paying		1,717,819	1,347,603
	Education services - government funded		415,033	207,488
	Workshops		405,217	651,157
	Consultancy		3,203,104	1,932,757
	Product sales		12,558	22,213
	Other revenue		125,968	141,533
	Profit on sale of assets		30	-
	Total sales revenue		5,879,729	4,302,750
Note 3.	**Investment revenue**			
	Interest		3,056	3,056
	Total investment revenue		3,056	3,056
Note 4.	**Employee related expenses**			
	Salaries		2,188,769	2,310,825
	Contribution to funded superannuation and pension schemes		236,512	255,920
	Payroll tax		125,003	176,157
	Worker's compensation		20,801	10,474
	Long service leave expense		33,282	10,645
	Annual leave		190,126	211,277
	Other (allowances, penalties and fringe benefits tax)		(3,182)	2,881
	Total employee related expenses		2,791,311	2,978,179
Note 5.	**Depreciation and amortisation**			
	Depreciation			
	Furniture and Fittings		342	1,373
	Computer equipment		13,135	15,516
	Total depreciation		13,477	16,889
	Amortisation			
	Intellectual property and courseware		136,696	49,092
	Software developments		2,347	-
	Contracts acquired in acquisition		-	28,706
	Total amortisation		139,043	77,798
	Total depreciation and amortisation		152,520	94,687
Note 6.	**Impairment of assets**			
	Bad debts		10,508	71,241
	Movement in provision for doubtful debts		8,231	29,913
	Impairment of assets		362,197	
	Total impairment of assets		380,936	101,154
Note 7.	**Other expenses**			
	Change to policy on income recogniton		-	-
	Non-capitalised equipment		1,711	61,042
	Utilities		15,622	17,681
	Consumables and materials		20,605	22,185
	Telecommunications		30,546	37,048
	Books, serials and other library media		-	45,676
	Consultants and authors' fees		2,089,981	684,041
	Room hire and catering		73,199	21,915
	Interest expense		65,283	30,558
	Property and facilities		103,169	125,064
	Other expenditure		220,477	4,448
	Total other expenses		2,620,593	1,049,658

		Note	2017 $	2016 $
Note 8.	**Cash and cash equivalents**	1(g)		
	Cash on hand		439	225
	Cash at bank		678,378	242,764
	At call investments		-	-
	Total cash and cash equivalents		678,817	242,989

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

Balances as above	678,817	242,989
Less: Bank overdrafts	-	-
Balance per cash flow statement	678,817	242,989

(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% (2016 - 1.0% and 1.50%).

		Note	2017 $	2016 $
Note 9.	**Receivables**			
	Current			
	Trade and other debtors		323,090	590,498
	Less: Provision for impaired receivables	1(h)	(40,271)	(32,040)
	Total receivables		282,819	558,458

(a) Impaired receivables

As at 31 December 2017 current receivables of the entity with a nominal value of $40,271 (2016: $32,040) were impaired. The amount of the provision was $40,271 (2016: $32,040). 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:

3 to 6 months	9,700	-
Over 6 months	30,571	32,040
	40,271	32,040

As of 31 December 2017, trade receivables of $127,182 (2016: $177,154) 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:

0 to 3 months	108,524	137,934
Over 3 months	18,658	39,220
	127,182	177,154

Movements in the provision for impaired receivables are as follows:

As at 1 January	32,040	2,127
Provision for impairment recognised during the year	18,739	101,154
Receivables written off during the year as uncollectible	(10,508)	(71,241)
As at 31 December	40,271	32,040

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	2017 $	2016 $
Note 10.	**Other non-financial assets**			
	Current			
	Accrued Income		45,345	-
	Prepaid expenses		-	13,159
	Securtiy bonds		8,408	8,408
	Total current other non-financial assets		53,753	21,567
Note 11.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		48,045	45,208
	Accumulated depreciation		(43,305)	(42,140)
			4,740	3,068
	Computer cost:			
	At cost		209,830	191,424
	Accumulated depreciation		(184,780)	(173,491)
			25,050	17,933
	Leasehold improvements:			
	At cost		122,701	122,701
	Accumulated depreciation		(118,328)	(117,985)
			4,373	4,716
	Total Plant and Equipment		34,163	25,717

