University of New England

University of
New England

ABN: 75 792 454 315
Annual Financial Report for the year ended 31 December 2018

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 2018, the Statement of Financial Position as at 31 December 2018, 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 2018, 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 2018 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.

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**

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

Other Information

Other information comprises the information included in the University's annual report for the year ended 31 December 2018, other than the financial statements and my Independent Auditor's Report thereon. The members of the Council of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement of Appointed Officers.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

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

15 March 2019
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 2018.

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 - reappointed 01/01/2018
Professor Annabelle Duncan - Vice Chancellor
Mr David van Aanholt - reappointed 17/08/2018
Mr Russell Evans - reappointed 17/08/2018
Mr Robert Finch - reappointed 01/01/2019
Mr Charles Hebblewhite - reappointed 21/08/2018
Ms Rosemary Leamon
Ms Anne Myers
Ms Meredith Symons

The following persons were appointed members in 2018 and continue in office at the date of this report:

Professor Mark Perry, Chair Academic Board - appointed 18/06/2018
Associate Professor Richard Scully - appointed 21/08/2018
Ms Louisa Quiddington - appointed 12/10/2018

The following persons were members in 2018:

Professor Nick Reid, Chair Academic Board - retired 30/04/2018
Dr Jack Hobbs - term expired 17/08/2018
Dr Robyn Muldoon - term expired 17/08/2018
Professor Margaret Sims - term expired 20/08/2018
Ms Catherine Millis - term expired 11/10/2018

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 2018, 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

2019 operations are expected to evolve in line with the 2019-2021 Business Plan and Budget approved by the University Council in November 2018. We are aware that the main political parties at the Commonwealth level have alternative policy positions in relation to higher education funding and therefore the outcome of the 2019 federal election raises the prospect of changes in the university funding regime. Our Business Plan and Budget was developed having regard to the opportunities and threats this poses to UNE.

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 $42,010 for Directors and Officers Insurance covered the period 1 November 2017 to 31 October 2018. Insurance has been renewed for the period 1 November 2018 to 31 October 2019 at a cost of $48,195. 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
15 March 2019

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 2018, and the numbers of meetings attended by each Council member were:

Members of Council 2018	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	7	7			3	3	1	1	3	3	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	7	7	7	7	3	3	1	1	3	3		
Professor Nick Reid, Chair Academic Board (retired 30/04/18)	1	1	3	3			1	1	1	1	1	1		
Professor Mark Perry, Chair Academic Board (appointed 18/06/18)	4	4	4	4			2	2			2	2	3	3
Members appointed by the Minister														
Ms Meredith Symons	5	5	6	7									3	3
Mr David van Aanholt (reappointed 17/08/18)	5	5	6	7	7	7	3	3					3	3
Members appointed by Council														
Ms Jan McClelland (reappointed 01/01/18)	5	5	7	7	7	7	3	3	1	1	3	3	3	3
Ms Anne Myers	5	5			7	7	2	2						
Ms Rosemary Leamon	5	5	5	6	6	7	2	2						
Mr Robert Finch (reappointed 01/01/19)	5	5	7	7	6	7								
Mr Russell Evans (reappointed 17/08/18)	5	5	1	1			2	3						
Members elected by Academic Staff														
Professor Margaret Sims (term expired 20/08/18)	3	5												
Associate Professor Richard Scully (appointed 21/08/18)	2	2												
Members elected by the graduates														
Dr Robyn Muldoon (term expires 17/08/18)	3	3							1	1				
Dr Jack Hobbs (term expires 17/08/18)	3	3							1	1				
Member elected by non-academic staff														
Mr Charles Hebblewhite (reappointed 21/08/18)	5	5					1	1						
Member elected by Students														
Ms Louisa Quiddington (appointed 12/10/18)	1	1					1	1						
Ms Catherine Millis (term expired 11/10/18)	4	4												

A = Number of meetings attended
B = Number of meetings held during the time the member held office or was a member of the committee during the year

*Honorary Degrees, Titles and Tributes Committee

University of New England

STATEMENT OF APPOINTED OFFICERS

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 2018 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 2018 Reporting Period" issued by the Australian Government Department of Education and Training;

3. The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;

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

5. There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;

6. The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and

7. The University has complied in full with the requirements of various programme guidelines that apply to the Commonwealth financial assistance identified in these financial reports.

Mr James Harris
Chancellor

Professor Annabelle Duncan
Vice-Chancellor & CEO

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
15 March 2019

Income Statement

for the year ended 31 December 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	**158,375**	157,506	**158,375**	157,506
HELP - Australian Government payments	3	**80,344**	78,831	**80,344**	78,831
State and local government financial assistance	4	**3,276**	3,064	**2,668**	2,649
HECS-HELP - Student payments		**8,366**	8,468	**8,366**	8,468
Fees and charges	5	**45,981**	41,943	**43,234**	39,682
Investment income	6	**6,678**	6,063	**6,865**	4,444
Royalties, trademarks and licences	7	**211**	145	**215**	150
Consultancy and contracts	8	**1,536**	4,198	**355**	995
Other revenue	9	**31,207**	30,031	**16,105**	14,736
Other income	9	**490**	137	**2,610**	2,312
Total income from continuing operations		**336,464**	330,386	**319,137**	309,773
Expenses from continuing operations					
Employee related expenses	10	**206,463**	186,210	**193,409**	174,657
Depreciation and amortisation	11	**25,176**	23,157	**24,446**	22,551
Repairs and maintenance	12	**6,903**	7,353	**8,622**	7,434
Borrowing costs	13	**1,040**	1,067	**1,026**	1,055
Impairment of assets	14	**(259)**	667	**(311)**	2,158
Losses on disposal of assets		**8,765**	316	**8,764**	318
Deferred superannuation expense	10, 39	**216**	242	**216**	242
Other expenses	15	**111,454**	102,085	**105,402**	97,032
Total expenses from continuing operations		**359,758**	321,097	**341,574**	305,447
Net result before income tax		**(23,294)**	9,289	**(22,437)**	4,326
Income tax expense		**-**	-	**-**	-
Net result attributable to members from continuing operations	28(b)	**(23,294)**	9,289	**(22,437)**	4,326

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

Statement of Comprehensive Income

for the year ended 31 December 2018

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Net result after income tax for the period		**(23,294)**	9,289	**(22,437)**	4,326
Items that will be reclassified to profit or loss					
Reclassification adjustments (i.e. recycling from OCI to P&L)		**3**	-	-	-
Total		**3**	-	-	-
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax		**6,672**	5,371	**6,488**	5,251
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax		**6,812**	3,508	**6,812**	3,168
Net actuarial losses/(gains) recognised in respect of defined benefit plans		**800**	76	**800**	76
Reserve transfer relating to controlled entity		-	3	-	-
Total		**14,284**	8,958	**14,100**	8,495
Total other comprehensive income		**14,287**	8,958	**14,100**	8,495
Total comprehensive income attributable to members of the University of New England		**(9,007)**	18,247	**(8,337)**	12,821

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

Statement of Financial Position

as at 31 December 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Assets					
Current assets					
Cash and cash equivalents	16	88,962	81,523	82,000	74,748
Receivables	17	30,349	27,438	27,559	25,639
Inventories	18	1,353	450	230	130
Other financial assets	19	49,000	73,000	49,000	73,000
Other non-financial assets	20	13,312	9,938	13,160	9,497
Biological assets	21	876	1,217	876	1,217
Total current assets		183,852	193,566	172,825	184,231
Non-current assets					
Receivables	17	297,908	299,715	297,908	299,715
Other financial assets	19	48,571	40,271	23,942	17,130
Property, plant and equipment	22	313,866	312,548	309,673	308,188
Intangible assets	23	1,882	1,631	939	670
Total non-current assets		662,227	654,165	632,462	625,702
Total assets		846,079	847,731	805,287	809,934
Liabilities					
Current liabilities					
Trade and other payables	24	4,445	7,663	2,198	5,823
Borrowings	25	20,032	27	20,000	-
Provisions	26	51,762	51,369	50,168	49,884
Other liabilities	27	24,908	17,768	23,206	19,240
Total current liabilities		101,147	76,827	95,572	74,947
Non-current liabilities					
Borrowings	25	38	20,077	-	20,000
Provisions	26	310,357	307,772	310,163	307,589
Other liabilities	27	592	99	592	99
Total non-current liabilities		310,987	327,948	310,755	327,688
Total liabilities		412,134	404,775	406,327	402,635
Net assets		433,946	442,956	398,962	407,298
Equity					
Reserves	28 (a)	109,073	101,870	107,462	99,979
Retained earnings	28 (b)	324,874	341,086	291,500	307,319
Parent entity interest		433,947	442,956	398,962	407,298
Total equity		433,947	442,956	398,962	407,298

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

Statement of Changes in Equity

for the year ended 31 December 2018

	Consolidated			Parent Entity		
		Retained			Retained	
	Reserves	earnings	Total	Reserves	earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2017	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
Balance at 1 January 2018	101,870	341,086	442,956	99,979	307,319	407,298
Net result	-	(23,294)	(23,294)	-	(22,437)	(22,437)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	6,672	-	6,672	6,488	-	6,488
Gain/(loss) on financial assets at fair value through OCI	6,812	-	6,812	6,812	-	6,812
Remeasurements of Defined Benefit Plans	-	800	800	-	800	800
Transfers from revaluation reserves to retained surplus for asset sales	(5,813)	5,816	3	(5,816)	5,816	-
Total comprehensive income	7,671	(16,678)	(9,007)	7,484	(15,821)	(8,337)
Balance at 31 December 2018	109,541	324,408	433,949	107,463	291,498	398,961

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 2018

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Australian Government grants		**240,055**	233,399	**240,055**	233,399
OS-HELP (net)		**(574)**	(160)	**(574)**	(160)
Superannuation supplementation		**17,384**	19,832	**17,384**	19,832
State Government Grants		**2,343**	2,070	**2,343**	2,070
HECS-HELP - Student payments		**8,891**	9,395	**8,891**	8,980
Receipts from student fees and other customers		**83,013**	81,056	**60,413**	64,021
Dividends received		**3,120**	144	**2,977**	34
Interest received		**3,916**	4,241	**3,640**	3,975
Payments to suppliers and employees (inclusive of GST)		**(348,557)**	(326,755)	**(328,705)**	(309,386)
Interest and other costs of finance		**(1,026)**	(1,055)	**(1,026)**	(1,055)
GST recovered		**6,785**	4,727	**7,255**	5,269
Net cash provided by / (used in) operating activities	**36**	**15,350**	26,894	**12,653**	26,979
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**433**	76	**433**	3
Payments for property, plant and equipment		**(30,089)**	(15,159)	**(29,834)**	(14,132)
Proceeds from sale of financial assets		**78,386**	62,794	**73,000**	60,000
Payments for financial assets		**(56,321)**	(76,559)	**(49,000)**	(73,000)
Loans to related parties		**-**	-	**-**	(900)
Other investing outflows		**(313)**	(360)	**-**	-
Net cash provided by / (used in) investing activities		**(7,904)**	(29,208)	**(5,401)**	(28,029)
Cash flows from financing activities					
Proceeds from borrowings		**-**	9	**-**	-
Repayment of borrowings		**(7)**	(2)	**-**	-
Net cash provided by / (used in) financing activities		**(7)**	7	**-**	-
Net increase / (decrease) in cash and cash equivalents		**7,439**	(2,307)	**7,252**	**(1,050)**
Cash and cash equivalents at the beginning of the financial year		**81,523**	83,830	**74,748**	75,798
Cash and cash equivalents at the end of the financial year		**88,962**	81,523	**82,000**	74,748

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 and other authoritative pronouncements of the AAS Board.

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 15 March 2019.

Historical cost convention
These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties.

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 represent the financial statement of the parent entity, being the University of New England, and the assets and liabilities of all entities it controlled in accordance with *AASB10 Consolidated Financial Statements* as at 31 December 2018 or during the financial year, 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.

(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. Foreign currency differences on qualifying cash flow hedges and qualifying net investment hedges in a foreign operation are 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.

Note 1. Summary of significant accounting policies (continued)

(d) 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.

(e) 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.

(f) Website costs

Costs in relation to websites controlled by the University and its controlled entities arising from development are recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in AASB1383.21 for recognition and initial measurement, the University or controlled entity can satisfy the requirements in ASB138.57. When these criteria cannot be satisfied, all expenditure on developing such a website are recognised as an expense when incurred.

(g) 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.

(h) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(i) New accounting standards and interpretations not yet adopted

The following standards have been issued but are not mandatory for the 31 December 2018 reporting period. The University has elected not to early adopt any of these standards. The University's assessment of the impact of these new standards and interpretations is set out below:

Standard	Application date	Implications
AASB2014-5	1 January 2019	No material impact
AASB2016-8	1 January 2019	No impact
AASB2017-1	1 January 2019	No impact
AASB2017-4	1 January 2019	No impact
AASB15	1 January 2019	An assessment of the impact on the University and subsidiaries was undertaken in 2018. The impact on the University is an estimated $25 million movement from retained earnings to deferred income. UNE Foundation and the Trust have an estimated $21 million adjustment to retained earnings to deferred income. ABRI, UNE Life and UNE Partnerships Pty Ltd are expected to have no material adjustments.
AASB16	1 January 2019	No material impact. The Group, with the exception of ABRI, will apply AASB2018-8 which provides temporary relief for not-for-profit entities to not measure right-of-use assets at fair value until further guidance is available.
AASB17	1 January 2019	No impact
AASB1058	1 January 2019	No material impact
AASB1059	1 January 2020	Impact to be assessed in 2019
Interpretation 23	1 January 2019	No impact
AASB2017-5	1 January 2019	This standard defers the application of a range of standards until reporting periods beginning on or after 1 January 2022. An assessment of the relevant standards mentioned in this standards will take place in 2021.
AASB2017-6	1 January 2019	No impact
AASB2017-7	1 January 2019	No impact
AASB2018-1	1 January 2019	No impact
AASB2018-2	1 January 2019	No impact
AASB2018-3	1 January 2019	No material impact
AASB2018-4	1 January 2019	No impact

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to the References to the Conceptual Framework in IFRS Standards – 1 January 2020.

(j) Initial application of AASB9

Adoption of AASB9 and Interpretation 22 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of the adoption of these new accounting standards and interpretations are described below.

Note 1. Summary of significant accounting policies (continued)

(j) Initial application of AAS9 (continued)

AASB9 Financial Instruments
AASB9 Financial Instruments replaces *AASB139 Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB9 retrospectively with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under AASB139. Differences arising from the adoption of AASB9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of adoption of AASB9 have had an immaterial impact on the financial statements of the Group.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	**Revenue**		**Results**		**Assets**	
	2018	2017	**2018**	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	**334,983**	329,122	**(23,089)**	9,247	**846,352**	847,731
US/Canada	**839**	717	**(122)**	24	**-**	-
Unallocated	**630**	547	**(92)**	18	**-**	-
Total	**336,452**	330,386	**(23,303)**	9,289	**846,352**	847,731

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

		Consolidated		Parent entity	
	Note	**2018**	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
(a) Commonwealth Grant Scheme and Other Grants	**40a**				
Commonwealth Grant Scheme #1		**112,106**	111,929	**112,106**	111,929
Promotion of Excellence in Learning and Teaching		**-**	10	**-**	10
Higher Education Participation and Partnership Program		**3,786**	2,345	**3,786**	2,345
Disability Performance Funding #2		**162**	114	**162**	114
Indigenous Student Success Program #3		**2,161**	2,070	**2,161**	2,070
Total Commonwealth Grant Scheme and Other Grants		**118,215**	116,468	**118,215**	116,468
(b) Higher Education Loan Programs	**40b**				
HECS-HELP		**74,095**	72,840	**74,095**	72,840
FEE-HELP		**5,983**	5,681	**5,983**	5,681
SA-HELP		**267**	311	**267**	311
Total Higher Education Loan Programs		**80,345**	78,832	**80,344**	78,832
(c) EDUCATION Research	**40c**				
Research Training Program		**9,074**	8,912	**9,074**	8,912
Research Support Program		**7,287**	7,420	**7,287**	7,420
Total EDUCATION Research Grants		**16,361**	16,332	**16,361**	16,332
(d) Australian Research Council	**40e**				
Discovery		**1,099**	1,414	**1,099**	1,414
Linkages		**25**	421	**25**	421
Total ARC		**1,124**	1,835	**1,124**	1,835
(e) Other Australian Government financial assistance	**40f**				
Non-capital					
Co-operative Research Centres		**3,081**	5,856	**3,081**	5,856
Other Research Financial Assistance		**16,913**	13,748	**16,913**	13,748
Non-Research Financial Assistance		**2,681**	3,267	**2,681**	3,267
Total other Australian Government financial assistance		**22,675**	22,871	**22,675**	22,871
Total Australian Government financial assistance		**238,719**	236,338	**238,719**	236,338

#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 replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

Accounting Policy

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in notes 3 through to 7.

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

Accounting Policy (continued)

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.

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.

Note 4. State and Local Government financial assistance

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Non-capital					
Research grants		**2,343**	2,070	**2,343**	2,070
Non research grants		**933**	994	**325**	579
Total State and Local Government financial assistance		**3,276**	3,064	**2,668**	2,649

Note 5. Fees and charges

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Course fees and charges					
Fee-paying onshore overseas students		**24,423**	20,362	**24,423**	20,362
Fee-paying domestic postgraduate students		**2,167**	2,057	**2,167**	2,057
Fee-paying domestic undergraduate students		**270**	316	**270**	316
Fee-paying domestic non-award students		**386**	428	**386**	428
Other domestic course fees and charges		**3,676**	2,527	**1,299**	809
Total course fees and charges		**30,922**	25,690	**28,545**	23,972
Other non-course fees and charges					
Student services and amenities fees from students		**525**	512	**525**	512
Parking fees		**417**	425	**418**	425
Conference income		**96**	338	**96**	339
College residential rental		**12,495**	13,539	**12,495**	13,539
Other non course fees and charges		**1,526**	1,439	**1,155**	895
Total other fees and charges		**15,059**	16,253	**14,689**	15,710
Total fees and charges		**45,981**	41,943	**43,234**	39,682

Accounting Policy

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Note 6. Investment income

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Interest					
Bank deposits		**4,142**	4,241	**3,817**	3,876
Loans and receivables		**71**	63	**71**	35
Total interest		**4,213**	4,303	**3,888**	3,910
Dividends					
Equity instruments designated at fair value through OCI		**3,965**	1,568	**2,977**	533
Total dividends		**3,965**	1,568	**2,977**	533
Other investment gains and losses:					
value through profit or loss		(1,500)	191	-	-
Total other investment gains/(losses)		**(1,500)**	191	-	-
Investment income		**6,678**	6,063	**6,865**	4,444

Note 6. Investment income (continued)

Accounting Policy

Interest
For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in net investment income in the income statement.

Dividends
Revenue is recognised when (a) the Group's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

Note 7. Royalties, trademarks and licences

		Consolidated		Parent entity	
	Note	2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Royalties, trademarks and licences		211	145	215	150
Total royalties, trademarks and licences		211	145	215	150

Accounting Policy

Revenue from royalties, trademarks and licences are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Note 8. Consultancy and contracts

		Consolidated		Parent entity	
	Note	2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Consultancy		1,507	4,000	326	797
Contract research		28	198	28	198
Total consultancy and contracts		1,535	4,198	354	995

Accounting Policy

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

Note 9. Other revenue and income

		Consolidated		Parent entity	
	Note	2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Other revenue					
Donations and bequests		1,694	2,042	101	426
Non-government grants		6,643	7,913	6,650	7,947
Sundry trading income		22,753	20,076	9,237	6,363
Foreign exchange gains		117	-	117	-
Total other revenue		31,207	30,031	16,105	14,736
Other income					
Other income		490	137	2,610	2,312
Total other income		490	137	2,610	2,312
Total other revenue and income		31,697	30,168	18,715	17,048

Note 9. Other revenue and income (continued)

Accounting Policy

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

Note 10. Employee related expenses

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Academic					
Salaries		**70,298**	66,476	**70,298**	66,476
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**12,373**	11,813	**12,373**	11,813
Payroll tax		**8,325**	4,772	**8,325**	4,772
Worker's compensation		**329**	240	**329**	240
Long service leave expense		**1,277**	2,057	**1,277**	2,057
Annual leave		**6,266**	4,816	**6,266**	4,816
Other		**178**	186	**178**	186
Total academic		**99,046**	90,360	**99,046**	90,360
Non-academic					
Salaries		**77,670**	70,585	**66,972**	60,857
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**12,130**	12,000	**11,086**	11,051
Contributions to unfunded schemes		**-**	-	**-**	-
Payroll tax		**8,618**	4,842	**7,795**	4,308
Worker's compensation		**444**	282	**301**	218
Long service leave expense		**1,194**	1,919	**1,099**	1,883
Annual leave		**6,223**	4,949	**6,007**	4,751
Other		**1,138**	1,273	**1,103**	1,228
Total non-academic		**107,417**	95,850	**94,363**	84,297
Total employee related expenses		**206,463**	186,210	**193,409**	174,657
Deferred superannuation expense	39	**216**	242	**216**	242
Total employee related expenses, including deferred government employee benefits for superannuaiton		**206,679**	186,452	**193,625**	174,899

Accounting Policy

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.

Past service costs are recognised in profit or loss at the earlier of the following dates:

a) when the plan amendment or curtailment occurs; and
b) when the entity recognises related restructuring costs or termination benefits.

Short-term obligations
Liabilities for wages and salaries including non-monetary benefit, annual leave, and non-accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Payroll tax on unfunded defined superannuation funds
In 2018, an actuarial review was undertaken to assess the value of past, current and future payroll tax liability in relation to the unfunded defined benefit superannuation funds currently held by UNE (see Note 26 Provisions). An amount of $1.1 million was recognised during the year for payroll tax for the period 1 July 2015 to 31 December 2018. Future payroll tax liability on the unfunded defined superannuation fund has been assessed by the actuarial at $5.5M and was also recognised in 2018.

Note 11. Depreciation and amortisation

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Depreciation					
Buildings		**13,007**	12,235	**12,926**	12,154
Infrastructure		**2,589**	2,416	**2,586**	2,412
Plant and equipment		**9,137**	8,123	**8,854**	7,902
Total depreciation		**24,733**	22,774	**24,366**	22,468
Amortisation					
Leasehold improvements		**51**	73	-	-
Intangibles		**393**	310	**81**	83
Total amortisation		**444**	383	**81**	83
Total depreciation and amortisation		**25,176**	23,157	**24,446**	22,551

Accounting Policy

Land, buildings under construction, rare books, works of art and museum assets are not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	2 – 40 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
Information technology equipment and software	5 – 15 years	5 – 15 years
Plant and equipment	5 – 15 years	5 – 15 years

Note 12. Repairs and maintenance

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Buildings		**1,762**	1,843	**1,762**	1,843
Infrastructure		**1,994**	3,151	**3,906**	3,434
Plant, furniture and equipment		**785**	962	**592**	760
Grounds		**233**	279	**233**	279
Computer service costs		**2,129**	1,118	**2,129**	1,118
Total repairs and maintenance		**6,903**	7,353	**8,622**	7,434

Accounting Policy

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 carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met . Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

Note 13. Borrowing costs

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Interest expense		**1,040**	1,067	**1,026**	1,055
Total borrowing costs expensed		**1,040**	1,067	**1,026**	1,055

Accounting Policy

Borrowing costs incurred for the construction of any qualifying asset are expensed in the period in which they are incurred regardless of how the borrowings are applied.

Note 14. Impairment of assets

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Impairment of receivables		**(292)**	305	**(311)**	258
Impairment of other financial assets		**33**	362	**-**	-
Impairment of related party loans		**-**	-	**-**	1,900
Total impairment of assets		**(259)**	667	**(311)**	2,158

Accounting Policy

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 other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

For further information on accounting policies of impairment of financial assets, refer to Note 17 Receivables and Note 19 Other financial assets.

Note 15. Other expenses

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Scholarships, grants and prizes		**14,532**	11,748	**14,991**	11,767
Non-capitalised equipment		**2,703**	2,885	**2,687**	2,865
Advertising, marketing and promotional expenses		**10,960**	14,577	**10,723**	14,381
Utilities		**4,768**	4,420	**4,658**	4,086
Consumables and materials		**6,984**	5,889	**3,211**	2,755
Telecommunications		**1,549**	1,296	**1,079**	843
Travel, entertainment and staff development		**8,476**	8,553	**8,176**	8,280
Books, serials and other library media		**4,974**	5,029	**4,958**	4,962
Printing and Stationery		**1,440**	1,566	**1,440**	1,530
Consultants and professional fees		**17,320**	15,147	**15,350**	11,723
External contributions		**7,243**	4,630	**9,638**	9,088
Catering services		**2,065**	2,208	**2,016**	2,186
Property and facilities		**6,812**	6,473	**6,465**	6,287
Asset revaluation decrement		**924**	-	**924**	-
Foreign exchange loss		**-**	64	**-**	64
Information technology		**9,627**	8,214	**9,627**	8,210
Miscellaneous expenses		**11,076**	9,386	**9,458**	8,005
Total other expenses		**111,453**	102,085	**105,401**	97,032

Note 16. Cash and cash equivalents

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Cash at bank and on hand		**14,795**	13,745	**13,000**	11,748
Short-term deposits at call		**74,167**	67,778	**69,000**	63,000
Total cash and cash equivalents		**88,962**	81,523	**82,000**	74,748

(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:

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Balances as above		**88,962**	81,523	**82,000**	74,748
Balance per statement of cash flows		**88,962**	81,523	**82,000**	74,748

Note 16. Cash and cash equivalents (continued)

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates being between 1% and 1.5% (2017: 1.00% and 1.60%).

(c) Deposits at call

The deposits are bearing floating interest rates between 2.6% and 2.9% (2017: 2.40% and 2.65%). These deposits have an average maturity of 236 days (2017: 190 days).

Accounting Policy

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.

Note 17. Receivables

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Current					
Trade and other debtors		**11,417**	8,702	**8,558**	6,824
Less: Provision for impaired receivables		**(985)**	(1,588)	**(916)**	(1,509)
Subtotal		**10,432**	7,114	**7,642**	5,315
Deferred government benefit for superannuation		**19,917**	20,324	**19,917**	20,324
Total current receivables		**30,349**	27,438	**27,559**	25,639
Non-current					
Other receivables		**50**	49	**50**	49
Deferred government benefit for superannuation	39	**297,858**	299,666	**297,858**	299,666
Total non-current receivables		**297,908**	299,715	**297,908**	299,715
Total receivables		**328,257**	327,153	**325,467**	325,354

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
As at 1 January		**(1,588)**	**(1,494)**	**(1,509)**	(1,439)
Provision for expected credit losses		**292**	(320)	**311**	(258)
Write-off		**311**	226	**282**	188
At 31 December		**(985)**	(1,588)	**(916)**	(1,509)

The information about the credit exposures are disclosed in Note 37 Financial risk management.

Accounting Policy

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (debt remains unpaid 90 days after invoice date) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

Note 18. Inventories

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Current					
Fodder and produce		**230**	130	**230**	130
Other stocks		**1,123**	320	**-**	-
Total current inventories		**1,353**	450	**230**	130

Accounting Policy

Inventories and work in progress 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 19. Other financial assets

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Current					
Held-to-maturity		**49,000**	73,000	**49,000**	73,000
Total current other financial assets		**49,000**	73,000	**49,000**	73,000
Non-current					
Loans to related parties		-	-	**1,900**	1,900
Less: Provision for impairment loans to related parties		-	-	**(1,900)**	(1,900)
Held-to-maturity		-	4,691	**-**	-
Other financial assets at fair value through other comprehensive income		**23,942**	31,075	**23,942**	17,130
Other financial assets at fair value through profit or loss		**24,629**	4,505	**-**	-
Total non-current other financial assets		**48,571**	40,271	**23,942**	17,130
Total other financial assets		**97,571**	113,271	**72,942**	90,130

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (Note 6 –Investment income).

(a) Allowance for debt instruments other than receivables

Set out below is the movement in the allowance for debt instruments other than receivables:

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
At 1 January		**4,505**	-	**-**	-
Write-off		**(363)**	-	**-**	-
At 31 December		**4,142**	-	**-**	-

The information about the credit exposures are disclosed in Note 37 Financial risk management.

(b) Equity instruments elected to be at fair value through other comprehensive income
The Group classifies its investments in public listed entities as investments in equity instruments designated to be measured at fair value through other comprehensive income The Group has no intention to redeem the investments in the immediate future and could hold on to these investments in perpetuity. The fair value of these investments is $23.9 million. Total dividend, including available franking credits, recognised during in 2018 was $2.9 million. No investments were derecognised during the year.

Accounting Policy

Financial Assets
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Note 19. Other financial assets (continued)

Accounting Policy (continued)

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss

Financial assets at amortised cost
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and loan to related parties.

Financial assets at fair value through other comprehensive income
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *AASB132 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Note 19. Other financial assets (continued)

Accounting Policy (continued)

Financial assets at fair value through profit or loss (continued)

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

Derecognition
A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of debt instruments other than receivables
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Note 20. Other non-financial assets

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Current					
Accrued income		**6,333**	4,228	**6,201**	3,798
Prepaid expenses		**4,483**	4,512	**4,463**	4,501
Other non-financial assets		**2,496**	1,198	**2,496**	1,198
Total current other non-financial assets		**13,312**	9,938	**13,160**	9,497

Accounting Policy

The Group recognises a prepayment as an asset when payments for goods or services have been made in advance of the Group obtaining a right to access those goods or services.

Note 21. Biological assets

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Livestock		**876**	1,217	**876**	1,217
Total biological assets		**876**	1,217	**876**	1,217

Note 21. Biological assets (continued)

Reconciliation of changes in the carrying amount of biological assets

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Livestock - Balance as at 1 January		**1,217**	1,076	**1,217**	1,076
Purchases		**579**	212	**579**	212
Sales		**(920)**	(71)	**(920)**	(71)
Balance as at 31 December		**876**	1,217	**876**	1,217
Total biological assets		**876**	1,217	**876**	1,217

At 31 December 2018 livestock held for sale comprised 283 cattle and 5,656 sheep (2017: 249 cattle and 7,416 sheep).

Note 22. 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 2017										
-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**
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**
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**

* 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 22. 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 2018										
Opening net book amount	18,854	20,617	224,613	26,606	82	96	1,769	2,517	17,394	**312,548**
Depreciation written back on disposal	53	-	142	1,770	118	-	-	-	-	**2,083**
Transfers	2,082	-	2,187	5,102	-	-	-	-	(9,371)	**-**
Derecognition	-	-	-	(174)	(123)	-	-	-	-	**(297)**
Disposals	(421)	(1,650)	(7,208)	(1,627)	-	-	(69)	-	-	**(10,975)**
Revaluation surplus	2,652	1,285	2,735	-	-	-	(924)	-	-	**5,748**
Additions	3,968	-	2,137	3,165	-	-	-	69	20,204	**29,543**
Depreciation charge	(2,589)	-	(13,007)	(9,136)	(52)	-	-	-	-	**(24,784)**
Closing net book amount	**24,599**	**20,252**	**211,599**	**25,706**	**25**	**96**	**776**	**2,586**	**28,227**	**313,866**
At 31 December 2018										
-Cost	-	-	640	79,922	672	116	776	2,586	28,227	**112,939**
-Valuation	24,599	20,252	210,982	-	-	-	-	-	-	**255,833**
Accumulated depreciation and impairment	-	-	(23)	(54,216)	(647)	(20)	-	-	-	**(54,906)**
Net book amount	**24,599**	**20,252**	**211,599**	**25,706**	**25**	**96**	**776**	**2,586**	**28,227**	**313,866**

* 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 2018 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

A valuation of rare library books was conducted during 2018 by Anne Carlson and the valuation results are reflected in the above table.

Note 22. 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 2017									
- 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**
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**
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	**18,7[illegible]**	**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 22. 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 2018									
Opening net book amount	18,782	20,167	222,232	25,327	-	1,769	2,517	17,394	**308,188**
Depreciation written back on disposal	53	-	142	1,601	-	-	-	-	**1,796**
Transfers	2,082	-	2,187	5,102	-	-	-	(9,371)	-
Disposals	(421)	(1,650)	(7,208)	(1,627)	-	(69)	-	-	**(10,975)**
Revaluation surplus	2,649	1,240	2,599	-	-	(924)	-	-	**5,564**
Additions	3,968	-	2,137	3,087	-	-	69	20,204	**29,465**
Depreciation charge	(2,586)	-	(12,926)	(8,854)	-	-	-	-	**(24,366)**
Closing net book amount	**24,527**	**19,757**	**209,163**	**24,636**	-	**776**	**2,586**	**28,227**	**309,672**
At 31 December 2018									
- Cost	-	-	640	76,106	-	776	2,586	28,227	**108,335**
- Valuation	24,527	19,757	208,546	-	-	-	-	-	**252,830**
Accumulated depreciation and impairment	-	-	(23)	(51,469)	-	-	-	-	**(51,492)**
Net book amount	**24,527**	**19,757**	**209,163**	**24,637**	-	**776**	**2,586**	**28,227**	**309,673**

* 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 2018 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

A valuation of rare library books was conducted during 2018 by Adrienne Carlson Pty Ltd and the valuation results are reflected in the above table.

Note 22. Property, plant and equipment (continued)

Accounting Policy

Land, buildings, infrastructure and rare books are shown at fair value based on periodic, but at least triennial, valuations by external independent valuers less subsequent depreciation for buildings and infrastructure. 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.

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

The 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.

Construction work in progress
Construction work in progress is stated at the aggregate of contract costs incurred to date. Contract costs include all costs directly related to specific contracts, cost that are specifically attributable to the contract activity in general and can be allocated to the contract.

Note 23. Intangible assets

	Note	Software Development $'000	Licences $'000	Goodwill $'000	Course Development $'000	Total $'000
Consolidated						
At 1 January 2017						
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
Year ended 31 December 2018						
Opening net book amount		329	525	-	777	1,631
Additions - internal development		355	-	-	118	473
Additions - Separately acquired		5	-	-	-	5
Impairment losses		-	(25)	-	-	(25)
Amortisation charge		(149)	-	-	(243)	(392)
Work in progress movement		-	-	-	190	190
Closing net book amount		540	500	-	842	1,882
At 31 December 2018						
Cost		11,312	500	-	1,292	13,104
Accumulated amortisation and impairment		(10,772)	-	-	(450)	(11,222)
Net book amount		540	500	-	842	1,882

Note 23. Intangible assets (continued)

	Note	Software Development $'000	Licences $'000	Total $'000
Parent				
At 1 January 2017				
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
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
Year ended 31 December 2018				
Opening net book amount		170	500	670
Additions		350	-	350
Amortisation charge		(81)	-	(81)
Closing net book amount		439	500	939
At 31 December 2018				
Cost		11,068	500	11,568
Accumulated amortisation and impairment		(10,629)	-	(10,629)
Net book amount		439	500	939

Accounting Policy

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

Development
Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:
(a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
(b) Its intention to complete and its ability and intention to use or sell the asset.
(c) How the asset will generate future economic benefits.
(d) The availability of resources to complete the asset
(e) The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

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.

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 14 Impairment of assets.

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

Note 24. Trade and other payables

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Current					
Trade payables	1(r)	**3,793**	6,437	**1,546**	4,597
OS-HELP Liability to Australian Government		**652**	1,226	**652**	1,226
Total current trade and other payables		4,445	7,663	2,198	5,823

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:

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Australian dollars		**4,445**	7,663	**2,198**	5,823

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to Note 37 Financial Risk Management.

Accounting Policy

Trade and other payables 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.

Note 25. Borrowings

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Current					
Unsecured bank loans		**20,000**	-	**20,000**	-
Finance lease liabilities		**32**	27	-	-
Total current borrowings		20,032	27	20,000	-
Non-current					
Finance lease liabilities		**38**	77	-	-
Unsecured bank loans		-	20,000	-	20,000
Total non-current borrowings		38	20,077	-	20,000
Total borrowings		20,070	20,104	20,000	20,000

(a) Assets pledged as security
The Group and parent entity had no assets pledged as security in 2018.

(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) Borrowings in respect of assets
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 37.

Note 25. Borrowings (continued)

Accounting Policy

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 end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

Note 26. Provisions

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		**12,013**	10,455	**11,456**	9,972
Long service leave		**3,754**	3,426	**3,633**	3,330
Employment on cost provisions		**343**	-	**343**	-
Defined benefit obligations		**19,917**	20,324	**19,917**	20,324
Other		**4**	3	-	-
Subtotal		**36,031**	34,208	**35,349**	33,626
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		**3,832**	4,336	**3,483**	3,985
Long service leave		**11,899**	12,825	**11,336**	12,274
Subtotal		**15,731**	17,161	**14,819**	16,259
Total current provisions		**51,762**	51,369	**50,168**	49,885
Non-current provisions					
Employee benefits					
Long service leave		**5,435**	5,615	**5,241**	5,432
Employment on cost provisions		**5,156**	-	**5,156**	-
Defined benefit obligations		**299,413**	301,015	**299,413**	301,015
Professorial superannuation		**352**	1,142	**352**	1,142
Total non-current provisions		**310,357**	307,772	**310,163**	307,589
Total provisions		**362,119**	359,141	**360,331**	357,474

Accounting Policy

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 end of the reporting period.

Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries including non-monetary benefit, annual leave, and non-accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Note 26. Provisions (continued)

Accounting Policy (continued)

(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. These are 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 the 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 outflow.

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.

(ii) 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 the 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 at the earlier of the following dates:

a) when the plan amendment or curtailment occurs; and
b) when the entity recognises related restructuring costs or termination benefits.

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.

Note 27. Other liabilities

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Current					
(i) Accrued liabilities					
Salary related		**5,476**	4,280	**5,425**	4,241
Other accrued expenditure		**6,483**	2,574	**6,379**	5,323
		11,959	6,854	**11,804**	9,564
(ii) Monies received in advance					
Australian Government unspent financial assistance		**1,940**	1,930	**1,940**	1,930
Fees in advance		**8,559**	7,966	**7,005**	6,728
		10,499	9,896	**8,945**	8,658
(iii) Trust funds					
Security deposits		**38**	34	**38**	34
Employee deduction clearing accounts		**1,960**	774	**1,967**	774
Associated entities		**12**	36	**12**	36
Other		**441**	174	**441**	174
		2,451	1,018	**2,458**	1,018
Total current other liabilities		**24,909**	17,768	**23,207**	19,240
Non Current					
Fees in advance		**592**	99	**592**	99
Total non current other liabilities		**592**	99	**592**	99
Total other liabilities		**25,501**	17,867	**23,799**	19,339

Note 28. Reserves and retained earnings

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
(a) Reserves					
Revaluation reserve - investments		**23,884**	17,536	**23,884**	17,072
Revaluation reserve - buildings		**57,636**	59,399	**56,476**	58,374
Revaluation reserve - land		**12,551**	12,266	**12,136**	11,896
Revaluation reserve - infrastructure		**15,001**	12,669	**14,965**	12,636
Total reserves		**109,072**	101,870	**107,461**	99,978
Movements					
Asset revaluation reserve - investments					
Balance 1 January		**17,536**	14,025	**17,072**	13,904
Transfer from reserves		**(464)**	2	**-**	-
Increment/(decrement) on revaluation		**6,812**	3,509	**6,812**	3,168
Balance 31 December		**23,884**	17,536	**23,884**	17,072
Asset revaluation reserve - buildings					
Balance 1 January		**59,399**	56,808	**58,374**	55,853
Increment/(decrement) on revaluation		**4,054**	4,463	**3,919**	4,393
Transfer to/(from) retained earnings on disposal		**(5,816)**	(1,872)	**(5,816)**	(1,872)
Balance 31 December		**57,637**	59,399	**56,477**	58,374
Asset revaluation reserve - land					
Balance 1 January		**12,266**	11,885	**11,896**	11,566
Increment/(decrement) on revaluation		**285**	381	**240**	330
Balance 31 December		**12,551**	12,266	**12,136**	11,896
Asset revaluation reserve - infrastructure					
Balance 1 January		**12,669**	12,140	**12,636**	12,107
Increment/(decrement) on revaluation		**2,332**	529	**2,329**	529
Balance 31 December		**15,001**	12,669	**14,965**	12,636
(b) Retained earnings					
Movements in retained earnings were as follows:					
Retained earnings at 1 January		**341,085**	329,850	**307,319**	301,046
Actuarial changes for defined benefit superannuation schemes		**800**	76	**800**	76
Other		**465**	(1)	**-**	(1)
Transfer to\ retained earnings on disposal of revalued assets		**5,816**	1,872	**5,816**	1,872
Net result for the year		**(23,294)**	9,289	**(22,437)**	4,326
Retained earnings at 31 December		**324,872**	341,085	**291,498**	307,319

(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 Note 22 Property, plant and equipment.

(ii) Asset revaluation reserve - investments
The reserve reflects the difference between the carrying cost and market value of Other financial assets at fair value through other comprehensive income.

Note 29. 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 Mingan Choct
Professor Todd Walker	Professor Peter Creamer
Professor Heiko Daniel	Mr Kris Kauffmann
Professor Jonathan Powles	Mr Brendan Peet

(c) Remuneration of Council Members and Executives

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		Number	**Number**	**Number**	**Number**
i) Remuneration of council members					
Nil to $9,999		**25**	27	**9**	4
$10,000 to $19,999		**7**	9	**7**	9
$20,000 to $29,999		**1**	1	**1**	1
$30,000 to $39,999		**1**	1	**1**	1
		34	38	**18**	15

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

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		Number	**Number**	**Number**	**Number**
ii) Remuneration of executive officers					
$130,000 to $139,999		**-**	2	**-**	-
$140,000 to $149,999		**2**	-	**-**	-
$150,000 to $159,999		**1**	-	**-**	-
$170,000 to $179,999		**-**	1	**-**	1
$200,000 to $209,999		**-**	1	**-**	-
$230,000 to $239,999		**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		**2**	1	**2**	1
$310,000 to $319,999		**2**	2	**2**	2
$320,000 to $329,999		**1**	1	**1**	1
$380,000 to $389,999		**1**	-	**1**	-
$420,000 to $429,999		**1**	-	**1**	-
$730,000 to $739,999		**1**	1	**1**	1
		12	13	**8**	9

(d) Key management personnel compensation

	Note	Consolidated		Parent entity	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Short-term employee benefits		**3,949**	3,705	**2,779**	2,603
Post-employment benefits		**375**	393	**363**	376
Termination benefits		**-**	-	**-**	-
Total key management personnel compensation		**4,324**	4,098	**3,142**	2,979

(e) Loans to key management personnel
The University has not made any loans to key management personnel.

Note 30. 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:

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Audit the Financial Statements					
Fees paid to the Audit Office of NSW		**390**	387	**270**	271
Total paid for audit services		**390**	387	**270**	271
Other audit and assurance services					
Forsyths Business Services Pty Ltd		**6**	-	**6**	-
Alexandra Gene Mooney		**27**	-	**27**	-
Australian Human Rights Commission		**179**	-	**179**	-
The Institute of Internal Auditors		**-**	10	**-**	10
Total paid for audit and assurance services		**212**	10	**212**	10
Total audit fees		**602**	397	**481**	281

Note 31. Contingencies

Contingent liabilities
As at 31 December 2018 there are no legal proceedings pending against the University that would represent a material contingent liability.

Contingent assets
The University does not have any contingent liabilities.

Accounting policy

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or
(b) a present obligation that arises from past events but is not recognised because:
  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Note 32. Commitments

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

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Property, plant and equipment					
Within one year		**24,670**	4,586	**24,670**	4,586
Between one and five years		**-**	43	**-**	43
Later than five years		**-**	-	**-**	-
Total Property, plant and equipment commitments		**24,670**	4,629	**24,670**	4,629

Note 32. Commitments (continued)

(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:

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Within one year		**1,584**	1,115	**1,424**	961
Between one and five years		**2,304**	1,289	**2,203**	1,192
Later than five years		**432**	-	**432**	132
Total operating leases		**4,320**	2,404	**4,059**	2,285

(ii) Finance Leases
Commitments in relation to finance leases are payable as follows:

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000	Parent entity 2018 $'000	Parent entity 2017 $'000
Within one year		**32**	27	-	-
Between one and five years		**38**	70	-	-
Later than five years		-	-	-	-
Total finance leases		**70**	97	-	-
Total lease commitments		4,390	2,501	4,059	2,285

No lease arrangement existing as at 31 December 2018 contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

<u>Accounting policy</u>

Operating leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 32). 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.

Finance 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.

Note 33. 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 34.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 29.

(d) Transactions with related parties
The following transactions occurred with related parties:

	Note	Parent entity 2018 $'000	Parent entity 2017 $'000
Sale of goods and services		**3,080**	3,130
Purchase of goods and services		**5,311**	5,058
Total		**8,391**	8,188

Note 33. Related parties (continued)

(e) Loans to related parties

	Note	Parent entity 2018 $'000	Parent entity 2017 $'000
Loans to subsidiaries			
Beginning of the year		-	1,028
Loans advanced		-	900
Loan repayment received		-	-
Impairment of loan		-	(1,900)
Interest charged		-	-
Interest written off		-	(28)
End of year		-	-

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

	Note	Parent entity 2018 $'000	Parent entity 2017 $'000
Current receivables (sale of goods and services)			
Subsidiaries		492	455
Total current receivables		492	455
Non-current receivables (loans)			
Subsidiaries		1,900	1,900
Subsidiaries (provision for impairment of loans)		(1,900)	(1,900)
Total non-current receivables		-	-
Current payables (purchases of goods and services)			
Subsidiaries		536	5
Subsidiaries (contributions)		-	3,070
Total current payables		536	3,075

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

(g) Terms and conditions of outstanding balance
A loan to a related party was impaired by the parent entity in 2018. The loan remains as a payable in the related party financial statements.

(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 34. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described below:

Name of entity	Principal place of business	Ownership interest 2018 %	Ownership interest 2017 %
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

Accounting policy

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

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.

Note 34. Subsidiaries (continued)

Accounting Policy (continued)

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.

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the formed subsidiary is recognised and accounted for in accordance with the relevant Standards. The loss or gain associated with loss of control attributable to the former controlling interest is recognised.

Note 35. Events occurring after the end of the reporting period

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

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

		Consolidated		Parent entity	
	Note	**2018**	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Net result for the period		**(23,294)**	9,289	**(22,437)**	4,326
Depreciation and amortisation		**25,176**	23,158	**24,446**	22,551
Impairment of assets		**34**	362	**-**	-
Provision for impaired receivables		**(602)**	100	**(594)**	70
Provision for impaired related party loans		**-**	-	**-**	1,900
Actuarial gain / (loss) on deferred superannuation		**800**	76	**800**	76
Capitalisation and reinvestment of dividend		**(871)**	(1,027)	**-**	-
Gain/(loss) on revaluation of investments		**1,500**	(198)	**-**	-
Non-cash items other (income) / expenditure		**-**	(250)	**-**	(250)
Loss / (gain) on asset revaluation decrement		**924**	-	**924**	-
Net (gain) / loss on disposal of non-current assets		**8,764**	321	**8,763**	318
Increase / (decrease) in payables and prepaid income		**21,760**	1,050	**21,439**	963
Increase / (decrease) in provision for employee entitlements		**(17,155)**	(8,434)	**(17,403)**	(8,389)
Increase / (decrease) in trust funds		**(3)**	613	**(3)**	613
(Increase) / decrease in receivables and prepaid expenses		**(768)**	1,982	**(3,182)**	4,833
(Increase) / decrease in inventories		**(903)**	(148)	**(100)**	(32)
Net cash provided by / (used in) operating activities		**15,362**	26,894	**12,653**	26,979

Note 37. 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 Group has adopted a Financial Management Rule approved by the Finance and Infrastructure Committee, a Committee of Council, which provides written principles for financial risk management including foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment and excess liquidity.

(a) Market risk

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

The Group undertakes certain transactions denominated in foreign currencies. These transactions expose the Group to exchange rate fluctuations. To minimise the risk, the Group recognises all transactions, assets and liabilities in Australian dollars only. Foreign currency deposits are recorded at cost and revalued at balance date.

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

Note 37. Financial risk management (continued)

(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 37. 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 2018	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
	$'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000
Financial assets													
Cash at bank and on hand	14,795	(148)	(148)	148	148	-	-	-	-	-	-	-	-
Short term deposits - at call	74,167	(742)	(742)	742	742	-	-	-	-	-	-	-	-
Receivables	30,337	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	49,000	(490)	(490)	490	490	-	-	-	-	-	-	-	-
Other financial assets at fair value through OCI	23,942	-	-	-	-	-	-	-	-	(239)	(239)	239	239
Other financial assets at fair value through P&L	24,629	-	-	-	-	-	-	-	-	(246)	(246)	246	246
Financial liabilities													
Payables	4,441	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	20,070	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	14,410	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,380)	(1,380)	1,380	1,380	-	-	-	-	(485)	(485)	485	485

Comparative figures for the previous year are as follows:

31 December 2017	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
	$'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'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
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

Note 37. 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 as contained in the table in Note 39(a).

Receivables
Credit risk is managed at each entity's level subject to their established policy, procedures and control relating to credit risk management. Credit quality of a customer is assessed based on individual credit limits. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the University's receivables using a provision matrix:

31 December 2018			Trade receivables			
	Current	Day past due <30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	%	0%	100%	100%	100%	
Estimated total gross carrying amount at default	$'000	-	26	24	865	915
Expected credit loss	$'000	-	26	24	865	915

31 December 2017			Trade receivables			
	Current	Day past due <30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	%	0%	100%	100%	100%	
Estimated total gross carrying amount at default ($'000)	$'000	-	21	31	1,457	1,509
Expected credit loss ($'000)	$'000	-	21	31	1,457	1,509

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the University in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the University's Finance and Infrastructure Committee on an annual basis, and may be updated throughout the year subject to approval of the University's Finance and Infrastructure Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The University invests only in quoted short term debt securities with very low credit risk.

The University's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2018 and 2017 is the carrying amounts as illustrated in Note 19.

(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 and Infrastructure 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 University receives regular payments from the Commonwealth Government, which constitute a significant proportion of the University's income, of which the date and amount of receipt are known.

Note 37. Financial risk management (continued)

(c) Liquidity risk (continued)

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

31 December 2018	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	1.50%	14,795	-	-	-	-	14,795
Short term deposits - at call	2.60%	-	74,167	-	-	-	74,167
Receivables		-	-	-	-	30,337	30,337
Held-to-maturity - current	2.73%	-	49,000	-	-	-	49,000
Held-to-maturity - non-current		-	-	-	-	-	-
Other financial assets at fair value through OCI		-	-	-	-	23,942	23,942
Other financial assets at fair value through P&L		-	-	-	-	24,629	24,629
Total financial assets		14,795	123,167	-	-	78,908	216,870
Financial liabilities							
Payables		-	-	-	-	4,441	4,441
Borrowings		-	20,032	38	-	-	20,070
Other liabilities		-	-	-	-	14,409	14,409
Total financial liabilities		-	20,032	38	-	18,850	38,920

Comparative figures for the previous year are as follows:

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
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

Note 38. 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 current receivables, their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

		Carrying amount		Fair value	
Consolidated	**Notes**	**2018**	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Financial assets					
Other financial assets					
Held-to-maturity	**19**	**49,000**	73,000	**49,000**	73,000
Other financial assets at fair value through other comprehensive income	**19**	**23,942**	35,580	**23,942**	35,580
Other financial assets at fair value through profit or loss	**19**	**24,629**	4,691	**24,629**	4,691
Total financial assets		**97,571**	113,271	**97,571**	113,271
Non-financial assets					
Other non-financial assets					
Accrued income	**20**	**6,333**	4,228	**6,333**	4,228
Prepaid expenses	**20**	**4,483**	4,512	**4,483**	4,512
Other non-financial assets	**20**	**2,496**	1,198	**2,496**	1,198
Total non-financial assets		**13,312**	9,938	**13,312**	9,938
Financial liabilities					
Payables	**24**	**4,445**	7,663	**4,445**	7,663
Borrowings	**25**	**20,070**	20,104	**20,070**	20,104
Total financial liabilities		**24,515**	27,767	**24,515**	27,767

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
- Financial assets at fair value through other comprehensive income
- Land and buildings
- Infrastructure
- Cultural and heritage assets
- Biological assets

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 the 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 listed equity instruments) 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 fair values of the non-listed equity investments have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

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 25 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 38. 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.

Fair value measurements at 31 December 2018

			Consolidated		
Recurring fair value measurements	**Note**	**2018**	**Level 1**	**Level 2**	**Level 3**
Financial assets		**$'000**	**$'000**	**$'000**	**$'000**
Other financial assets at fair value through other comprehensive income		23,942	23,942	-	-
Other financial assets at fair value through profit or loss		24,629	24,629	-	-
Other financial assets					
Held-to-maturity - current		49,000	49,000	-	-
Total financial assets		97,571	97,571	-	-

Fair value measurements at 31 December 2018			Consolidated		
Recurring fair value measurements	**Note**	**2018**	**Level 1**	**Level 2**	**Level 3**
		$'000	**$'000**	**$'000**	**$'000**
Non-financial assets					
Land		20,252	-	20,252	-
Buildings		211,599	-	23,683	187,916
Infrastructure		24,599	-	2,315	22,284
Total non-financial assets		256,450	-	46,250	210,200
Financial liabilities					
Payables		4,445	-	4,445	-
Borrowings		20,070	-	20,070	-
Total liabilities		24,515	-	24,515	-
Total fair value measurements at 31 December 2018		378,536	97,571	70,765	210,200

Fair value measurements at 31 December 2017

		Consolidated		
Recurring fair value measurements	**2017**	**Level 1**	**Level 2**	**Level 3**
Financial assets	**$000**	**$000**	**$000**	**$000**
Other financial assets at fair value through other comprehensive income	35,580	35,580	-	-
Other financial assets at fair value through profit or loss	4,691	4,691	-	-
Other financial assets				
Held-to-maturity - current	73,000	73,000	-	-
Total financial assets	113,271	113,271	-	-
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 financial liabilities	27,740	-	27,740	-
Total fair value measurements at 31 December 2017	405,095	113,271	82,320	209,504

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

During 2018, 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 38. 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 infrastructure 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 2018 and 2017:

	Buildings	Infrastructure	Total
	$000	$000	$000
Level 3 fair value measurements 2018			
Opening balance	192,730	16,774	209,504
Acquisitions	5,137	5,674	10,811
Depreciation written back on disposal	1,437	(126)	1,311
Revaluation surplus	2,973	2,784	5,757
Disposals	(2,711)	(421)	(3,132)
Recognised in profit or loss - depreciation	(11,570)	(2,401)	(13,971)
Closing balance	187,996	22,284	210,280
Level 3 fair value measurements 2017			
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 - depreciation	(10,408)	(2,075)	(12,483)
Closing balance	192,730	16,774	209,504

(i) Transfers between levels 2 and 3 and changes in valuation techniques
There have been no transfers between level 2 and 3 during 2018. Works of art and museums were restated at cost not valuation in 2015.

Note 38. Fair Value Measurements (continued)

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

(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 2018 $000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Land	20,252	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.
Buildings	210,982	Global Valuations	+-5%	Increase in replacement cost of buildings by 5% would increase value by $10.5 million.
Infrastructure	24,599	Global Valuations	+-5%	Decrease in replacement cost of buildings by 5% would decrease value by $10.5 million. Increase in replacement cost of infrastructure by 5% would increase value by $1.2 million.
Buildings	617	Value of transfers from WIP	n/a	Decrease in replacement cost of infrastructure by 5% would decrease value by $1.2 million.
Infrastructure	-	Value of additions from WIP	n/a	
Total	**256,450**			

*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.

Accounting policy

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.

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

Accounting policy (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.

Note 39. Defined Benefit Plans

a) Fund specific disclosure

Most employees are entitled to benefits from superannuation plans on retirement, disability or death. Superannuation plans have defined benefits sections and defined contribution sections. The defined benefit sections provide lump sum benefits based on years of service and final average salary

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS),
State Authorities Non-contributory Superannuation (SANCS), and
State Superannuation Scheme (SSS)

These schemes are all defined benefit schemes; at least a component of the final benefit is derived from a multiple of member salary and years of membership. Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

These schemes are closed to new members.

Professorial superannuation scheme
The fund is closed to new members and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the fund.

The defined benefits section of the fund provides members with an optional Voluntary Spouse Pension (VSP) that allows members to provide an income benefit to their spouse in the event of their death, funded by the member and the University; an optional Additional Contributory Pension (ACP) payable from age 60, funded by the member and the University; and an unfunded Non-Contributory Pension (NCP) payable from age 60.

Previously the benefits provided under the defined benefit section were substantially unfunded with pension payments met by the University on a "pay-as-you-go" basis (except as described above). However, in 2006 the University commenced funding the unfunded NCP payable from age 60. This is in addition to previous funding arrangements in relation to the VSP and ACP benefits provided to some members.

Benefits under the accumulation section of the fund are provided through endowment assurance policies effected with life assurance companies and managed fund accounts maintained with investment managers. These benefits are fully funded by contributions from fund members and the University.

The University made a contribution of $nil in 2018, (2017: $0.471million) to the defined benefit plan during the year.

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

	Within 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 2018	19,917	20,185	59,243	284,779	384,124
Defined benefit obligation - 31 Dec 2017	20,324	20,270	60,250	304,474	405,318

Accounting Policy

Defined Benefit Plans
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 the 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.

Deferred government benefit for superannuation
EDUCATION
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.

Note 39. Defined Benefit Plans (continued)

a) Fund specific disclosure (continued)

Accounting policy (continued)

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.

b) Categories of plan assets'

For the closed NSW Public Sector Superannuation Schemes pooled fund assets are invested by SAS Trustee Corporation (STC) at arm's 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 assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 November 2018*	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	3,845,538	1,626,895	2,218,643	-
Australian fixed interest	2,199,199	7,968	2,191,231	-
International fixed interest	1,371,539	32,330	1,338,810	399
Australian equities	7,580,239	7,081,918	495,266	3,055
International equities	10,273,845	7,897,078	2,376,554	213
Property	3,485,411	596,740	767,678	2,120,993
Alternatives	10,488,520	424,255	6,070,406	3,993,859
Total	**39,244,291**	**17,667,184**	**15,458,588**	**6,118,519**

* Actual asset allocation as at 31 December 2018 is not yet available. The latest available, as at 30 November 2018, has been used.

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 2018 were not available. Figures available was at 30 November 2018 have been used.

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 corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets and liabilities.
Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow 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.

Note 39. Defined Benefit Plans (continued)

b) Categories of plan assets (continued)

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

State schemes (SASS, SANCS, SSS)	2018 (%)	2017 (%)
Discount rate(s)		
Expected return on plan assets	7.4	7.4
Expected rate(s) of salary increase	2.7% to 30 June 2019 then 3.2% thereafter	2.7% to 30 June 2019 then 3.2% thereafter
Expected return on reimbursement rights	6.4	6.4
Rate of CPI Increase	2.2	2.2
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.0	2.3
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	2.0	2.3
Expected rate(s) of salary increase	1.5	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	as above	above rates less 1.0%	above rates plus 1.0%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	352,556,956	391,798,862	319,527,768

	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 less 0.5% pa	above rates plus 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	352,556,956	371,809,958	334,759,271

	Base case	Scenario E -0.5% rate of CPI increase	Scenario F +0.5% rate of CPI increase
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 less 0.5% pa	above rates plus 0.5% pa
Defined benefit obligation (A$)	352,556,956	353,202,394	351,931,603

	Base case	Scenario G lower morality*	Scenario H higher morality **
Defined benefit obligation (A$)	352,556,956	355,653,966	349,075,069

* Assumes the short term pensioner mortality improvement factors for years 2018-2023 also apply for years after 2023.
** Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for years 2018 to 2023.

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 2018
Discount rate	2.33%
Salary increase (exclude promotional increases)	2.70% p.a. for2018/2019, 3.20% p.a. thereafter
Rate of CPI increase	2.00% for 2018/2019, 2.25% for 2019/2020, 2.50% p.a. thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 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 39. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity (continued)

Impact on defined benefit obligation (continued)

	31 December 20178
Discount rate	2.65%
Salary increase (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.

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 – 2018

	$'000	**$'000**	**$'000**	**$'000**	**$'000**
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Liabilities					
Provision for deferred government benefits for superannuat	23,094	3,841	325,622	5,470	358,027
Provision for pension entitlements	-	-	-	-	-
Total liabilities	23,094	3,841	325,622	5,470	358,027
Add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	23,094	3,841	325,622	5,470	358,027
Assets					
Receivable for deferred government contribution for superannuation	15,308	528	17,391	5,118	38,345
Total assets recognised in statement of financial position	15,308	528	17,391	5,118	38,345
Net liability recognised in the statement of financial position	(7,786)	(3,313)	(308,231)	(352)	(319,682)

Net liability reconciliation - 2018	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	23,094	3,841	325,622	5,470	358,027
Fair value of plan assets	15,308	528	17,391	5,118	38,345
Net liability	7,786	3,313	308,231	352	319,682
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	7,786	3,313	308,231	352	319,682

Reimbursement rights - 2018	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	6,983	4,114	308,893	-	319,990
Return on reimbursement rights	(250)	(1,095)	(870)	-	(2,215)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	**6,733**	**3,019**	**308,023**	**0**	**317,775**

Note 39. Defined Benefit Plans (continued)

d) Statement of financial position amounts (continued)

Amounts recognised in the statement of financial position – 2018 (continued)

	$'000	$'000	$'000	$'000	$'000
Present value of obligations - 2018	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	24,055	4,222	327,071	7,261	362,609
Current service cost	649	133	100	202	1,084
Past service cost	-	-	-		-
Interest expense	610	104	8,409	147	9,270
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	(190)	(44)	1,471	-	1,237
Actuarial losses/(gains) arising from changes in financial assumptions	279	66	10,114	(471)	9,988
Actuarial losses/(gains) arising from liability experience	(1,084)	(316)	(3,692)	(718)	(5,810)
Experience (gains)/losses	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Plan participants	298	-	81	-	379
Payments from plan					
Benefits paid	(1,427)	(263)	(16,880)	(951)	(19,521)
Taxes, premiums & expenses paid	(97)	(61)	(1,052)	-	(1,210)
Closing defined benefit obligation	**23,093**	**3,841**	**325,622**	**5,470**	**358,026**

Present value of plan assets - 2018	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening fair value of plan assets	16,282	(120)	17,847	6,119	40,128
Interest (income)	404	1	442	133	980
Remeasurements	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Return on plan asset, excluding amounts included in net interest expense	(154)	3	(131)	-	(282)
Actuarial (loss)/gain on fund assets	-	-	-	(183)	(183)
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Employers	-	968	17,085	-	18,053
Plan participants	299	-	80	-	379
Payments from plan					
Benefits paid	(1,427)	(263)	(16,880)	(951)	(19,521)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(97)	(61)	(1,052)	-	(1,210)
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	**15,307**	**528**	**17,391**	**5,118**	**38,344**

Amounts recognised in the statement of financial position – 2017

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**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)

Note 39. Defined Benefit Plans (continued)

d) Statement of financial position amounts (continued)

Amounts recognised in the statement of financial position – 2017 (continued)

	$'000	$'000	$'000	$'000	$'000
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	**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	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
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	1,158	334	(468)	81	1,105
Actuarial losses/(gains) arising from changes in financial assumptions	125	31	3,208	-	3,364
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
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	481	(2)	62	-	541
Actuarial losses/(gains) on fund assets	-	-	-	464	464
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 & expenses paid	(120)	(317)	(1,082)	-	(1,519)
Closing fair value of plan assets	**16,282**	**(120)**	**17,847**	**6,119**	**40,128**

Note 39. Defined Benefit Plans (continued)

e) Amounts recognised in other statements

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Amounts recognised in the Income Statement – 2018					
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	648	134	100	202	1,084
Past service cost	-	-	-	-	-
Net interest	206	102	7,968	14	8,290
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	854	236	8,068	216	9,374

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Amounts recognised in the Statement of Comprehensive Income - 2018					
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 28).					
Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	(471)	(471)
Actuarial losses (gains) arising from experience adjustments	-	-	-	(718)	(718)
Actual return on plan assets less interest income	-	-	-	183	183
Total remeasurements in other comprehensive income	-	-	-	(1,006)	(1,006)
Total remeasurements recognised in the Statement of Comprehensive Income			-	(1,006)	(1,006)

Amounts recognised in the Income Statement – 2017	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
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
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	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
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 28).					
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 amounts recognised in the Statement of Comprehensive Income	-	-	-	(383)	(383)

Note 39. Defined Benefit Plans (continued)

f) Financial impact for other funds

UniSuper
This is a defined benefit superannuation scheme with the entitlements of the scheme being fully met by UniSuper from contributions paid by the University and its employees. UniSuper is not considered to be controlled by the University and therefore the surplus has not been included in the University's accounts. The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2018, the assets of the DBD in aggregate were estimated to be $3,785 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 118.5%. 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 2018, the assets of the DBD in aggregate were estimated to be $5,477 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 129.1%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2018. The financial assumptions used were:

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

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

Note 40. Acquittal of Australian Government financial assistance

40a Education - CGS and Other Education Grants	Note	Commonwealth Grant Scheme #1		Parent entity (University) only Indigenous Student Success Program #3		Access and Participation Fund	
		2018	2017	**2018**	2017	**2018**	2017
		$'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)		**111,153**	110,046	**2,161**	2,138	**3,786**	2,345
Net accrual adjustments		**953**	1,883	**-**	(68)	**-**	-
Revenue for the period	3(a)	**112,106**	111,929	**2,161**	2,070	**3,786**	2,345
Surplus / (deficit) from the previous year		**(923)**	(959)	**247**	95	**-**	1,508
Total revenue including accrued revenue		**111,183**	110,970	**2,408**	2,165	**3,786**	3,853
Less expenses including accrued expenses		**111,213**	111,893	**2,272**	1,918	**3,786**	3,853
Surplus / (deficit) for reporting period		**(29)**	(923)	**136**	247	**-**	-

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 Indigenous Student Success Program replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2018.

	Note	Disability Performance Funding #3		Parent entity (University) only Promotion of Excellence in Learning and Teaching		Total	
		2018	2017	**2018**	2017	**2018**	2017
		$'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)		**162**	114	**-**	20	**117,262**	114,663
Net accrual adjustments		**-**	-	**-**	(10)	**953**	1,805
Revenue for the period	3(a)	**162**	114	**-**	10	**118,215**	116,468
Surplus / (deficit) from the previous year		**-**	(106)	**-**	444	**(676)**	982
Total revenue including accrued revenue		**162**	8	**-**	454	**117,539**	117,450
Less expenses including accrued expenses		**162**	8	**-**	454	**117,432**	118,126
Surplus / (deficit) for reporting period		**-**	-	**-**	-	**107**	(676)

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

Note 40. Acquittal of Australian Government financial assistance (continued)

40b Higher Education Loan Programs (excluding OS-HELP)	Note	HECS-HELP (Australian Government payments only) 2018 $'000	HECS-HELP 2017 $'000	FEE-HELP 2018 $'000	FEE-HELP 2017 $'000	SA-HELP 2018 $'000	SA-HELP 2017 $'000	Total 2018 $'000	Total 2017 $'000
		Parent entity (University) only							
Cash Payable / (Receivable) at beginning of year		586	1,270	121	497	5	2	713	1,769
Financial assistance received in Cash during the reporting period		72,632	72,156	7,841	5,305	313	314	80,786	77,775
Cash available for the period		73,218	73,426	7,962	5,802	318	316	81,499	79,544
Revenue earned	3(b)	74,095	72,840	5,983	5,681	267	311	80,345	78,832
Cash Payable / (Receivable) at end of year		(878)	586	1,978	121	51	5	1,154	712

40c Department of Education and Training Research	Note	Research Training Program 2018 $'000	Research Training Program 2017 $'000	Research Support Program 2018 $'000	Research Support Program 2017 $'000	Total 2018 $'000	Total 2017 $'000
		Parent entity (University) only					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		9,074	8,912	7,287	7,420	16,360	16,332
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c)	9,074	8,912	7,287	7,420	16,360	16,332
Surplus / (deficit) from the previous year		-	386	-	-	-	386
Total revenue including accrued revenue		9,074	9,298	7,287	7,420	16,360	16,718
Less expenses including accrued expenses		9,074	9,298	7,287	7,420	16,360	16,718
Surplus / (deficit) for reporting period		-	-	-	-	-	-

40d Total Higher Education Provider Research Training Program expenditure #4	Parent entity (University) only Total Domestic Students $'000	Total Overseas Studer $'000
Research Training Program Fees offsets	5,060	-
Research Training Program Stipends	3,135	872
Research Training Program Allowances	4	3
Total for all types of support #5	8,199	875

#4 Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program
#5 The total for all types of support for domestic and overseas students equals the Research Training Program expenses, including accrued expense, in Note 40c.

Note 40. Acquittal of Australian Government financial assistance (continued)

40e Australian Research Council Grants	Note	Discovery 2018 $'000	Discovery 2017 $'000	Linkages 2018 $'000	Linkages 2017 $'000	Total 2018 $'000	Total 2017 $'000
		Parent entity (University) only					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		1,099	1,414	24	421	1,123	1,835
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	1,099	1,414	24	421	1,123	1,835
Surplus / (deficit) from the previous year		835	837	336	430	1,171	1,267
Total revenue including accrued revenue		1,934	2,251	361	851	2,295	3,102
Less expenses including accrued expenses		1,071	1,416	361	515	1,432	1,931
Surplus / (deficit) for reporting period		863	835	-	336	862	1,171

Linkages	Note	Projects 2018 $'000	Projects 2017 $'000	ARC Future Fellowships 2018 $'000	ARC Future Fellowships 2017 $'000	Total Linkages 2018 $'000	Total Linkages 2017 $'000
		Parent entity (University) only					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		178	121	(153)	103	24	224
Net accrual adjustments			-		-	-	-
Revenue for the period	3(d)	178	121	(153)	103	24	224
Surplus / (deficit) from the previous year		6	11	425	518	430	529
Total revenue including accrued revenue		183	132	272	621	454	753
Less expenses including accrued expenses		-	126	-	196	-	323
Surplus / (deficit) for reporting period		183	6	272	425	454	430

40f Other Australian Government Financial Assistance	Note	2018 $'000	2017 $'000
		Parent entity (University) only	
Cash Received during the reporting period		22,675	22,871
Cash Spent during the reporting period		(22,675)	(22,871)
Net Cash received		-	-
Cash Surplus / (deficit) from the previous period		-	-
Cash Surplus / (deficit) for the reporting period		-	-

Note 40. Acquittal of Australian Government financial assistance (continued)

40g OS-HELP

	Note	Parent entity (University) only 2018 $'000	2017 $'000
Cash Received during the reporting period		**1,320**	1,163
Cash Spent during the reporting period		**(1,893)**	(1,323)
Net Cash received		**(573)**	(160)
Cash Surplus / (deficit) from the previous period		**1,226**	1,386
Cash Surplus / (deficit) for the reporting period		**652**	1,226

40h Higher Education Superannuation Program

	Note	Parent entity (University) only 2018 $'000	2017 $'000
Cash Received during the reporting period		**17,384**	19,832
University contribution in respect of current employees		**-**	-
Cash available		**17,384**	19,832
Cash Surplus / (deficit) from the previous period		**-**	-
Cash available for current period		**17,384**	19,832
Contributions to specified defined benefit funds		**(17,384)**	(19,832)
Cash Surplus / (deficit) this period		**-**	-

40i Student Services and Amenities Fee

	Note	Parent entity (University) only 2018 $'000	2017 $'000
Unspent / (overspent) revenue from previous period		**336**	756
SA-HELP Revenue Earned	3(b)	**267**	311
Student Services and Amenities Fees direct from Students	5	**525**	512
Total revenue expendable in period		**1,128**	1,579
Student Services expenses during period		**1,128**	1,243
Unspent / (overspent) Student Services Revenue		**-**	336

End of Audited Financial Statements

Agricultural Business Research Institute

Agricultural Business
Research Institute

ABN: 59 781 301 088
Annual Financial Report for the year ended 31 December 2018

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 2018 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, resigned June 2018
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. Board member since November 2017.
Name and Occupation:	**Justin BOSHAMMER**
Qualifications:	B. App. Science
Experience:	Mr Boshammer has an Applied Science degree from the University of Queensland. He has corporate experience being a past Director of the Agforce Cattle Board, a member of the Research, development and Adoption Consultative Committee for the Cattle Council of Australia. Past Chair of the Queensland Angus Committee and co-founder of the Young Beef Producers Forum. Justin is current Managing Director of JK Cattle Company based near Condamine, QLD which is recognised as a leading Angus and Brangus Seedstock herd with additional interests in commercial beef and horse breeding. Board member since May 2018.

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 five 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.

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 $62/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 – breed register software for multiple 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, 2018 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	2	1
Ian Michael LOCKE	4	4
Peter Brett COOMBE	4	3
Morris George MCINNES	4	4
Heiko DANIEL	4	4
Kris KAUFFMANN	4	4
James Sebastian NEAL	4	3
Karen DADO	4	4
Justin BOSHAMMER	2	1

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 2018, the collective liability of members was $700 ($100 per member, maximum number of members 7).

Review of Operations

The operating deficit of the company was $1,175,769 (2017 = $78,872) and the deficit after fair value adjustments on the financial assets was $1,357,687 (2017 = $275,449)

After considering the approved budget, business activity, and trading conditions for the year, the operating result is deemed by the Directors to be a satisfactory result for the 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 occurring 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 $42,010 for Directors and Officers Insurance covered the period 1 November 2017 to 31 October 2018. Insurance has been renewed for the Group for the period 1 November 2018 to 31 October 2019 at a cost of $48,195. 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 2018.

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

....
H Daniel
Director

Date: March 12th 2019

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 2018, 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

8 March 2019
SYDNEY

Directors' Declaration

The directors declare that:

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

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2018;

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	H Daniel
Director	Director

Date: March 12th 2019

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 2018 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	H Daniel
Director	Director

Date: March 12th 2019

Statement of Profit or Loss

For the Period ended 31 December 2018

	Notes	2018 $	2017 $
Income from continuing operations			
Investment revenue	2	252,427	220,328
Trading revenue	4	7,686,121	8,090,612
Total income from continuing operations		7,938,548	8,310,940
Expenses from continuing operations			
Employee related expenses	5	5,540,919	5,261,027
Depreciation and amortisation	6	241,434	244,916
Repairs and maintenance	7	33,272	40,324
Borrowing costs	9	13,659	11,990
Impairment of assets	8	30,511	22,230
Investment losses	3	-	-
Other expenses	9	3,254,522	2,651,581
Total expenses from continuing operations		9,114,317	8,232,068
Net result from continuing operations		**(1,175,769)**	**78,872**
Other Gains/(Losses)			
Other investment gain/(loss)	3	(181,918)	190,950
Gain/(Loss) on sale of assets	3	-	5,627
Net result attributable to the ABRI	**20(b)**	**(1,357,687)**	**275,449**

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 2018

	Notes	2018 $	2017 $
Net result for the period		(1,357,687)	275,449
Items that will not be reclassified to profit or loss			
Gain/(loss) on revaluation of land, buildings and infrastructure		184,036	118,870
Total other comprehensive income		184,036	118,870
Total comprehensive income for the period		(1,173,651)	394,319

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

Statement of Financial Position

As at 31 December 2018

	Notes	2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	4,781,563	5,057,252
Receivables	**11**	1,725,802	1,890,036
Other assets	**13**	113,010	289,331
Total current assets		6,620,375	7,236,619
Non-current assets			
Other financial assets	**12**	4,142,456	4,504,607
Property, plant and equipment	**14**	3,628,262	3,632,298
Intangible assets	**15**	9,090	36,931
Total non-current assets		7,779,808	8,173,836
Total assets		14,400,183	15,410,455
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	644,970	536,987
Borrowings	**17**	32,515	27,102
Provisions	**18**	1,110,697	1,109,324
Other liabilities	**19**	745,348	670,218
Total current liabilities		2,533,530	2,343,631
Non-current liabilities			
Borrowings	**17**	37,578	70,098
Provisions	**18**	96,000	90,000
Total non-current liabilities		133,578	160,098
Total liabilities		2,667,108	2,503,729
Net assets		11,733,075	12,906,726
EQUITY			
Asset revaluation reserve	**20(a)**	1,611,946	1,427,909
Retained earnings	**20(b)**	10,121,129	11,478,817
Total equity attributable to equity holders of the company		11,733,075	12,906,726

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 2018

	Notes	Reserves	Retained Earnings	Total
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
Balance at 1 January 2018		1,427,909	11,478,817	12,906,726
Net result			(1,357,687)	(1,357,687)
Revaluation of Land, buildings and infrastructure		184,036	-	184,036
Total comprehensive income		184,036	(1,357,687)	(1,173,651)
Balance at 31 December 2018	20(a)	1,611,945	10,121,130	11,733,075

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

Statement of Cash Flows

For the Period ended 31 December 2018

	Notes	2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		8,795,288	8,373,119
Interest received		252,427	220,328
Payments to suppliers and employees		(9,235,518)	(7,896,487)
GST recovered/paid		(426,634)	(588,513)
Net cash provided by operating activities	26	(614,437)	108,447
Cash flows from investing activities			
Payments for property, plant and equipment		(25,520)	(710,853)
Proceeds from sale of financial assets		364,269	70,633
Net cash used in investing activities		338,749	(640,220)
Cash flows from financing activities			
Repayment of finance leases		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase in cash and cash equivalents		(275,688)	(531,773)
Cash and cash equivalents at the beginning of the financial year		5,057,252	5,589,025
Cash and cash equivalents at the end of the financial year	10	4,781,564	5,057,252

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, 2018 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 2018 was authorised for issue in accordance with a resolution of the Board on 12 February 2019

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 Agricultural Business Research Institute. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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.*
- *Corporations Act 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) Income tax

Agricultural Business Research Institute does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA).*

(d) 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.

(e) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2018 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 2018.

Australian Accounting Standard AASB 16 '*Leases*' is mandatory from 1 January 2019 and replaces the current standard AASB 117 '*Lease* s'. The Entity expects minimal impact as it only hold finance leases with NAB for vehicles.

AASB 9 - *Financial Instruments* - the entity had in previous years classified its financial assets at fair value through the Income Statement. There is no impact to the treatment of the financial assets of the entity in adopting AASB 9.

	Notes	2018 $	2017 $
Note 2. Investment revenue			
Interest		252,427	220,328
Dividend Income		-	-
Total investment revenue		252,427	220,328

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.

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

	2018	2017
Note 3. Gains and losses		
Other investment gains/(losses)	(181,918)	190,950
Gain on sale of assets	-	5,627
Total gains and losses	(181,918)	196,577
Note 4. Trading revenue		
Fees and charges	7,686,121	8,090,612
Total trading revenue	7,686,121	8,090,612

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.

	2018	2017
Note 5. Employee related expenses		
Salaries	4,601,901	4,610,062
Contribution to funded superannuation and pension schemes	422,397	426,569
Payroll tax	439,247	235,967
Worker's compensation	20,658	12,712
Leave accrual expense	47,740	(34,573)
Other (Allowances, penalties and fringe benefits tax)	8,977	10,289
Total employee related expenses	5,540,920	5,261,026

Refer to note 18 for accounting policies on employee benefits.

	2018	2017
Note 6. Depreciation and amortisation		
Depreciation		
Buildings	80,811	81,320
Infrastructure	3,625	3,850
Furniture and Fittings	17,402	22,399
Plant and Equipment	82,164	56,216
Motor Vehicles	17,785	19,528
Leased assets	11,806	7,375
Total depreciation	213,593	190,688
Amortisation		
Intangibles	27,840	54,228
Total amortisation	27,840	54,228
Total depreciation and amortisation	241,433	244,916

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

	2018	2017
Note 7. Repairs and maintenance		
Plant/furniture/equipment	33,272	40,324
Total repairs and maintenance	33,272	40,324

	Notes	2018 $	2017 $
Note 8. Impairment of assets			
Total impairment of assets		30,511	22,230
Total impairment of assets		30,511	22,230

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.

	2018 $	2017 $
Note 9. Other expenses		
Non-capitalised equipment	13,886	17,774
Advertising, marketing and promotional expenses	35,098	20,996
Utilities	33,656	31,631
Postal and Telecommunications	455,226	422,970
Travel and Entertainment	214,322	158,875
Operating Lease Rental Charges	48,598	42,447
Consultants	937,632	880,013
Royalties	300,445	135,575
Computer and Office Supplies	727,712	373,876
Other Expenditure	487,947	567,424
Total other expenses	3,254,522	2,651,581

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.

	2018 $	2017 $
Borrowing costs	13,659	11,990
Reconciliation of Finance costs		
Finance lease interest	13,659	11,990
Less : amount capitalised	-	-
Total borrowing costs expensed	13,659	11,990

	2018 $	2017 $
Note 10. Cash and cash equivalents		
Cash at bank	216,977	313,182
At call investments	4,564,586	4,744,070
Total cash and cash equivalents	4,781,563	5,057,252

(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:

	2018 $	2017 $
Balances as above	4,781,563	5,057,252
Less: Bank Overdrafts	-	-
Balance per cash flow statement	4,781,563	5,057,252

(b) Deposits at call
The deposits are bearing floating interest rates between 2.6% and 2.68% (2017: 2.5% and 2.75%). These deposits have an average maturity of 172 days.

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.

Notes to the financial statements
(continued)
31 December 2018

	Notes	2018 $	2017 $
Note 11. Receivables			
Current			
Trade and Other Debtors		1,791,767	1,927,632
Less: Provision for impaired receivables	1(h)	(65,966)	(37,596)
Total receivables		1,725,801	1,890,036

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.

(a) Impaired receivables

As at 31 December 2018 current receivables of the entity with a nominal value of $65,966 (2017: $37,596) were impaired. The amount of the provision was $65,966 (2017: $37,596).

The ageing of these receivables is as follows:

	2018	2017
3 to 6 months	-	-
Over 6 months	65,966	37,596
	65,966	37,596

As of 31 December 2018, trade receivables of $205,768 (2017: $358,654) 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:

	2018	2017
3 to 6 months	114,866	276,562
Over 6 months	90,902	82,091
	205,768	358,654

Movements in the provision for impaired receivables are as follows:	2018	2017
As at 1 January	37,596	18,055
Provision for impairment recognised during the year	28,370	41,771
Receivables written off during the year as uncollectible	(30,511)	(22,230)
	35,455	37,596

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.

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.

	Notes	2018 $	2017 $
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		4,142,456	4,504,607
Total non-current other financial assets		4,142,456	4,504,607

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss

(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, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Derecognition
A financial asset is primarily derecognised when:

• The rights to receive cash flows from the asset have expired or

• The Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the HEP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

Impairment of debt instruments other than receivables
The Entity recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

	2018 $	2017 $
Note 13. Other assets		
Current		
Accrued Income	100,653	278,475
Prepaid Expenses	12,358	10,856
Total current other non-financial assets	113,011	289,331

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 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	-	80,639	16,705	**602,912**
Revaluation increment/(decrement)	50,000	69,520	(650)	-		-	-	**118,870**
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
Year ended 31 December 2018								
Opening net book amount	450,000	2,381,200	72,500	557,663	16,235	95,553	59,147	3,632,298
Additions	-	-	-	24,305	-	-	1,216	**25,521**
Revaluation increment/(decrement)	45,000	135,911	3,125	-		-	-	**184,036**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-
Depreciation charge	-	(80,811)	(3,625)	(82,164)	(6,087)	(23,503)	(17,402)	**(213,593)**
Closing net book amount	**495,000**	**2,436,300**	**72,000**	**499,804**	**10,148**	**72,050**	**42,961**	3,628,262
At 31 December 2018								
- Cost	-	-	-	2,104,264	71,590	95,553	293,709	**2,565,116**
- Valuation	495,000	2,436,300	72,000	-	-	-	-	**3,003,300**
Accumulated depreciation	-	-	-	(1,604,460)	(61,442)	(23,503)	(250,749)	**(1,940,154)**
Net book amount	**495,000**	**2,436,300**	**72,000**	**499,804**	**10,148**	**72,050**	**42,960**	**3,628,262**

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 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 or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of 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.

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 2018 by Global Valuation Services.

Note 15. Intangible assets

	Notes	2018	2017
	1(l)	$	$
At 1 January			
Cost		2,474,137	2,474,137
Accumulated amortisation and impairment		(2,465,047)	(2,437,206)
Net book amount		9,090	36,931
Year ended 31 December			
Opening net book amount		36,931	91,159
Amortisation charge		(27,841)	(54,228)
Closing net book amount		9,090	36,931

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.

Note 16. Trade and other payables

	2018	2017
Current		
Trade Payables	483,916	364,793
Other Payables	161,054	172,194
Total current trade and other payables	644,970	536,987

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

Note 17. Borrowings

	2018	2017
Current		
Finance Lease (i)		
ALP Automotive	32,515	27,102
Total current borrowings	32,515	27,102
Non-current		
Finance Lease		
ALP Automotive	37,578	70,098
Total non-current borrowings	37,578	70,098

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

Note 18. Provisions

	Notes	2018	2017
	1(n)		
Current provisions expected to be settled within 12 months			
Annual leave		327,651	309,724
Long service leave		108,000	84,000
Make good provision		3,600	3,600
Total Current Provision		439,251	397,324
Current provisions expected to be settled wholly after more than 12 Months			
Employee benefits			
Annual leave		302,447	315,000
Long service leave		369,000	397,000
Make good provision		-	-
Subtotal		671,447	712,000
Total Current Provision		1,110,698	1,109,324
Non-current provisions			
Employee benefits			
Long service leave		96,000	90,000
Total non-current provision		96,000	90,000
Total provisions		1,206,698	1,199,324

Note 18. Provisions (continued)

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.

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

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. 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.

Note 19. Other Liabilities

Current

Accrued Liabilities		
Accrued Expenses	447,837	373,603
Fees in Advance	228,783	241,087
GST Payable	68,728	55,529
Total current other liabilities	745,348	670,219

Note 20. Reserves and retained earnings

a) Reserves

Revaluation Reserve		
- Land	415,000	370,000
- Buildings	1,160,442	1,024,530
- Infrastructure	36,504	33,379
	1,611,946	1,427,909

	2018 $	2017 $
Note 20. Reserves and retained earnings (continued)		
Movements in reserves were as follows:		
Reserves at 1 January - Land	370,000	320,000
Increment/(decrement) on revaluation	45,000	50,000
Reserves at 31 December	415,000	370,000
Reserves at 1 January - Buildings	1,024,530	955,010
Increment/(decrement) on revaluation	135,911	69,520
Reserves at 31 December	1,160,441	1,024,530
Reserves at 1 January - Infrastructure	33,379	34,029
Increment/(decrement) on revaluation	3,125	(650)
Reserves at 31 December	36,504	33,379
b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	11,478,817	11,203,368
Net Operating Result for the year	(1,357,687)	275,449
Retained Earnings at 31 December	10,121,130	11,478,817
Total Equity	11,733,075	12,906,726

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	10	8
	10	8

	$	$
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	6,400	6,000

Remuneration of executive officers	No.	No.
$100,000 to $129,999	4	2
$130,000 to $159,999	2	3
$160,000 to 240,000	1	1
	7	6

Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	998,503	919,102

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:	26,800	26,000
Total remuneration for audit services	26,800	26,000

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	**2018**	2017
	$	$
(i) Operating Leases		
Within one year	35,906	34,860
Between one and five years	100,222	-
Total future minimum lease payments	136,128	34,860
(ii) Finance Leases		
Within one year	32,515	27,102
Between one and five years	37,578	70,098
Total future minimum lease payments	70,093	97,200
Total lease commitments	206,221	132,060

No lease arrangements, existing as at 31 December 2018, 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:

Transactions during the period		
University of New England		
Income received from	-	-
Payments made to	115,407	123,231
Net	115,407	123,231

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

University of New England		
Payables to	0	81,861

(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

	2018	**2017**
	$	**$**
Operating result for the period	(1,357,687)	275,449
Depreciation and amortisation	241,434	244,916
Provision for impaired receivables	30,511	22,230
(Gain)/Loss on revaluation of land, buildings and infrastruture	(184,036)	-
(Gain)/Loss on revaluation of investments	181,918	(190,950)
Gain on sale	-	(5,627)
Increase/(Decrease) in Payables and Prepaid Income	153,865	264,446
Increase/(Decrease) in Provision for Employee Entitlements	2,000	(14,000)
Increase/(Decrease) in Provision for Annual Leave	5,374	(25,572)
(Increase)/Decrease in Receivables and Prepaid Expenses	312,185	(462,445)
Net cash provided by / (used in) operating activities	(614,436)	108,447

Note 27. Events subsequent to reporting period
There are no reportable events occurring 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 2.68%. Average maturity of 172 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 2018	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	216,977					216,977
Investments-Term Deposits	2.60		4,564,586				4,564,586
Receivables						1,725,802	1,725,802
Listed Shares						4,142,456	4,142,456
Accrued Income						100,653	100,653
Total Financial Assets		216,977	4,564,586			5,968,911	10,750,474
Financial Liabilities							
Borrowings			-	-		-	-
Payables						483,916	483,916
Total Financial Liabilities						483,916	483,916
Net Financial Assets(Liabilities)		216,977	4,564,586			5,484,995	10,266,558

Comparative figures for the previous year are as follows:

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 and 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							
Borrowings							
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

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 2018	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	216,977	(2,170)	(2,170)	2,170	2,170	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,564,586	(45,646)	(45,646)	45,646	45,646	N/A	N/A	N/A	N/A
Receivables	1,725,802								
Listed Shares	4,142,456					(41,425)	(41,425)	41,425	41,425
Accrued Income	100,653								
Total Financial Assets	10,750,474	(47,816)	(47,816)	47,816	47,816	(41,425)	(41,425)	41,425	41,425
Financial Liabilities									
Creditors	644,970	(6,450)	(6,450)	6,450	6,450	N/A	N/A	N/A	N/A
Total Financial Liabilities	644,970	(6,450)	(6,450)	6,450	6,450				
Total increase / (decrease)	10,105,504	(41,366)	(41,366)	41,366	41,366	(41,425)	(41,425)	41,425	41,425

Comparative figures for the previous year are as follows:

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

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, Buildings and Infrastructure was conducted in October 2018.

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 2018.

	31 Dec 2018 $	Level 1 $	Level 2	Level 3
Financial assets				
Other financial assets	4,142,456	4,142,456	-	-
Total	4,142,456	4,142,456	-	-
Non financial assets				
Land	495,000	-	495,000	
Buildings	2,436,300	-	-	2,436,300
Infrastructure	72,000	-	-	72,000
Total	3,003,300	-	495,000	2,508,300

	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

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 2018	**Land**	**Buildings**	**Infrastructure**	**Total**
Opening balance	450,000	2,381,200	72,500	2,903,700
Adoption of AASB 13	0	0	0	0
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(80,811)	(3,625)	(84,436)
Recognised in other comprehensive income	45,000	135,911	3,125	184,036
Closing balance	495,000	2,436,300	72,000	3,003,300

Level 3 Fair value measurements 2017	**Land**	**Buildings**	**Infrastructure**	**Total**
Opening balance	400,000	2,393,000	77,000	2,870,000
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

*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	495,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,436,300	Global Valuation	3	
Infrastructure	72,000	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 2018

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 report 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 2018, the Statement of Financial Position as at 31 December 2018, 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 report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is 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 Report' 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 2019, 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 Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report 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 report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 Report

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is 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 report.

A description of my responsibilities for the audit of the financial report 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 report on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial report.

S Bond .

Sally Bond
Director, Financial Audit Services

11 March 2019
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 2018 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 FTSE

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. Retired on 27 February 2018.

Mr Geoff Gorrie
BEc BA (ANU) BSc DipEd (UNE) PSM

Geoff Gorrie has a long history in agricultural policy and programs, food policy, regional development and natural resources management at Australian Government level as well as extensive experience in change management and administration. He was involved in the implementation of food regulation reforms, water reform policies, water management in the Murray Darling Basin, the establishment of the Regional Forest Agreements and the Decade of Landcare which led into the establishment of the Natural Heritage Trust.

Geoff is a Director of Australia21. He has held Directorships with Australian Forestry Standard Ltd, Seafoods Services Australia, Safe Food Production Queensland and a number of Commonwealth authorities. Geoff was also a Commissioner on the then Murray Darling Basin Authority, Chair of the National Land and Water Resources Audit Advisory Council and a member of the Serco Advisory Board.

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 Meredith Symons
BFA FCA

Meredith Symons is a UNE Graduate (Bachelor of Financial Administration, Accounting and Finance) and ICA, 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.

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. Retired on 27 February 2018.

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 seventeen 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	5
Professor Annabelle Duncan*	2	5
Mr Martin Dolan	3	5
Ms Caroline Forrest	1	1
Mr Geoff Gorrie	5	5
Ms Meredith Symons	4	5
Mr John Wilson	1	1

** When an apology, Prof Duncan was represented by Mr Kris Kauffmann, Chief Financial Officer (and Ms Sandra Matthews, Acting Chief Financial Officer at 13 July 2018 meeting).*

Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. There is only one class of member who has $100 liability should the company be wound up. At 31 December 2018, the collective liability of members was $500 ($100 per member, maximum number of members is 9).

Review of Operations

During 2018, 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 2018.

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

....	....
Mr Paul Barratt	Professor Annabelle Duncan
Chair - Director	*Director*
06 March 2019	06 March 2019

To the Directors

UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNE Foundation Limited for the year ended 31 December 2018, 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 2019
SYDNEY

Directors' Declaration

The Directors declare that:

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

(2) the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2018;

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

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

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

....

Mr Paul Barratt
Chair - Director

06 March 2019

Professor Annabelle Duncan
Director

06 March 2019

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 2018 and the results of its operations and transactions of the Company for the year then ended;

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

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

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

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

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

....

Mr Paul Barratt
Chair - Director

06 March 2019

Professor Annabelle Duncan
Director

06 March 2019

Statement of Profit or Loss

For the year ended 31 December 2018

	2018	2017
	$	$
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 2018

	2018	2017
	$	$
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 2018

	2018	2017
	$	$
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 2018

	Reserves	Retained Earnings	Total
Balance as 1 January 2017	-	-	-
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 2017	-	-	-
Balance at 1 January 2018	-	-	-
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 2018	-	-	-

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 2018

	2018	2017
	$	$
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 2018 were authorised for issue in accordance with a resolution of the Board on 06 March 2019.

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 annual financial statements represent the audited general purpose financial statements of UNE Foundation Limited. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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.*
- *Corporations Act 2001*

The Financial Statements have been prepared under 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 2018 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

4.0 Directors remuneration

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

5.0 Employee benefits

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

6.0 Related parties

University of New England provided the company with a range of administrative support services. Under a service level agreement, these services have been provided at no charge to the Company and comprised the provision of:

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

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

7.0 Commitments

The entity has not identified any material commitments at 31 December 2018 (2017: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2018 (2017: 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 2018 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 2018

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 2018, the Statement of Financial Position as at 31 December 2018, 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 2018, 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.

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

11 March 2019
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

UNE Foundation adopted AASB 9 "*Financial Instrument* s" effective 1 January 2018 by reclassifying its financial assets from 'financial assets at fair value through other comprehensive income' to 'financial assets at fair value through profit and loss'. Effectively, gains or losses on the revaluation of financial assets previously charged to reserves will now be disclosed as investment income in the Income Statement. The comparative 2017 results were restated to reflect the adoption of AASB 9 in 2018.

The operating result for the Trust for the year ended 31 December 2018 was a surplus of $36,558 (2017: $4,203,032).

The net investment return in 2018 was a net loss of $280,162 (2017: gain of $1,497,837). While investment returns from dividend and interest in 2018 and 2017 were $1,037,926 and $1,156,868 respectively, the loss in 2018 was attributed to the net unrealised loss in the market value of investments for $1,318,088 compared to an unrealised gain of $340,969 in 2017.

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*
06 March 2019	06 March 2019

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 2018 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 06 March 2019.

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

Mr Paul Barratt
Chair - Director

06 March 2019

Professor Annabelle Duncan
Director

06 March 2019

Statement of Profit or Loss

For the year ended 31 December 2018

	Notes	2018 $	2017 $
Income from continuing operations			
Donations and fundraising	2	1,583,721	1,615,615
Investment income	3	1,037,926	1,497,837
Other revenue	4	90,132	2,176,959
Total income from continuing operations		2,711,779	5,290,411
Expenses from continuing operations			
Administrative expenses	5	159,933	129,224
Investment loss	3	1,318,088	-
Loss on disposal of assets		571	3,534
Total expenses from continuing operations		1,478,592	132,758
Net result from continuing operations before distributions to UNE		1,233,187	5,157,653
Distribution to UNE	6	1,196,629	954,621
Net result for the year after distribution to UNE		36,558	4,203,032

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 2018

	Notes	2018 $	2017 $
Net result for the year after distribution to UNE		36,558	4,203,032
Items that will be reclassified to profit or loss			
Reclassification adjustments (i.e. recycling from OCI to P&L)	11 (a)	-	120,190
Items that will not be reclassified to profit or loss			
Transfer from reserves	11 (a)	-	3,218
Total comprehensive income for the period		36,558	4,326,440

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

Statement of Financial Position
As at 31 December 2018

	Notes	2018	2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	344,922	49,433
Trade and other receivables	8	316,238	2,215,799
Total current assets		661,160	2,265,232
Non-current assets			
Other financial assets	9	20,487,083	18,635,265
Total non-current assets		20,487,083	18,635,265
Total assets		21,148,243	20,900,497
LIABILITIES			
Current liabilities			
Trade and other payables	10	290,160	78,972
Total current liabilities		290,160	78,972
Total liabilities		290,160	78,972
Net assets		20,858,083	20,821,525
EQUITY			
Reserves	11 (a)	-	-
Retained earnings	11 (b)	20,858,083	20,821,525
Total equity		20,858,083	20,821,525

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 2018

	Reserves	Retained earnings	Total
Balance at 1 January 2017	120,190	16,495,085	16,615,275
Effect of adopting of new accounting standard	(123,408)	123,408	-
Balance as restated	(3,218)	16,618,493	16,615,275
Net result	-	4,203,032	4,203,032
Transfer (from) reserves on disposal of available for sale financial assets	3,218	-	3,218
Total comprehensive income	3,218	4,203,032	4,206,250
Balance at 31 December 2017	-	20,821,525	20,821,525
Balance at 1 January 2018	-	20,821,525	20,821,525
	-	-	-
Balance as restated	-	20,821,525	20,821,525
Net result	-	36,558	36,558
Total comprehensive income	-	36,558	36,558
Balance at 31 December 2018	-	20,858,083	20,858,083

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 2018

	Notes	2018 $	2017 $
Cash flows from operating activities			
Donations received		1,363,836	1,568,234
Transfer from UNE		2,131,959	44,200
Dividends received		142,655	109,942
Interest received		1,914	23,412
Other inflows		99,810	60,296
Payments to suppliers		(150,460)	(120,287)
Distribution to beneficiary		(994,894)	(982,297)
Net cash provided by operating activities	**16**	2,594,820	703,500
Cash flows from investing activities			
Purchase of financial assets		(7,321,579)	(3,558,804)
Proceeds from sale of financial assets		5,022,248	2,794,002
Net cash used in investing activities		(2,299,331)	(764,802)
Net decrease in cash and cash equivalents		295,489	(61,302)
Cash and cash equivalents at the beginning of the financial year		49,433	110,735
Cash and cash equivalents at the end of the financial year	**7**	344,922	49,433

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 2018 were authorised for issue by the Trustee on 06 March 2019.

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 Foundation. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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.*

The Financial Statements have been prepared under the historical cost convention except for debt and equity financial assets that have been measured at fair value through profit or loss. All amounts are in Australian currency.

(b) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(c) Income Tax

UNE Foundation does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA).*

(d) New standards and interpretations issued but not yet adopted

Certain new Accounting Standards and Interpretations that are not mandatory for the 31 December 2018 reporting period. The Entity 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 expects 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 volunteer services; and
(c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.

Australian Accounting Standard AASB 16 'Leases' is mandatory from 1 January 2019 and replaces the current standard AASB 117 'Leases'. This standard does not have any impact to UNE Foundation.

	Notes	2018	2017
		$	$
Note 2. Donation and fundraising			
Donations and fundraising		1,583,721	1,615,615
Total donations and fundraising		**1,583,721**	**1,615,615**

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.

Note 3. Investment income

	2018	2017
Bank interest	1,919	11,571
Interest - financial assets at fair value through profit and loss	47,879	110,041
Dividend - financial assets at fair value through profit and loss	988,128	1,035,256
Net gain on financial assets at fair value through profit and loss	-	340,969
Total investment income	**1,037,926**	**1,497,837**
Net (loss) on financial assets at fair value through profit and loss	(1,318,088)	-
Net investment income	**(280,162)**	**1,497,837**

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.

Note 4. Other revenue

	2018	2017
Transferred from UNE	61,830	2,114,381
Franking credits	27,256	57,991
Other	1,046	4,587
Total other revenue	**90,132**	**2,176,959**

Note 5. Administrative expenses

	2018	2017
Consultancy fees	159,900	129,052
Bank fees	33	172
Total administrative expenses	**159,933**	**129,224**

Note 6. Distribution to beneficiary

	2018	2017
University of New England - scholarships and prizes	1,196,629	954,621
Total distribution to beneficiary	**1,196,629**	**954,621**

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.

	2018	2017
	$	$
Note 7. Cash and cash equivalents		
Cash at bank	344,922	49,433
At call investments	-	-
Total cash and cash equivalents	**344,922**	**49,433**

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	344,922	49,433
Less: Bank Overdrafts	-	-
Balance per statement of cash flows	**344,922**	**49,433**

There were no at call investments in 2018 hence interest rate of Nil% (2017 - Nil%).

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.

Note 8. Trade and other receivables

Trade receivables	271,850	47,150
Less: Provision for impaired receivables	-	-
Total trade receivables	**271,850**	**47,150**

Impaired trade receivables

As at 31 December 2018 current receivables of the entity with a nominal value of $271,850 (2017: $47,150) were not impaired.

Other receivables		
Other accrued income	44,376	2,168,641
Accrued Interest	12	8
Total other receivables	**44,388**	**2,168,649**
Total trade and other receivables	**316,238**	**2,215,799**

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.

Notes to the financial statements
31 December 2018
(continued)

Note 9. Other financial assets

	2018	2017
	$	$
Non-current		
Financial assets at fair value through profit and loss	20,487,083	18,635,265
Total non-current other financial assets	**20,487,083**	**18,635,265**

Movement of available for sale financial assets are as follows:

Shares as at 1 January	18,635,265	14,698,083
Acquired through purchase, dividend reinvestment and capital distribution	8,192,725	3,596,212
Disposed	(5,022,819)	-
Unrealised gain in available for sale reserve	(1,318,088)	340,970
Fair value of investment at 31 December	**20,487,083**	**18,635,265**

Financial assets are classified, at initial recognition and subsequent measurement at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Note 10. Trade and other payables

Accrued expense for scholarships, prizes and consultancy fees	290,160	78,972
Total trade and other payables	**290,160**	**78,972**

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

These amounts represent liabilities for goods and services provided to the Trust prior to the end of financial year, which are unpaid and unsecured.

Notes to the financial statements
31 December 2018
(continued)

	2018	2017
	$	$
Note 11. Reserves and retained earnings		
(a) Reserves		
Available for Sale Reserve - Investments	-	-
Total reserves	**-**	**-**
Movements		
Available for Sale Reserve - Investments		
Balance 1 January	-	120,190
Transfer to/(from) on disposal of investments	-	3,218
Reclassification adjustments (i.e. recycling from OCI to P&L)	-	(123,408)
Balance 31 December	-	-
(b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	20,821,525	16,495,085
Reclassification adjustments (i.e. recycling from OCI to P&L)	-	123,408
Net result for the year	36,558	4,203,032
Retained earnings at 31 December	**20,858,083**	**20,821,525**

(c) Nature and purpose of reserves

Revaluation Reserve
Prior year increments and decrements on the revaluation of available for sale financial assets were recorded in the asset revaluation reserve. Adopting AASB 9 "Financial Instruments", the Foundation reclassified its financial instruments from "financial assets at fair value through OCI to financial assets at fair value through the income statement . The gain/(loss) in fair value are now processed in the income statement.
A retrospective adjustment of the 2017 accounts were done to reflect the adoption of the changes in 2018.

Note 12. 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 and Trustee to the Audit Office of NSW for the financial year ended 31 December 2018 was $12,150 (2017: $11,800).

Note 13. 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 14. Commitments

The entity has not identified any material commitments at 31 December 2018 (2017: Nil).

Capital Commitments
There was no capital expenditure contracted for at the reporting date. (2017 Nil).

Notes to the financial statements
31 December 2018
(continued)

Note 15. 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 Caroline Forrest - retired on 27 February 2018.
Mr John Wilson - retired on 27 February 2018.
Ms Meredith Symons
Mr Martin Dolan

(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:

	2018	2017
Transactions during the period	**$**	$
University of New England		
Income received from	-	-
Transferred prizes and scholarship funds	48,017	2,114,381
Expenditures incurred for scholarships and prizes	(1,196,628)	(954,621)
Net	**(1,148,611)**	**1,159,760**
With other related parties		
Income received - UNE Life Pty Ltd	5,150	-
Income received - Agricultural Business Research Institute	-	12,100
Net	**5,150**	12,100

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

University of New England		
Receivables	334	2,075,298
Payables	245,618	44,383
With other related parties		
Receivables	-	-
Payables	-	-

Notes to the financial statements
31 December 2018
(continued)

Note 16. Reconciliation of operating result after income tax to net cash flows from operating activities

Net result for the period	36,558	4,203,032
Less non cash revenue		
Capitalisation and reinvestment of dividend	(871,146)	(1,026,923)
Net (Gain)/Loss on sale of Units	571	3,534
Fair value (gain)/loss - financial assets at fair value through profit and loss	1,318,088	(340,969)
Add non cash expenditures		
Impairment of assets	-	-
Decrease/(increase) in trade and other debtors	1,899,561	(2,116,264)
Increase/(decrease) in payables	211,188	(18,910)
Net cash provided by operating activities	**2,594,820**	**703,500**

Note 17. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 18. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	8	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Financial assets at fair value through profit and loss	9	Domestic and International equity carried at market value	Investment of perpetual pool funds managed by the Fund Managers.
	9	Australian cash enhanced fund - stated at market value	Investment of immediate pool funds managed by the Fund Managers.
	9	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year.

(ii) Foreign exchange risk

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

(iii) Price risk

The Trust is exposed to Price Risk through its investments classified as financial assets at fair value through profit and loss. 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 2018	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%	-	344,922				344,922
Receivables						316,238	316,238
Financial assets at fair value through profit and loss					20,487,083	-	20,487,083
Total Financial Assets		-	344,922	-	20,487,083	316,238	21,148,243
Financial Liabilities							
Payables						290,160	290,160
Total Financial Liabilities			-	-		290,160	290,160
Net Financial Assets(Liabilities)		-	344,922	-	20,487,083	26,078	20,858,083

Comparative figures for the previous year are as follows:

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 and cash equivalents	1.50%	-	49,433				49,433
Receivables						2,215,799	2,215,799
Financial assets at fair value through profit and loss					20,487,083	-	20,487,083
Total Financial Assets		-	49,433	-	20,487,083	2,215,799	22,752,315
Financial Liabilities							
Payables	-					78,972	78,972
Total Financial Liabilities			-	-		78,972	78,972
Net Financial Assets(Liabilities)		-	49,433	-	20,487,083	2,136,827	22,673,343

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 2018	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	344,922	(3,449)	(3,449)	3,449	3,449	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	316,238												
Financial assets at fair value through profit and loss	20,487,083									(204,871)	(204,871)	204,871	204,871
Total Financial Assets	21,148,243												
Financial Liabilities													
Payables	290,160	N/A	N/A	N/A	N/A								
Total Financial Liabilities	290,160												
Total increase / (decrease)	20,858,083												

Comparative figures for the previous year are as follows:

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												
Financial assets at fair value through profit and loss	18,635,265									(186,353)	(186,353)	186,353	186,353
Total Financial Assets	20,900,497												
Financial Liabilities													
Creditors	78,972	N/A	N/A	N/A	N/A								
Total Financial Liabilities	78,972												
Total increase / (decrease)	20,821,525												

Note 19. 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 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	
	2018	2017	2018	2017
	$	$	$	$
Financial assets				
Cash and cash equivalents	344,922	49,433	344,922	49,433
Financial assets at fair value through profit and loss	20,487,083	18,635,265	20,487,083	18,635,265
Total financial assets	20,832,005	18,684,698	20,832,005	18,684,698

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

	31 Dec 2018	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit and loss	20,487,083	173,813	20,313,269	-
Receivables	316,238		316,238	-
Total	20,803,321	173,813	20,629,507	-

	31 Dec 2017	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit and loss	18,635,265	205,136	18,430,129	-
Receivables	2,215,799	-	2,215,799	-
Total	20,851,064	205,136	20,645,928	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships Pty Ltd

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2018

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 2018, the Statement of Financial Position as at 31 December 2018, 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 2018, 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.

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

7 March 2019
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 2018 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

6 March 2019

Income Statement
For the year ended 31 December 2018

	Notes	2018 $	2017 $
Income from continuing operations			
Fees and Charges	2	4,536,975	5,879,729
Investment revenue	3	7,391	3,056
Total income from continuing operations		4,544,366	5,882,785
Expenses from continuing operations			
Employee related expenses	4	2,420,437	2,791,311
Depreciation and amortisation	5	261,186	152,520
Impairment of assets	6	(16,890)	380,936
Marketing and promotion		68,582	95,741
Travel and accommodation		52,275	108,271
Course delivery expenses		851,630	623,669
Other expenses	7	1,003,546	2,620,593
Total expenses from continuing operations		4,640,766	6,773,041
Net result attributable to UNE Partnerships Pty Limited	16(b)	(96,400)	(890,256)

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

Statement of Comprehensive Income
For the year ended 31 December 2018

	Notes	2018 $	2017 $
Net result for the period		(96,400)	(890,256)
Other comprehensive income		-	-
Total comprehensive income for the period		(96,400)	(890,256)

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

Statement of Financial Position
As at 31 December 2018

	Note	2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents	8	566,992	678,817
Receivables	9	461,718	282,819
Other non-financial assets	10	232,509	53,753
Total current assets		1,261,219	1,015,389
Non-current assets			
Plant and equipment	11	29,467	34,163
Intangible assets	12	865,924	802,232
Total non-current assets		895,391	836,395
Total assets		2,156,610	1,851,784
LIABILITIES			
Current liabilities			
Trade and other payables	13	362,019	442,922
Provisions	14	325,264	270,044
Other liabilities	15	1,376,865	1,036,173
Borrowings		700,000	700,000
Total current liabilities		2,764,148	2,449,139
Non-current liabilities			
Provisions	14	26,676	25,164
Borrowings		1,386,869	1,302,164
Total non-current liabilities		1,413,545	1,327,328
Total liabilities		4,177,693	3,776,467
Net assets		(2,021,083)	(1,924,683)
EQUITY			
Issued capital	16(a)	1,198,937	1,198,937
Retained earnings	16(b)	(3,220,020)	(3,123,620)
Total equity attributable to equity holders of the company		(2,021,083)	(1,924,683)
Total equity		(2,021,083)	(1,924,683)

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 2018

	Issued Capital	Retained Earnings	Total
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)
Balance at 1 January 2018	$1,198,937	($3,123,620)	($1,924,683)
Net result attributable to UNE Partnerships Pty Ltd	-	($96,400)	($96,400)
Total comprehensive income	-	($96,400)	($96,400)
Balance at 31 December 2018	$1,198,937	($3,220,020)	($2,021,083)

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 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts from student fees and other customers		4,236,762	5,905,848
Receipts from government funded students		607,706	415,033
Interest received		7,391	3,056
Payments to suppliers and employees		(4,586,220)	(6,460,061)
GST recovered/(paid)		(52,780)	47,311
Net cash provided by / (used in) operating activities	**22**	212,859	(88,813)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	1,773
Payments for property, plant and equipment		(4,578)	(23,665)
Net cash outflow for intangibles purchased/created		(313,151)	(360,424)
Net cash provided by / (used in) investing activities		(317,729)	(382,316)
Cash flows from financing activities			
Proceeds from borrowings		-	908,789
Repayment of borrowings		(6,955)	(1,834)
Net cash provided by / (used in) financing activities		(6,955)	906,955
Net increase / (decrease) in cash and cash equivalents		(111,825)	435,826
Cash and cash equivalents at the beginning of the financial year		678,817	242,991
Cash and cash equivalents at the end of the financial year	**8**	566,992	678,817

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: Building C012, University of New England, NSW.

The financial statement for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Board on 6 March 2019.

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of UNE Partnerships Pty Limited. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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.*

The Financial Statements have been prepared under the historical cost convention, except for debt and equity financial assets that have been measured 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) Income tax

UNE Partnerships Pty Limited does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA).*

(d) 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.

(e) 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.

(f) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(g) 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.

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

The following Accounting Standards and Interpretations have been published but are not mandatory for the 31 December 2018 reporting period. The Entity has elected not to early adopt any of these standards. The Entity's assessment of the impact of these new standards and interpretations is set out below. These standards are mandatory from 1 January 2019.

AASB 15 '*Revenue from Contracts with Customers*'

This standard replaces AASB 118: *Revenue and AASB 111:* Construction Contracts in establishing the framework for revenue recognition and is effective for the year ended 31 December 2019. AASB 15 requires revenue to be recognised when performance obligations within a contract are satisfied, which could alter the timing and classification of revenue recognition.

Management has performed an initial assessment of the impact of AASB 15 and expects the recognition and measurement of revenue to materially change under the new standard. For Fee-for-Service students that pay tuition fees upfront, the Entity's services typically consist of student support, assessment, provision of learning materials, and provision of online learning platforms. These services are determined to be performed uniformly over the students contractual term, which is generally 12-24 months, meaning that revenue will be recognised evenly across the contractual term.

Had the Entity adopted AASB 15 for the year ended 31 December 2018, the nature and effect of the changes are as follows:

Income Statement (increase/(decrease))	**2018 $**
Revenue	$138,419
Net Profit/(Loss)	**$138,419**

Statement of Financial Position (increase/((decrease))	**2018 $**
Liabilities	
Other liabilities - income received in advance	($138,419)
Equity	**$138,419**

AASB 1058 'Income of Not-for-Profit Entities'

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.

These amendments are considered to not materially impact the entity in the current or subsequent reporting periods. Any changes and material impacts will be reported on.

AASB 16 'Leases'

Australian Accounting Standard AASB 16 *'Leases'* is mandatory from 1 January 2019 and replaces the current standard AASB 117 *'Leases'*. The Entity 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 Entity is unable to reasonably quantify the expected financial impacts of those standards in future periods.

		Note	2018 $	2017 $
Note 2.	**Fees and Charges**			
	Education services - fee paying		2,376,915	1,717,819
	Education services - government funded		607,706	415,033
	Workshops		294,518	405,217
	Consultancy		1,180,993	3,203,104
	Product sales		7,855	12,558
	Other revenue		68,988	125,968
	Profit on sale of assets		-	30
	Total fees and charges		4,536,975	5,879,729

Accounting Policy - 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. 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.

(iv) Interest income

Interest income is recognised as it accrues.

Note 3.	**Investment revenue**		
	Interest	7,391	3,056
	Total investment revenue	7,391	3,056
Note 4.	**Employee related expenses**		
	Salaries	1,840,447	2,188,769
	Contribution to funded superannuation and pension schemes	204,127	236,512
	Payroll tax	129,652	125,003
	Worker's compensation	38,530	20,801
	Long service leave expense	32,393	33,282
	Annual leave	175,288	190,126
	Other (allowances, penalties and fringe benefits tax)	-	(3,182)
	Total employee related expenses	2,420,437	2,791,311
Note 5.	**Depreciation and amortisation**		
	Depreciation		
	Furniture and Fittings	314	342
	Computer equipment	11,812	13,135
	Total depreciation	12,126	13,477
	Amortisation		
	Intellectual property and courseware	242,955	136,696
	Software developments	6,105	2,347
	Total amortisation	249,060	139,043
	Total depreciation and amortisation	261,186	152,520

		Note	2018 $	2017 $
Note 6.	**Impairment of assets**			
	Bad debts		13,724	10,508
	Movement in provision for doubtful debts		(38,944)	8,231
	Impairment of assets		8,330	362,197
	Total impairment of assets		(16,890)	380,936

Accounting Policy - 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.

		Note	2018 $	2017 $
Note 7.	**Other expenses**			
	Non-capitalised equipment		1,740	1,711
	Utilities		38,482	15,622
	Consumables and materials		9,823	20,605
	Telecommunications		14,937	30,546
	Consultants and authors' fees		541,260	2,089,981
	Room hire and catering		89,250	73,199
	Interest expense		92,264	65,283
	Property and facilities		73,240	103,169
	Other expenditure		142,550	220,477
	Total other expenses		1,003,546	2,620,593
Note 8.	**Cash and cash equivalents**	1(g)		
	Cash on hand		304	439
	Cash at bank		566,688	678,378
	Total cash and cash equivalents		566,992	678,817

(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:

	2018 $	2017 $
Balances as above	566,992	678,817
Less: Bank overdrafts	-	-
Balance per cash flow statement	566,992	678,817

(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 2% (2017 - 1.0% and 1.50%).

Accounting Policy - 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.

		Note	2018 $	2017 $
Note 9.	**Receivables**			
	Current			
	Trade and other debtors		463,045	323,090
	Less: Provision for impaired receivables	1(h)	(1,327)	(40,271)
	Total receivables		461,718	282,819

(a) Impaired receivables

As at 31 December 2018 current receivables of the entity with a nominal value of $1,327 (2017: $40,271) were impaired. The amount of the provision was $1,327 (2017: $40,271). 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:

	2018 $	2017 $
3 to 6 months	900	9,700
Over 6 months	427	30,571
	1,327	40,271

As of 31 December 2018, trade receivables of $318,452 (2017: $127,182) 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:

	2018 $	2017 $
0 to 3 months	314,000	108,524
Over 3 months	4,452	18,658
	318,452	127,182

Movements in the provision for impaired receivables are as follows:

	2018 $	2017 $
As at 1 January	40,271	32,040
Provision for impairment recognised during the year	(25,220)	18,739
Receivables written off during the year as uncollectible	(13,724)	(10,508)
As at 31 December	1,327	40,271

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.

Accounting Policy - 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.

		2018 $	2017 $
Note 10.	**Other non-financial assets**		
	Current		
	Accrued Income	232,509	45,345
	Securtiy bonds	-	8,408
	Total current other non-financial assets	232,509	53,753

Accounting Policy - Other assets

Accrued income is recognised for services being provided to students or clients that have contracted invoice milestones in future financial years.

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.

		Note	2018 $	2017 $
Note 11.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		14,342	48,045
	Accumulated depreciation		(9,235)	(43,305)
			5,107	4,740
	Computer cost:			
	At cost		85,630	209,830
	Accumulated depreciation		(61,270)	(184,780)
			24,360	25,050
	Leasehold improvements:			
	At cost		-	122,701
	Accumulated depreciation		-	(118,328)
			-	4,373
	Total Plant and Equipment		29,467	34,163

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 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
Balance at 31 December 2017	4,740	25,050	4,373	34,163
Balance 1 January 2018	4,740	25,050	4,373	34,163
Additions	1,999	13,761	-	15,760
Depreciation expense	(1,632)	(10,180)	(314)	(12,126)
Derecognition	(35,702)	(137,961)	(122,701)	(296,364)
Depreciation written back on disposal	35,702	133,690	118,642	288,034
Carrying amount at 31 December 2018	5,107	24,360	-	29,467

Accounting Policy - Plant and equipment

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 the end of 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(f)).

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

	Note	2018 $	2017 $
Note 12. Intangible assets			
(a) Course Development Expenses			
Cost		977,921	859,892
Accumulated amortisation		(449,663)	(206,708)
Course materials - work in progress		313,532	123,845
Net carrying value		841,790	777,029
Reconciliation of course development expenses			
Balance at the beginning of year		777,029	580,451
Additions		118,029	517,634
Amortisation charge		(242,955)	(136,696)
Work in progress movement		189,687	(184,360)
Closing carrying value at 31 December		841,790	777,029
(b) Acquisition Expenses			
Goodwill at cost (incl contingent portion)		-	584,504
Accumulated impairment losses		-	(584,504)
Value of contracts and client relationships, at cost		-	684,575
Accumulated amortisation		-	(684,575)
Net carrying value		-	-
Reconciliation of acquisition outlays			
Balance as at the beginning of year		-	362,197
Impairment charge		-	(362,197)
Closing carrying value at 31 December		-	-
(c) Software Expenses			
Cost		32,586	46,755
Accumulated amortisation		(8,452)	(21,552)
Net carrying value		24,134	25,203
Reconciliation of software expenses			
Balance as at the beginning of year		25,203	-
Additions		5,036	27,550
Amortisation		(6,105)	(2,347)
Closing carrying value at 31 December		24,134	25,203
Total net carrying value		865,924	802,232

Accounting Policy - Intangible assets

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

Development expenditures on an individual project are recognised as an intangible asset when the entity can demonstrate:
(a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
(b) Its intention to complete and its ability and intention to use or sell the asset
(c) How the asset will generate future economic benefits
(d) The availability of resources to complete the asset
(e) The ability to measure reliably the expenditure during development.
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.

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

	Note	2018 $	2017 $
Note 13. Trade and other payables			
Current			
Trade payables		363,350	422,642
GST payable		(1,331)	20,280
Total current trade and other payables		362,019	442,922

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

Accounting Policy - Trade and other payables

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

		Note	2018 $	2017 $
Note 14.	**Provisions**			
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		119,742	105,054
	Subtotal		119,742	105,054
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		47,490	35,983
	Long service leave		158,032	129,007
	Subtotal		205,522	164,990
	Total Current Provision		325,264	270,044
	Non-current provisions			
	Employee benefits			
	Long service leave		26,676	25,164
	Total non-current provision		26,676	25,164
	Total provisions		351,940	295,208

Accounting Policy - 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 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.

Accounting Policy - 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

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. 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.

		Note	2018 $	2017 $
Note 15.	**Other Liabilities**			
(a)	**Current**			
	Accrued Liabilities			
	Salary Related		51,244	39,575
	Income received in advance		1,325,621	996,598
	Total current other liabilities		1,376,865	1,036,173
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		(3,123,620)	(2,233,364)
	Net Operating Result for the year		(96,400)	(890,256)
	Retained earnings at 31 December		(3,220,020)	(3,123,620)

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

Professor Annabelle DUNCAN - Chairman (resigned 26 February 2018)
Professor Todd WALKER - appointed alternate director on 18 January 2018, appointed Chairman 5 March 2018. Appointed Managing Director 30 March 2018 until 27 August 2018.
Dr Exmond DECRUZ
Professor Aron MURPHY

Executive Officer

Timothy J. Catterall (resigned 29 March 2018)
Suzanne E. Crew (commenced 27 August 2018)

(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 2018 payments to non-executive directors have been included as paid/accrued.

	2018	2017
	No.	**No.**
Nil to $9,999	3	3
	3	3
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	18,000	19,500
Remuneration of executive officers	**No.**	**No.**
Nil to $150,000	2	-
$175,001 to $200,000	-	-
$200,001 to $224,999	-	1
	2	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	213,478	200,505

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:

	2018	2017
	$	$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	38,100	37,000
Total remuneration for audit services	38,100	37,000

Note 19. Contingencies
At balance date, no proceeding had been identified as being progressed on behalf of UNE Partnerships Pty Limited.

Note 20. Commitments
(a) Capital Commitments
There were no commitments for capital expenditure at 31 December 2018 (2017: Nil).

No lease arrangements, existing as at 31 December 2018, 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:

	2018	2017
Transactions during the period	$	$
University of New England		
Sales to University of New England	-	-
Purchases from the University of New England	106,880	184,288
Net	(106,880)	(184,288)
Loans from University of New England		
Beginning of the year	1,995,210	1,028,255
Loans advanced	-	900,000
Interest charged	91,659	66,955
Interest received	-	-
End of year	2,086,869	1,995,210

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

	2018	2017
Receivables	-	-
Current receivables (sale of goods and services)		
University of New England	-	-
Other related entities	-	-
Total current receivables	-	-
Current payables (purchases of goods and services)		
University of New England	21,863	65,227
Other related entities	-	-
Total current payables	21,863	65,227
Current payables (loans)		
University of New England	700,000	700,000
Total non-current payables	700,000	700,000
Non-current payables (loans)		
University of New England	1,386,869	1,295,210
Total non-current payables	1,386,869	1,295,210
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

	2018	2017
	$	$
Net result for the period	(96,400)	(890,256)
Depreciation and amortisation	261,186	152,520
Write-off of assets	8,330	362,197
Provision for impaired receivables	(38,944)	8,231
Net (gain) / loss on sale of non-current assets	-	(30)
Increase/(Decrease) in payables and prepaid income	237,338	49,991
Increase/(Decrease) in provision for employee entitlements	68,401	(73,643)
Increase/(Decrease) in interest payable	91,659	66,955
(Increase)/Decrease in receivables and prepaid expenses	(318,711)	235,222
Net cash provided by / (used in) operating activities	212,859	(88,813)

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 2018	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	566,992	-	-	-	-	566,992
Investments - term deposits		-	-	-	-	-	-
Receivables	-	-	-	-	-	461,718	461,718
Total Financial Assets		566,992	-			461,718	1,028,710
Financial Liabilities							
Borrowings	4.50	2,086,869	-	-	-		2,086,869
Payables	-	-	-	-	-	362,019	362,019
Other amounts owing	-	-	-	-	-	51,244	51,244
Total Financial Liabilities		2,086,869	-	-		413,263	2,500,132
Net Financial Assets(Liabilities)		(1,519,877)	-	-		48,455	(1,471,422)

Comparative figures for the previous year are as follows:

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 and cash equivalents	1.00	678,817	-	-	-	-	678,817
Investments - Term Deposits		-	-	-	-	-	-
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)	0	0		(199,678)	(1,523,025)

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 2018	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	566,992	(5,670)	(5,670)	5,670	5,670	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	461,718	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	1,028,710	(5,670)	(5,670)	5,670	5,670	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	2,086,869	20,869	20,869	(20,869)	(20,869)								
Payables	362,019	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	51,244	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2,500,132	20,869	20,869	(20,869)	(20,869)	-	-	-	-	-	-	-	-
Total increase/(decrease)	(1,471,422)	15,199	15,199	(15,199)	(15,199)	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

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)	13,234	13,234	(13,234)	(13,234)	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Life
Pty Ltd

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2018

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 2018, the Statement of Financial Position as at 31 December 2018, 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 2018, 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 [illegible] 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

11 March 2019
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 2018 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.

K Hudson
Dr Kerry Hudson
Director

Mr David Schmude
Director

8 March 2019

Statement of Profit or Loss
For the year ended 31 December 2018

	Note	**2018**	2017
		$	$
Income from continuing operations			
Trading income	**2**	8,687,997	6,449,191
Investment revenue	**3**	14,641	19,865
Other revenue	**4**	2,547,801	2,241,489
Total income from continuing operations		11,250,439	8,710,545
Expenses from continuing operations			
Employee related expenses	**5**	5,082,346	3,501,139
Depreciation and amortisation	**6**	227,687	209,211
Repairs and maintenance	**7**	160,206	162,133
Other expenses	**8**	5,706,114	5,118,802
Total expenses from continuing operations		11,176,353	8,991,285
Net result attributable to the Entity	**18**	74,086	(280,740)

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 2018

	Note	**2018**	2017
		$	$
Net result for the period		74,086	(280,740)
Other comprehensive income		-	-
Total comprehensive income for the period		74,086	(280,740)

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

Statement of Financial Position
As at 31 December 2018

	Note	2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents	9	1,269,075	990,376
Receivables	10	632,008	1,146,061
Inventories	11	1,123,179	320,290
Non financial assets	13	7,880	-
Total current assets		3,032,142	2,456,727
Non-current assets			
Other financial assets	12	-	500
Property, plant and equipment	14	536,230	693,338
Intangible assets	15	67,354	122,228
Total non-current assets		603,584	816,066
Total assets		3,635,726	3,272,793
LIABILITIES			
Current liabilities			
Trade and other payables	16	1,473,117	1,240,406
Provisions	17	157,730	104,594
Total current liabilities		1,630,847	1,345,000
Non-current liabilities			
Provisions	17	71,000	68,000
Total non-current liabilities		71,000	68,000
Total liabilities		1,701,847	1,413,000
Net assets		1,933,879	1,859,793
EQUITY			
Retained earnings	18	1,933,759	1,859,673
Share Capital	18	120	120
Total equity		1,933,879	1,859,793

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 2018

	Shares	Retained earnings	Total
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
Balance at 1 January 2018	120	1,859,673	1,859,793
Net result	-	74,086	74,086
Total comprehensive income	-	74,086	74,086
Balance at 31 December 2018	120	1,933,759	1,933,879

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 2018

	Note	**2018** $	**2017** $
Cash flows from operating activities			
Receipts from customers		12,975,979	8,543,049
Interest received		14,640	19,865
Payments to suppliers and employees (inclusive of GST)		(12,671,215)	(9,369,909)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	**25**	319,404	(806,995)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(40,705)	(291,444)
Net cash provided by / (used in) investing activities		(40,705)	(291,444)
Cash flows from financing activities			
		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		278,699	(1,098,439)
Cash and cash equivalents at the beginning of the financial year		990,376	2,088,815
Cash and cash equivalents at the end of the financial year		1,269,075	990,376

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 2018 were authorised for issue in accordance with a resolution on 8 March 2019.

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, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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 under the historical cost convention except for debt and equity financial assets that have been measured 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 does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 19*97 (ITAA).

(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) 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 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, stock on non cancelable order and finished goods

Raw materials and stores, work in progress, stock on non cancelable order 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.

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 HEP 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.

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:

	2018	2017
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 the end of each reporting

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. 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.

(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

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted 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".

Note 1. Summary of significant accounting policies (continued)

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2018 reporting period.

Australian Accounting Standard AASB 15 '*Revenue from Contracts with Custome* rs' 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 expects 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 volunteer services; and
(c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.

The entity has assessed the impact of AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' and found that these standards will have a NIL effect on the 2018 financial reports of the entity.

Australian Accounting Standard AASB 16 '*Leases*' is mandatory from 1 January 2019 and replaces the current standard AASB 117 *'Lease* s'. The Entity has assessed the changes to its recognition of leases upon the adoption of AASB 16 to be immaterial to the 2018 financial statements of the entity.

	Note	2018 $	2017 $
Note 2. Trading income			
Sale of goods		6,520,774	5,878,760
Rendering of services		2,167,223	570,431
Total trading income		8,687,997	6,449,191
Note 3. Investment revenue			
Interest		14,641	19,865
Total investment revenue		14,641	19,865
Note 4. Other revenue			
UNE contribution		1,631,040	1,295,659
UNE Student Services & Amenities contribution		850,501	836,642
Rent		52,648	71,093
Other revenue		13,612	38,095
Total other revenue		2,547,801	2,241,489
Note 5. Employee related expenses			
Salaries		4,254,714	2,928,072
Contribution to funded superannuation and pension schemes		418,400	287,608
Payroll tax		253,601	172,741
Worker's compensation		73,766	29,857
Annual & long service leave		56,136	44,819
Other (Allowances, penalties and uniforms)		25,729	38,042
Total employee related expenses		5,082,346	3,501,139
Note 6. Depreciation and amortisation			
Depreciation			
Plant and Equipment		108,502	87,264
Motor Vehicles		32,882	13,931
Total depreciation		141,384	101,195
Amortisation			
Leasehold improvements		51,429	73,017
Intangibles		34,874	34,999
Total amortisation		86,303	108,016
Total depreciation and amortisation		227,687	209,211
Note 7. Repairs and maintenance			
Plant/furniture/equipment/grounds		160,206	162,133
Total repairs and maintenance		160,206	162,133

	Notes	2018 $	2017 $
Note 8. Other expenses			
Cost of Goods Sold		2,790,429	2,360,005
Advertising		38,110	78,666
Cleaning and materials		120,432	117,055
Computer Expenses		36,848	44,717
Insurance		-	5,585
Printing and Stationery		59,510	36,108
Legal		11,804	1,100
Minor Equipment Purchases		133,416	73,337
Security		114,553	48,492
Utilities		276,603	286,204
Rent		109,902	108,469
Merchant fees		52,909	42,967
Personnel services paid*		951,557	1,136,455
Subscriptions and Membership		73,376	66,924
Student Programs and activities		271,028	325,019
Student Experience Expense		291,154	144,184
Impaired intangibles**		25,500	-
Other Expenditure		348,983	243,515
Total other expenses		5,706,114	5,118,802

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

** Australia Post license agreement and Tertiary Access Group Shares were impaired due to a likely nil value of future return on investment

	Notes	2018	2017
Note 9. Cash and cash equivalents	1(g)		
Cash on hand and at bank		1,234,128	956,281
Short term deposits		34,947	34,095
Total cash and cash equivalents		1,269,075	990,376

(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:

	2018	2017
Balances as above	1,269,075	990,376
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,269,075	990,376

(b) Cash on hand

	2018	2017
These are non-interest bearing.	23,967	21,367

(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% and 2.6% (2017 - 1.75% and 2.5%). These deposits have an average maturity of 30 days.

Note 10. Receivables

	Notes	2018	2017
Current			
Trade and other receivables		634,338	1,147,510
Less: Provision for impaired receivables	1(h)	(2,330)	(1,449)
Total receivables		632,008	1,146,061

As of 31 December 2018, trade receivables of $67,263 (2017: $48,129) 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:

	2018	2017
3 to 6 months	34,209	30,916
6 to 12 months	32,714	17,213
Over 12 months	340	-
Total Past due but not impaired current receivables	67,263	48,129

(a) Impaired receivables

As at 31 December 2018 current receivables of the entity with a nominal value of $2,329 (2017: $1,449) were impaired. The amount of the provision was $2,329 (2017: $1,449).

	Notes	2018 $	2017 $

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.

	Notes	2018 $	2017 $
Note 11. Inventories	1(i)		
Current			
Stock on hand		1,123,179	320,290
Total current inventories		1,123,179	320,290

Note 12. Other financial assets

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

These share in the Teritary Access Group Coopoerative were reviewed and impaired in 2018 as the recoverable amount has been assessed as nil.

Note 13. Other non-financial assets

Current		
Prepaid Expenses	7,880	-
Total current other non-financial assets	7,880	-

Note 14. Property, plant and equipment

Plant and equipment - At cost	1,049,687	1,013,982
Less: Accumulated depreciation	(658,852)	(550,350)
	390,835	463,632
Motor Vehicles – At cost	198,109	198,109
Less: Accumulated depreciation	(78,038)	(45,156)
	120,071	152,953
Leasehold improvements - At cost	672,527	672,527
Less: Accumulated Amortisation	(647,203)	(595,774)
	25,324	76,753
Total Property Plant & Equipment	536,230	693,338

Reconciliation

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

Plant and Equipment		
Carrying amount at beginning of year	463,632	384,857
Additions	35,705	166,039
Additions from business transfer	-	-
Disposals	-	-
Depreciation	(108,502)	(87,264)
Carrying amount at end of year	390,835	463,632

	Notes	2018 $	2017 $
Note 14. Property, plant and equipment (continued)			
Motor Vehicles			
Carrying amount at beginning of year		152,953	46,230
Additions		-	120,654
Disposals		-	-
Depreciation		(32,882)	(13,931)
Carrying amount at end of year		120,071	152,953
Leasehold improvements			
Carrying amount at beginning of year		76,753	149,770
Additions		-	-
Disposals		-	-
Amortisation		(51,429)	(73,017)
Carrying amount at end of year		25,324	76,753
Note 15. Intangible assets	1(k)		
Australia Post Licence – At cost		-	25,000
* Australia Post license agreement was impaired due to a likely nil value future return on investment			
Computer Software		170,258	170,258
Additions		5,000	-
Disposals		-	-
Less Amortisation		(107,904)	(73,030)
		67,354	97,228
Total Intangible assets		67,354	122,228
Note 16. Trade and other payables			
Current			
Trade Payables & Accruals		1,125,630	583,455
Income in Advance		146,041	431,822
Funds held in Trust		116,992	117,759
GST payable		8,160	41,936
PAYG Payable		76,294	65,434
Total current trade and other payables		1,473,117	1,240,406
Note 17. Provisions	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		108,730	67,594
Long service leave		13,000	12,000
Subtotal		121,730	79,594
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Long service leave		36,000	25,000
Subtotal		36,000	25,000
Total Current Provision		157,730	104,594
Non-current provisions			
Employee benefits			
Long service leave		71,000	68,000
Total non-current provision		71,000	68,000
Total provisions		228,730	172,594
Summary movements employee benefits			
Carrying amount at start of year		172,594	128,637
Current year movement in provisions			
- Annual Leave		41,136	7,957
- Long Service Leave - current		13,000	12,000
- Long Service Leave - non current		2,000	24,000
Carrying amount at end of year		228,730	172,594

Note 18. Reserves and retained earnings

	2018	2017
	$	$
Retained Earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	1,859,673	2,140,413
Net result for the year	74,086	(280,740)
Retained earnings at 31 December	1,933,759	1,859,673
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

Board of directors in 2018
Dr Kerry Hudson
Mrs Megan Aitken
Prof Peter Creamer

The following persons were appointed to the board in 2018:
Ms Meg Rice - appointed 9th May 2018

The following persons resigned from the board in 2018:

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	2018 No.	2017 No.
Nil to $9,999	3	3
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	21	12

	2018 $	2017 $
Note 21. Remuneration of auditors		
During the year, the following fees were paid for services provided by the auditor of the company, its related practices and non-related audit firms:		
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	43,250	42,000
Total paid for audit services	43,250	42,000

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 2018 of $0 (2017: $0).

(b) Lease Commitments

(i) Operating Leases

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

	2018 $	2017 $
Within one year	143,391	118,872
Between one and five years	20,242	118,872
GST Recoverable	(14,876)	(21,613)
Later than five years	-	-
Total operating leases	148,757	216,131

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 2018, (2017: Nil).

Total commitments	148,757	216,131

No lease arrangements, existing as at 31 December 2018, 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:

	2018	2017
Transactions during the period	$	$
University of New England		
UNE - Commercial transactions	2,781,803	812,000
UNE Support	1,631,040	1,295,659
Student Ammenities Contribution	850,501	836,642
Payments made	(1,661,376)	(1,868,000)
Net	3,601,968	1,076,301
With other related parties (UNE Foundation)		
Income received	-	-
Payments made	5,150	-
Net	5,150	-

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

University of New England		
Receivables	535,720	1,000,480
Payables	(211,046)	(276,535)

(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	74,086	(280,740)
Depreciation and amortisation	227,687	209,211
Net (gain) / loss on impairment	25,500	-
Increase/(Decrease) in Payables and Prepaid Income	232,711	357,443
Increase/(Decrease) in Provision for Employee Entitlements	56,136	43,957
(Increase)/Decrease in Receivables and Prepaid Expenses	506,173	(1,021,213)
(Increase)/Decrease in Inventories	(802,889)	(115,653)
Net cash provided by / (used in) operating activities	319,404	(806,995)

Note 26. Events occuring after the end of the reporting period

There are no reportable events occurring after balance date.

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables (Excludes statutory receivables and prepayments)	10	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	9	Deposits at Call are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	9	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are 2.6%. Average maturity of 330 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2018.	
Creditors and Accruals (Excludes statutory payables and uneamed 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 2018	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	1.80%	1,210,161	34,947			23,967	1,269,075
Receivables & other non-financial assets						632,008	632,008
Unlisted shares						-	-
Total Financial Assets		1,210,161	34,947			655,975	1,901,083
Financial Liabilities							
Borrowings			-	-			-
Payables						1,125,630	1,125,630
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		1,125,630	1,125,630

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 and 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

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 2018	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	1,245,108	(12,451)	(12,451)	12,451	12,451
Receivables	632,008	-	-	-	-
Unlisted shares	-	-	-	-	-
Total Financial Assets	1,877,116				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	1,125,630	-	-	-	-
Other Amounts Owing	-	-	-	-	-
Total Financial Liabilities	1,125,630				
Total increase / (decrease)	751,486				

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	-	-	-	-	-
Creditors	583,455	-	-	-	-
Other Amounts Owing	-	-	-	-	-
Total Financial Liabilities	583,455				
Total increase / (decrease)	1,532,115				

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 held 500 shares in the Tertiary Access Group Cooperative. These unlisted shares were valued at $500. The shares were reviewed and subsequently impaired in 2018 as there is no market for trading and the Tertiary Access Group has undergone amalgamation with other student focused groups in the industry.

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

		Carrying Amount		Fair Value	
	Note	2018	2017	2018	2017
		$	$	$	$
Financial assets					
Cash and cash equivalents	*9*	1,269,075	990,376	1,269,075	990,376
Receivables	*10*	632,008	1,146,061	632,008	1,146,061
Other financial assets	*12*	0	500	0	500
Total financial assets		1,901,083	2,136,937	1,901,083	2,136,937
Financial liabilities					
Payables	*16*	1,473,117	1,240,406	1,473,117	1,240,406
Total financial liabilities		1,473,117	1,240,406	1,473,117	1,240,406

End of Audited Financial Statements