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 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
Balance at 31 December 2016	3,069	17,933	4,716	25,718
Balance 1 January 2017	3,069	17,933	4,716	25,718
Additions	2,835	20,830	-	23,665
Depreciation expense	(1,164)	(11,970)	(343)	(13,477)
Derecognition	-	(2,425)	-	(2,425)
Depreciation written back on disposal	-	682	-	682
Carrying amount at 31 December 2017	4,740	25,050	4,373	34,163

		Note	2017 $	2016 $
Note 12.	**Intangible assets**			
	(a) Course Development Expenses			
	Cost		859,892	342,258
	Accumulated amortisation		(206,708)	(70,012)
	Course materials - work in progress		123,845	308,205
	Net carrying value		777,029	580,451
	Reconciliation of course development expenses			
	Balance at the beginning of year		580,451	459,148
	Additions		517,634	251,640
	Eliminations		-	-
	Amortisation charge		(136,696)	(49,092)
	Work in progress movement		(184,360)	(81,245)
	Closing carrying value at 31 December		777,029	580,451
	(b) Acquisition Expenses			
	Goodwill at cost (incl contingent portion)		584,504	584,504
	Accumulated impairment losses		(584,504)	(222,307)
	Value of contracts and client relationships, at cost		684,575	684,575
	Accumulated amortisation		(684,575)	(684,575)
	Net carrying value		-	362,197
	Reconciliation of acquisition outlays			
	Balance as at the beginning of year		362,197	390,903
	Impairment charge		(362,197)	-
	Amortisation charge		-	(28,706)
	Closing carrying value at 31 December		-	362,197
	(c) Software Expenses			
	Cost		46,755	19,205
	Accumulated amortisation		(21,552)	(19,205)
	Net carrying value		25,203	-
	Reconciliation of software expenses			
	Balance as at the beginning of year		-	48,959
	Additions		27,550	-
	Amortisation		(2,347)	-
	Write off obsolete software		-	(48,959)
	Closing carrying value at 31 December		25,203	-
	Total net carrying value		802,232	942,648
Note 13.	**Trade and other payables**			
	Current			
	Trade payables		422,642	391,569
	GST payable		20,280	1,842
	Total current trade and other payables		442,922	393,411

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 24.

		Note	2017 $	2016 $
Note 14.	**Provisions**	1(m)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		105,054	103,416
	Long service leave		-	37,218
	Subtotal		105,054	140,634
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		35,983	55,555
	Long service leave		129,007	58,213
	Subtotal		164,990	113,768
	Total Current Provision		270,044	254,402
	Non-current provisions			
	Employee benefits			
	Long service leave		25,164	25,457
	Total non-current provision		25,164	25,457
	Total provisions		295,208	279,859
Note 15.	**Other Liabilities**			
(a)	**Current**			
	Accrued Liabilities			
	Salary Related		39,575	128,567
	Other Accrued Expenditure		-	-
	Income received in advance		996,598	995,714
	Total current other liabilities		1,036,173	1,124,281
Note 16.	**Retained earnings**			
(a)	**Issued Capital**			
	1,198,937 ordinary shares @ $1.00 each fully paid		1,198,937	1,198,937
(b)	**Retained earnings**			
	Movements in retained earnings were as follows:			
	Retained earnings at 1 January		(2,233,364)	(1,094,764)
	Net Operating Result for the year		(890,256)	(1,138,600)
	Retained earnings at 31 December		(3,123,620)	(2,233,364)

Note 17. 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

Mr James R. HARRIS - Chairman (resigned 21 December 2017
Philip M. ATTARD (resigned 23 November 2017)
Suzanne A. JONES (resigned 20 September 2017)
Janette McCLELLAND (resigned 21 December 2017)
Kris KAUFFMANN (resigned 24 October 2017)

Professor Annabelle DUNCAN - Chairman (appointed 8 December 2017)
Dr Exmond DECRUZ (appointed 19 December 2017)
Professor Aron MURPHY (appointed 20 December 2017)

Executive Officer

Timothy J. Catterall

(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 2017 payments to non-executive directors have been included as paid/accrued.

	2017	2016
	No.	**No.**
Nil to $9,999	3	3
	3	3
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	19,500	21,000

Remuneration of executive officers	**No.**	**No.**
Nil to $150,000	-	1
$175,001 to $200,000	-	1
$200,001 to $224,999	1	-
	1	2
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	200,505	253,087

Note 18. 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:

	2017	2016
	$	$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	37,000	36,000
Total remuneration for audit services	37,000	36,000

Note 19. 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	923,364	629,065
Contingent liability - funded enrolment - delivery costs not yet incurred	-	-
Net contingent balance	923,364	629,065

Note 20. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2017 (2016: Nil).

(b) Lease Commitments

Operating Leases		
Within one year	-	53,325
Between one and five years	-	-
Later than five years	-	-
Total operating leases	-	53,325
Total lease commitments	-	53,325

No lease arrangements, existing as at 31 December 2017, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 21. 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 17.

(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	**2017** **$**	2016 $
University of New England		
Sales to University of New England	-	8,104
Purchases from the University of New England	184,288	96,181
Net	(184,288)	(88,077)
Loans from University of New England		
Beginning of the year	1,028,255	-
Loans advanced	900,000	1,000,000
Interest charged	66,955	28,255
Interest received	-	-
End of year	1,995,210	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	-	-

Note 21. Related parties (continued)

(d) Transactions with related parties (continued)

Current payables (purchases of goods and services)		
University of New England	65,227	7,078
Other related entities	-	-
Total current payables	65,227	7,078
Current payables (loans)		
University of New England	700,000	1,028,255
Total non-current payables	700,000	1,028,255
Non-current payables (loans)		
University of New England	1,295,210	1,028,255
Total non-current payables	1,295,210	1,028,255
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 terms.

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

	2017	2016
	$	$
Net result for the period	(890,256)	(1,138,600)
Depreciation and amortisation	152,520	94,687
Write-off of assets	362,197	48,959
Provision for impaired receivables	8,231	29,913
Net (gain) / loss on sale of non-current assets	(30)	2,761
Increase/(Decrease) in payables and prepaid income	49,991	(56,434)
Increase/(Decrease) in provision for employee entitlements	(73,643)	(15,978)
Increase/(Decrease) in interest payable	66,955	28,255
(Increase)/Decrease in receivables and prepaid expenses	235,222	234,127
(Increase)/Decrease in inventories	-	3,355
Net cash provided by / (used in) operating activities	(88,813)	(768,955)

Note 23. Events occurring after the end of the reporting period

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

Note 24. 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	13 & 15	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 24. 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 2017	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	678,817	-	-	-	-	678,817
Investments - term deposits	0.00	-	-	-	-	-	-
Receivables	-	-	-	-	-	282,819	282,819
Total Financial Assets		678,817	-			282,819	961,636
Financial Liabilities							
Borrowings	4.50	2,002,164	-	-	-		2,002,164
Payables	-	-	-	-	-	442,922	442,922
Other amounts owing	-	-	-	-	-	39,575	39,575
Total Financial Liabilities		2,002,164	-	-		482,497	2,484,661
Net Financial Assets(Liabilities)		(1,323,347)	-	-		(199,678)	(1,523,025)

Comparative figures for the previous year are as follows:

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 and 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)	0	0		38,322	(746,944)

Note 24. 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 2017	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	678,817	(6,788)	(6,788)	6,788	6,788	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	282,819	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	961,636	(6,788)	(6,788)	6,788	6,788	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	2,002,164	20,022	20,022	- 20,022	- 20,022								
Payables	442,922	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	39,575	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2,484,661	20,022	20,022	(20,022)	(20,022)	-	-	-	-	-	-	-	-
Total increase/(decrease)	(1,523,025)	(26,810)	(26,810)	26,810	26,810	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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	1,548,391	10,283	10,283	(10,283)	(10,283)	-	-	-	-	-	-	-	-
Total increase / (decrease)	(746,944)	(12,713)	(12,713)	12,713	12,713	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS