

University of New England



ABN: 75 792 454 315
Annual Financial Report
for the year ended
31 December 2021



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 Statement of Appointed Officers, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the *Government Sector Finance Regulation 2018*
- presents fairly, the financial position, financial performance and cash flows of the University and the consolidated entity

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 (including Independence Standards)' (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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 31 December 2021. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report

Key Audit Matter	How my audit addressed the matter
Fair value measurement of property, plant and equipment	
<p>At 31 December 2021, the University reported \$551.6 million in property, plant and equipment measured at fair value.</p> <p>In 2021, the University:</p> <ul style="list-style-type: none"> revalued land, buildings and infrastructure assets with a closing balance of \$503.5 million recorded a net revaluation increment of \$228.4 million at 31 December 2021 for these asset classes <p>I considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> significance of property, plant and equipment to the University's financial position use of significant assumptions required to estimate fair value judgement and complexities in applying AASB 13 'Fair Value Measurement' requirements. <p>Further information on the fair value measurement of property, plant and equipment is included in Note 19 'Property, plant and equipment' and Note 37 'Fair Value Measurements'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> assessed the competence, capability and objectivity of management's independent valuer assessed the accuracy and completeness of assets included in the revaluation assessed the appropriateness of the methodology and key assumptions and judgements adopted assessed material changes to useful lives agreed valuation amounts to the reported financial statement balances assessed the sufficiency and appropriateness of management's valuation against the requirements of applicable Australian Accounting Standards assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Valuation of defined benefit superannuation and long service leave liabilities	
<p>At 31 December 2021, the University reported:</p> <ul style="list-style-type: none"> defined benefit superannuation liabilities totalling \$289.9 million long service leave liabilities totalling \$19.6 million. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position there is a risk the data used in the defined benefit superannuation and long service leave liability valuation models (the models) is not accurate and/or complete the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involved in the valuation assumptions, including discount rates, salary inflation and other assumptions the value of the liabilities is sensitive to minor changes in key valuation inputs. <p>Further information on the valuation of defined benefit superannuation and long service leave liabilities is included in Note 25 'Provisions' and Note 38 'Defined Benefit Plans'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> understanding the key controls supporting the data used in the models and assessing the completeness and mathematical accuracy of the data used in the models obtaining management's actuarial reports and year-end adjustments, and for defined benefit superannuation liabilities, engaging a qualified actuary (<i>'auditor's expert'</i>) to assess the: <ul style="list-style-type: none"> competence, capability and objectivity of management's independent experts appropriateness of the models reasonableness of key assumptions used reasonableness of the reported liability balances assessing the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

Other Information

The University's annual report for the year ended 31 December 2021, includes other information in addition to 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 Report by the Members of the Council.

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 [Manager]Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2021 Reporting Period', issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003* and the *Australian Research Council Act 2001*. The Council's responsibilities also include such internal control as the Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council 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.

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/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

8 April 2022
SYDNEY

University of New England
Council Report

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 2021.

Members

The following 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
Professor Brigid Heywood, Vice-Chancellor
Ms Jan McClelland AM - Deputy Chancellor
Ms Meredith Symons
Mr David van Aanholt
Mr Russell Evans
Mr Phil Hess
Associate Professor Melanie Fillios
Mrs Jane Schmude
Ms Emma Wellham

The terms of the following members commenced during 2021:

Professor Robyn Bartel, Chair Academic Board (from 22/02/21)
Associate Professor Robyn Cox, Deputy Chair Academic Board (acted as Chair, Academic Board 13/12/2021 to 26/01/2022)
Mr Colin Murray (from 01/09/21)

The terms of the following members expired during 2021:

Professor Mark Perry, Chair Academic Board (until 21/02/21)
Ms Rosemary Leamon (until 17/06/21)
Ms Anne Myers (until 31/03/21)

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 2021, 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:

- the provision of facilities for education and research;
- the provision of courses of study across a range of disciplines;
- the conferring of degrees at Bachelor, Master and Doctoral levels as well as the awarding of other diplomas and certificates;
- the encouragement, dissemination and advancement of knowledge through free enquiry;
- participation in public discourse;
- administration in support of teaching, learning and research activities; and
- 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.

The University anticipates that the coronavirus pandemic will continue to impact on the financial performance of the University in 2022. The impact of COVID-19 on student fee income is likely to reach peak levels in 2022. Operational costs will be necessary to assist students and staff manage infection risk.

*University of New England
Council 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.

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)
Electricity Supply (Safety and Network Management) Regulation 2014
Electricity Supply Act 1995
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)
Native Vegetation Act 2003
Noxious Weeds Act 1993
Ozone Protection Act 1989
Pesticides Act 1999 (NSW)
Plant Diseases Act 1924
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)
State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017
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

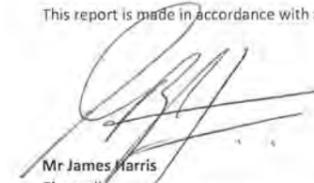
The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representatives of the University, and who are not otherwise indemnified.

*University of New England
Council Report*

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

April 2022

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 2021

Members of Council 2021	Council		Standing Committee		Finance & Infrastructure		Audit & Risk		Innovation & Development		HDT*		Remuneration		Nominations		Investment		EAL ^A			
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B		
The Chancellor																						
Mr James Harris	7	7	1	1	8	8					2	2	5	5	4	4						
The Deputy-Chancellor																						
Ms Jan McClelland AM (See below Members appointed by Council)																						
Official Members																						
Professor Brigid Heywood, Vice-Chancellor	7	7	1	1	8	8	8	8			2	2	5	5	4	4	-	1	2	2	2	
Professor Mark Perry, Chair Academic Board (until 21/02/21)					1	1																
Professor Robyn Bartel, Chair Academic Board (from 22/02/21)	7	7	1	1	5	7					2	2			3	4						
Associate Professor Robyn Cox, Deputy Chair Academic Board (acted as Chair Academic Board 13/12/21 – 26/01/22)					1	1																
Members appointed by the Minister																						
Ms Meredith Symons	6	7			8	8	8	8										1	1	1	1	
Mr David van Aanholt	7	7	1	1	8	8	8	8			2	2	5	5			1	1	1	1		
Members appointed by Council																						
Ms Jan McClelland AM	7	7	1	1	8	8	8	8			2	2	5	5	4	4						
Ms Anne Myers (until 31/03/21)	2	2					2	2													1	
Ms Rosemary Leamon (until 17/06/21)	3	3					2	2													1	
Mr Colin Murray (from 01/09/21)	2	3																			2	
Mr Phil Hess	7	7					8	8														
Mr Russell Evans	7	7	0	1	6	8							5	5							2	
Members elected by academic staff																						
Associate Professor Melanie Fillios	7	7			8	8																
Member elected by non-academic staff																						
Mrs Jane Schmude	6	7																				
Member elected by the students																						
Ms Emma Wellham	7	7	1	1																		

Attended by each Council member were: 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

^AEducation Australia Limited Committee

N.B. Committee members who are non-Council members are not recorded on this table.

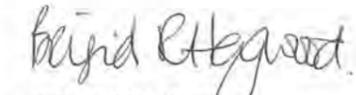
University of New England

STATEMENT BY APPOINTED OFFICERS

In accordance with a resolution of the Council of the University of New England and pursuant to the *Government Sector Finance Act 2018* and the *Government Sector Finance Regulations 2018*, we state that:

1. The financial statements present fairly the consolidated financial position of the University and its controlled entities at 31 December 2021 and the financial performance and cash flows of the economic entity for the year then ended;
2. The financial statements have been prepared in accordance with the provisions of the New South Wales *Government Sector Finance Act 2018*, *Government Sector Finance Regulation 2018*, and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2021 Reporting Period" issued by the Australian Government Department of Education, Skills and Employment;
3. The financial statements 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 Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure; and
7. The University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.


Mr James Harris
Chancellor


Professor Brigid Heywood
Vice-Chancellor & CEO

Being Councillors of the University authorised in accordance with a resolution of Council.

University of New England
Armidale, NSW
April 2022

University of New England
2021 Financial StatementsIncome Statement
for the year ended 31 December 2021

	Note	Consolidated		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue and income from continuing operations					YTD
Australian Government financial assistance					
Australian Government grants	3.1	186,639	156,859	186,690	156,859
HELP - Australian Government payments	3.1	83,837	97,619	83,837	97,619
State and local government financial assistance	3.2	10,201	14,519	9,544	13,634
HECS-HELP - Student payments	3.2	7,819	8,759	7,819	8,759
Fees and charges	3.3	42,857	47,217	40,324	43,153
Royalties, trademarks and licences	3.4	114	152	109	157
Consultancy and contracts	3.5	2,780	2,299	212	342
Other income	3.6	37,427	32,987	25,093	18,431
Other revenue	3.6	751	129	825	1,531
Investment income (net gains/losses)	4	86,222	8,081	84,452	7,232
Gains on disposal of assets		975	207	(335)	207
Total revenue and income from continuing operations		459,623	368,828	438,570	347,924
Expenses from continuing operations					
Employee related expenses	5	196,475	239,381	183,800	225,877
Depreciation and amortisation	6	26,009	27,052	25,113	26,105
Repairs and maintenance	7	8,152	7,941	9,727	9,630
Borrowing costs	8	549	92	542	84
Impairment of assets	9	8,865	179	8,829	166
Deferred superannuation expense	5/38	325	240	325	240
Other expenses	10	116,598	110,266	110,815	104,817
Total expenses from continuing operations		356,974	385,151	339,151	366,919
Net result before income tax from continuing operations		102,648	(16,323)	99,419	(18,995)
Income tax (expense)/benefit	11	-	67	-	-
Net result attributable to members from continuing operations	27(b)	102,648	(16,256)	99,419	(18,995)

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

University of New England
2021 Financial StatementsStatement of Comprehensive Income
for the year ended 31 December 2021

	Note	Consolidated		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net result after income tax for the period		102,648	(16,256)	99,419	(18,995)
Items that will be reclassified to profit or loss					
Reclassification adjustments (i.e. recycling from OCI to P&L)		-	-	-	-
Total		-	-	-	-
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	27	232,788	13,539	232,403	13,232
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	27	(41,174)	20,738	(41,174)	20,569
Net actuarial losses/(gains) recognised in respect of defined benefit plans	27	309	(234)	309	(234)
Total		191,923	34,043	191,538	33,567
Total other comprehensive income		191,923	34,043	191,538	33,567
Total comprehensive income attributable to members of the University of New England		294,572	17,787	290,957	14,572

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

University of New England
2021 Financial StatementsStatement of Financial Position
as at 31 December 2021

	Note	Consolidated		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets					YTD
Current assets					
Cash and cash equivalents	12	126,319	86,706	116,360	77,725
Receivables	13	27,277	27,404	25,565	25,633
Contract assets	13	1,813	7,212	1,813	7,212
Inventories	14	1,257	1,160	140	150
Other financial assets	15	48,145	47,626	48,145	48,031
Other non-financial assets	16	42,371	13,925	42,327	13,151
Biological assets	18	2,057	2,331	2,057	2,331
Total current assets		249,239	186,364	236,407	174,233
Non-current assets					
Receivables	13	268,626	290,397	268,626	290,397
Other financial assets	15	118,693	92,890	83,105	62,154
Property, plant and equipment	19	556,315	344,411	551,636	339,702
Deferred tax assets	21	-	67	-	-
Intangible assets	20	7,302	6,386	6,247	5,635
Total non-current assets		950,934	734,151	909,612	697,888
Total assets		1,200,174	920,515	1,146,020	872,121
Liabilities					
Current liabilities					
Trade and other payables	22	9,173	5,519	7,450	3,749
Borrowings	23	9,526	1,334	9,408	1,189
Provisions	25	50,258	50,876	48,418	49,141
Other liabilities	26	47,906	46,557	46,376	44,415
Contract liabilities	22	9,770	11,182	8,640	9,744
Total current liabilities		126,633	115,468	120,291	108,238
Non-current liabilities					
Borrowings	23	37,750	44,900	37,493	44,560
Provisions	25	280,455	303,070	280,202	302,811
Contract liabilities	22	1,323	940	1,016	716
Other liabilities	26	24,200	21,694	217	578
Total non-current liabilities		343,729	370,604	318,929	348,665
Total liabilities		470,362	486,072	439,220	456,903
Net assets		729,812	434,443	706,800	415,218
Equity					
Reserves	27 (a)	362,558	171,113	360,254	169,026
Retained earnings	27 (b)	367,254	263,330	346,546	246,193
Parent entity interest		729,812	434,443	706,800	415,219
Total equity		729,812	434,443	706,800	415,219

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

University of New England
2021 Financial StatementsStatement of Changes in Equity
for the year ended 31 December 2021

	Consolidated			Parent Entity		
	Reserves \$'000	Retained earnings \$'000	Total \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2020	135,758	286,184	421,942	134,147	271,477	405,624
Retrospective changes	-	(5,287)	(5,287)	-	(4,979)	(4,979)
Balance as restated	135,758	280,897	416,655	134,147	266,498	400,644
Net result after income tax	-	(16,256)	(16,256)	-	(18,995)	(18,995)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	13,539	-	13,539	13,232	-	13,232
Gain/(loss) on financial assets at fair value through OCI	20,738	-	20,738	20,569	-	20,569
Remeasurements of Defined Benefit Plans	-	(234)	(234)	-	(234)	(234)
Total comprehensive income	34,278	(16,490)	17,788	33,802	(19,228)	14,573
Transfer to/(from) retained earnings on revaluation of assets	1,077	(1,077)	-	1,077	(1,077)	-
Balance at 31 December 2020	171,113	263,330	434,443	169,026	246,193	415,219
Balance at 1 January 2021	171,113	263,330	434,443	169,026	246,193	415,219
Retrospective changes (1)	-	458	458	-	458	458
Balance as restated	171,113	263,788	434,901	169,026	246,651	415,677
Net result after income tax	-	102,648	102,648	-	99,419	99,419
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	232,788	-	232,788	232,403	-	232,403
Gain/(loss) on financial assets at fair value through OCI	(41,174)	-	(41,174)	(41,174)	-	(41,174)
Remeasurements of Defined Benefit Plans	-	309	309	-	309	309
Ceasing of controlled entity	(170)	342	172	-	-	-
Total comprehensive income	191,445	103,298	294,743	191,229	99,728	290,957
Transfer to/(from) retained earnings on revaluation of assets	-	165	165	-	165	165
Balance at 31 December 2021	362,558	367,251	729,809	360,255	346,543	706,799

(1) Retrospective changes relate to the recognition of income under AASB15 that was incorrectly recorded in previous years.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

University of New England
2021 Financial StatementsStatement of Cash Flows
for the year ended 31 December 2021

Note	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities				
Australian Government grants	276,730	255,370	276,730	255,370
OS-HELP (net)	-	1,880	-	1,880
Superannuation supplementation	19,151	19,476	19,151	19,476
State Government Grants	7,439	11,380	7,439	11,380
HECS-HELP - Student payments	8,863	10,768	8,863	9,883
Receipts from student fees and other customers	93,977	97,702	72,535	77,259
Dividends received	6,369	4,657	6,068	4,461
Interest received	1,459	2,267	1,081	1,996
Payments to suppliers and employees (inclusive of GST)	(351,583)	(386,403)	(333,088)	(367,433)
Interest and other costs of finance	(436)	(97)	(424)	(84)
GST recovered	5,337	5,163	5,399	5,406
Short-term lease payments	(532)	(393)	(532)	(393)
Variable lease payments not included in the measurement of the lease liability	(298)	(107)	(298)	(107)
Net cash provided by / (used in) operating activities	35	66,478	21,663	62,925
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangibles and other long-term assets	8	252	8	206
Payments to acquire property, plant and equipment, intangibles and other long-term assets	(17,524)	(28,163)	(17,105)	(27,428)
Payments for financial assets	(63,144)	8,625	(30,607)	11,226
Proceeds from sale of financial assets	55,190	2,507	24,315	70
Loans to related parties	405	(250)	405	(250)
Net cash provided by / (used in) investing activities	(25,064)	(17,028)	(22,984)	(16,177)
Cash flows from financing activities				
Proceeds from/repayment of borrowings	(396)	39,421	-	40,000
Repayment of lease liabilities	(1,406)	(1,371)	(1,306)	(1,241)
Other financing inflows	-	342	-	-
Net cash provided by / (used in) financing activities	(1,802)	38,392	(1,306)	38,759
Net increase / (decrease) in cash and cash equivalents	39,612	43,028	38,635	41,676
Cash and cash equivalents at the beginning of the financial year	86,707	43,678	77,725	36,049
Cash and cash equivalents at the end of the financial year	126,319	86,706	116,360	77,725

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

University of New England
2021 Financial Statements

Notes to the financial statements

Note		Page
1	Summary of significant accounting policies	12
2	Disaggregated information	15
Revenue		
3	Revenue and income	15
4	Investment income	22
Expenses		
5	Employee related expenses	23
6	Depreciation and amortisation	24
7	Repairs and maintenance	24
8	Borrowing costs	24
9	Impairment of assets	25
10	Other expenses	25
11	Income Tax	26
Assets		
12	Cash and cash equivalents	26
13	Receivables and contract assets	27
14	Inventories	28
15	Other financial assets	28
16	Other non-financial assets	32
17	University as lessor	32
18	Biological assets	33
19	Property, plant and equipment	34
20	Intangible assets	39
Liabilities		
21	Deferred tax assets and liabilities	42
22	Trade and other payables	42
23	Borrowings	43
24	The Group as lessee	44
25	Provisions	45
26	Other liabilities	47
Equity		
27	Reserves and retained earnings	48
Other		
28	Key management personnel disclosures	49
29	Remuneration of auditors	50
30	Contingencies	50
31	Commitments	51
32	Related parties	51
33	Subsidiaries	52
34	Events occurring after the end of the reporting period	52
35	Reconciliation of net result after income tax to net cash provided by/(used in) operating activities	53
36	Financial risk management	53
37	Fair value measurements	56
38	Defined benefits plans	60
39	Acquittal of Australian Government financial assistance	69

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

As per AASB 1054 *Australian Additional Disclosures*, 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 Australian Accounting Standards Board.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines), and
- *Government Sector Finance Act 2018 and the Government Sector Finance Regulation 2018*

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

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University Council on 31 March 2022.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets that have been measured at fair value either through other comprehensive income or profit or loss, and certain classes of property, plant and equipment that are carried at revalued amounts.

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. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements include the valuation of land, buildings and infrastructure (note 19), long service leave and annual leave provisions (note 25), valuation of equity instruments (note 37) and Defined Benefit Superannuation Plans (note 38).

(b) Basis of consolidation**Subsidiaries**

The consolidated financial statements represent the financial statements of the parent entity, being the University of New England (the University or Parent), and the assets and liabilities of all entities it controlled in accordance with AASB 10 *Consolidated Financial Statements* as at 31 December 2021 or during the financial year, and are together referred to as the Consolidated Entity or Group. Control is established when the Parent is exposed or has rights to the variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Controlled entities are consolidated on the date on which control is transferred to the University. They are de-consolidated from the date that control ceases. The current list of subsidiaries is provided in note 33.

Intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated.

(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.

Note 1. Summary of significant accounting policies (continued)**(c) Foreign currency translation (continued)****(ii) Transactions and balances (continued)**

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

(d) Income tax

The University of New England and four of its five controlled entities do not provide for Australian income tax as they are exempt under the provisions of *Division 50 of the Income Tax Assessment Act 1997*. The University's fifth controlled entity, Ag360, was incorporated in 2020 is not income tax exempt. Ag360 was wound up and deregistered during 2021 and did not incur an income tax charge in respect of the year ended 31 December 2021.

(e) Rounding of amounts

Amounts in the financial statements 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 AASB 138.21 for recognition and initial measurement, the University or controlled entity satisfies the requirements in AASB 138.57. When these criteria cannot be satisfied, all expenditure on developing such a website is 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 is not recoverable. In this case, it is recognised as part of the cost of acquisition of the asset or is included 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 2021 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	Description	Application date	Implication
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of liabilities as Current or Non-Current	1 Jan 2023	Not expected to have a material effect
AASB17 and AASB2020-5	Insurance Contracts and Amendments to Australian Accounting Standards – Insurance Contracts	1 Jan 2023	Not expected to have a material effect
AASB2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018–2021 and Other Amendments	1 Jan 2022	Not expected to have a material effect
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting	1 Jan 2023	Not expected to have a material effect
AASB2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023	Not expected to have a material effect

University of New England
2021 Financial Statements

(j) Initial application of AAS

Adoption of new accounting standards and interpretations effective for the 31 December 2021 period did not have a material impact on the consolidated financial statements.

(k) Initial application of International Financial Reporting Standards Interpretation Committee (IFRIC) Agenda Decisions

In April 2021, IFRIC published an agenda decision relating to the accounting for configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement. As a result, the University has changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements. The change in accounting policy did not have a material impact on the amounts carried as intangible assets in the Statement of Financial Position.

The remainder of this page is intentionally blank.

University of New England
2021 Financial Statements

Note 2. Disaggregated information

Geographical (Consolidated Entity)	Revenue and income from					
	transactions*		Results		Assets	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	458,063	367,654	102,664	(16,138)	1,200,174	920,516
US/Canada	361	369	(4)	(37)	-	-
Unallocated	1,199	805	(12)	(81)	-	-
Total	459,623	368,828	102,648	(16,256)	1,200,174	920,516

*Includes Revenue from Contracts with Customers in scope of AASB 15 and Income of not-for-profit Entities in scope of AASB 1058.

Note 3. Revenue and Income

Notes 3.1 to 3.6 disclose the revenue and income received during the period according to the mandatory disclosures required by the Department. The disclosures as per AASB 15 and AASB 1058 are included in the note 3.7 and a reconciliation is included in note 3.8.

Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP)

Note	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(a) Commonwealth Grant Scheme and Other Grants	39a			
Commonwealth Grant Scheme #1	119,657	104,051	119,657	104,051
Indigenous, Regional and Low-SES Attainment Fund #2	12,748	10,066	12,748	10,066
Higher Education Disability Support Program #3	219	158	219	158
National Priorities and Industry Linkage Fund	4,750	-	4,750	-
Indigenous Student Success Program #4	2,598	2,303	2,598	2,303
Total Commonwealth Grant Scheme and Other Grants	139,972	116,578	139,972	116,578
(b) Higher Education Loan Programs	39b			
HECS-HELP	68,739	81,507	68,739	81,507
FEE-HELP	12,740	13,589	12,740	13,589
SA-HELP	2,358	2,523	2,358	2,523
Total Higher Education Loan Programs	83,837	97,619	83,837	97,619
(c) EDUCATION Research	39c			
Research Training Program	9,083	9,114	9,083	9,114
Research Support Program	15,640	7,547	15,640	7,547
Total EDUCATION Research Grants	24,723	16,661	24,723	16,661
(d) Australian Research Council	39e			
Discovery	1,087	1,383	1,087	1,383
Linkages	431	314	431	314
Total ARC	1,518	1,697	1,518	1,697
(e) Other Australian Government financial assistance	39f			
Non-capital				
Co-operative Research Centres	426	999	426	999
Other Research Financial Assistance	18,082	18,968	18,082	18,968
Non-Research Financial Assistance	1,917	1,956	1,968	1,956
Total other Australian Government financial assistance	20,425	21,923	20,476	21,923
Total Australian Government financial assistance	270,475	254,478	270,526	254,478

#1 Includes the basic CGS grant amount, Medical Student Loading, Transition Fund Loading, Allocated Places and Non-Designated Courses.

#2 Includes the Higher Education Participation and Partnership Program, Regional Loading and Enabling Loading.

#3 Higher Education Disability Support Program includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.

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

University of New England
2021 Financial Statements**Note 3. Revenue and Income (continued)****Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP)****Note 3.2. State and Local Government financial assistance**

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-capital				
Research grants	6,574	9,764	6,574	9,764
Non research grants	3,627	4,755	2,970	3,870
Total State and Local Government financial assistance	10,201	14,519	9,544	13,634
HECS HELP Student Payments				
HECS HELP Student Payments	7,819	8,759	7,819	8,759

Note 3.3 Fees and charges

Note	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Course fees and charges				
Fee-paying onshore overseas students	21,278	28,187	21,278	28,187
Fee-paying domestic postgraduate students	2,298	2,010	2,298	2,010
Fee-paying domestic undergraduate students	214	248	214	248
Fee-paying domestic non-award students	298	341	298	341
Other domestic course fees and charges	9,405	9,353	7,174	6,395
Total course fees and charges	33,493	40,139	31,262	37,181
Other non-course fees and charges				
Student services and amenities fees from students	1,044	1,124	1,044	1,124
Parking fees	396	-	396	-
Conference income	197	89	197	89
College residential rental	7,200	4,414	7,199	4,413
Other non course fees and charges	527	1,451	226	346
Total other fees and charges	9,364	7,078	9,062	5,972
Total fees and charges	42,857	47,217	40,324	43,153

Note 3.4 Royalties, trademarks and licences

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Royalties, trademarks and licences	114	152	109	157
Total royalties, trademarks and licences	114	152	109	157

Note 3.5 Consultancy and contract fees

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Consultancy	2,635	2,101	67	144
Contract research	145	198	145	198
Total consultancy and contract fees	2,780	2,299	212	342

University of New England
2021 Financial Statements**Note 3. Revenue and Income (continued)****Note 3.6 Other income and revenue**

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other income				
Donations and bequests	1,437	3,819	151	2,346
Non-government grants	7,557	4,830	7,557	4,830
Sundry trading income	28,428	24,318	17,380	11,235
Foreign exchange gains	5	20	5	20
Total other income	37,427	32,987	25,093	18,431
Other revenue				
Other revenue	751	129	825	1,531
Total other revenue	751	129	825	1,531
Total other income and revenue	38,178	33,116	25,918	19,962

Note 3.7 Revenue and Income from continuing operations**Basis for Disaggregation**

Sources of funding: The Group receives funds from the Australian Government as well as State and Local Governments to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the Group also receives funds and fees from private organisations or individuals that are used for the different programs led by the Group or correspond to the education services provided by the Group.

Revenue and income streams: the streams are distinguishing the different activities performed by the Group as well as acknowledge the different type of users of the programs and services provided.

Note 3. Revenue and Income (continued)
Note 3.7 Revenue and Income from continuing operations (continued)

a) Disaggregation

	Higher Education Loan Program ("HELP") \$'000	Student Fees \$'000	Consolidated Sources of Funding				Commercial arrangements \$'000	Donations, including corporate sponsorship \$'000	Others \$'000	Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
			Australian Government financial assistance \$'000	State and Local Government financial assistance \$'000	State and Local Government financial assistance \$'000	State and Local Government financial assistance \$'000					
Revenue and Income Streams											
Course fees and charges											
Domestic students undergraduate and postgraduate	89,297	2,809	139,921	657	2,533	-	-	-	235,216	-	
Onshore overseas students undergraduate	-	17,214	-	-	-	-	-	-	17,214	-	
Onshore overseas students postgraduate	-	4,065	-	-	-	-	-	-	4,065	-	
Continuing education and executive programs	-	7,174	-	-	-	-	-	-	7,174	-	
Total course fees and charges	89,297	31,262	139,921	657	2,533	-	-	-	263,669	-	
Research											
Research goods and services [AASB15]	-	-	18,509	6,575	7,393	-	-	-	32,477	-	
Research income [AASB1058]	-	-	26,242	-	4	-	-	-	-	26,246	
Total research	-	-	44,751	6,575	7,397	-	-	-	32,477	26,246	
Non-course fees and charges											
Parking fees	-	-	-	-	-	-	-	396	396	-	
Use of facilities charges	-	6,448	1,044	-	-	-	-	197	7,689	-	
Testing services	-	-	-	-	6,518	-	-	-	6,518	-	
Commercial sales (e.g. sale of books and publications)	-	751	-	-	-	-	-	-	751	-	
Other	-	41	-	-	-	-	-	515	556	-	
Total non-course fees and charges	-	7,240	1,044	-	6,518	-	-	1,108	15,910	-	
Royalties											
Other [AASB15]	2,358	-	1,935	33	8,471	-	-	20,236	33,033	-	
Other [AASB1058]	-	-	-	-	-	977	-	-	977	-	
Total other	2,358	-	1,935	33	8,471	977	20,236	33,033	33,033	977	
Total revenue from contracts with customers	91,655	38,502	161,409	7,265	25,028	-	21,344	345,202	-	-	
Total income of not-for-profit	-	-	26,242	-	4	977	-	-	-	27,223	

Page 18

Note 3. Revenue and Income (continued)
Note 3.7 Revenue and Income from continuing operations (continued)

	Higher Education Loan Program ("HELP") \$'000	Student Fees \$'000	Parent entity Sources of Funding				Commercial arrangements \$'000	Donations, including corporate sponsorship \$'000	Others \$'000	Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
			Australian Government financial assistance \$'000	State and Local Government financial assistance \$'000	State and Local Government financial assistance \$'000	State and Local Government financial assistance \$'000					
Revenue and Income Streams											
Course fees and charges											
Domestic students undergraduate and postgraduate	89,297	2,809	139,972	-	-	-	-	-	232,078	-	
Onshore overseas students undergraduate	-	17,214	-	-	-	-	-	-	17,214	-	
Onshore overseas students postgraduate	-	4,065	-	-	-	-	-	-	4,065	-	
Continuing education and executive programs	-	7,174	-	-	-	-	-	-	7,174	-	
Total course fees and charges	89,297	31,262	139,972	-	-	-	-	-	260,530	-	
Research											
Research goods and services [AASB15]	-	-	18,509	6,575	7,393	-	-	-	32,477	-	
Research income [AASB1058]	-	-	26,242	-	4	-	-	-	-	26,246	
Total research	-	-	44,751	6,575	7,397	-	-	-	32,477	26,246	
Non-course fees and charges											
Parking fees	-	-	-	-	-	-	-	396	396	-	
Use of facilities charges	-	6,448	1,044	-	-	-	-	197	7,689	-	
Commercial sales (e.g. sale of books and publications)	-	751	-	-	-	-	-	-	751	-	
Other	-	41	-	-	-	-	-	515	556	-	
Total non-course fees and charges	-	7,240	1,044	-	6,518	-	-	1,108	9,392	-	
Royalties											
Other [AASB15]	2,358	-	1,935	33	160	-	977	20,236	24,722	-	
Other [AASB1058]	-	-	-	-	-	-	-	-	-	977	
Total other	2,358	-	1,935	33	160	977	20,236	24,722	24,722	977	
Total revenue from contracts with customers	91,655	38,502	161,460	6,608	7,662	-	21,344	327,230	-	-	
Total income of not-for-profit	-	-	26,242	-	4	977	-	-	-	27,223	

Page 19

University of New England
Notes to the 2021 Financial Statements

Note 3. Revenue and Income (continued)

Note 3.7 Revenue and Income from continuing operations (continued)

b) Accounting policies and significant accounting judgements and estimates

Revenue from contracts with customers

Course fees and charges

The course fees and charges revenue relate to undergraduate programs, graduate and professional degree programs and continuing education and executive programs. Course fees are charged to students by academic term. Income is recognised over the period in which students are studying.

When the courses or training have been paid in advanced by students or the Group has received the government funding in advance (e.g. before starting the academic period) the Group recognises a contract liability until the services are delivered.

The Group has to return or refund obligations or other similar obligations. Where it does, this is mainly applicable if the student withdraws prior to the census date for that course. The amounts refunded are not material in nature.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

Research

The University performs research activities in different fields such as health, education, agriculture or science. The University enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants.

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction and is recognised in accordance with either AASB 15 or AASB 1058. When AASB 15 does not apply to a transaction or part of a transaction, the Group then considers whether AASB 1058 applies.

The following specific research revenue recognition criteria have been applied:

- Funding received from Australian Research Council (ARC) is recognised as per *AASB 15 Revenue from Contracts with Customers* as specific measurable performance obligations exist. Revenue is recognised over time as the service is being provided.
- Funding received from the Department of Education in relation to the Research Training Program and Research Support Program is recognised under *AASB 1058 Income of Not-for-Profit Entities* as no specific measurable performance obligations exist. Revenue is recognised when the University gains control of the funds.
- Funding received from government and non-government entities is recognised as per AASB 15 either over time when the Group satisfies the performance obligations, or at a point in time at the conclusion of the agreement, when the Group satisfied the performance obligation. Typically, performance obligations are satisfied where access to information and research material, which is defined as the project proposal and summary, progress reports and final reports, and the nature of the research materials (as defined by the agreement) includes the underlying research data, findings or publications created from that data.

Non-course fees and charges

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, publications and testing services.

Revenue is recognised at a point in time when the service has been performed.

Other

Other revenue that is within the scope of AASB 15 mainly relates to non-government grants and business income.

Revenue is recognised at a point in time when the service has been performed.

Royalties, trademarks and licences

Revenue from royalties, trademarks and licences are recognised in accordance with the relevant agreement.

University of New England
Notes to the 2021 Financial Statements

Note 3. Revenue and Income (continued)

Note 3.7 Revenue and Income from continuing operations (continued)

c) Unsatisfied performance obligations

Remaining performance obligations represent services the Group has promised to provide customers under existing agreements which are satisfied as the services are provided over the contract term or at a point in time until the obligation is met. In determining the transaction price, the Group assesses transaction price and any variable considerations contained within the contract with the customer.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Within 1 year \$'000	From 1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Consolidated				
Contract liabilities	28,737	1,323	-	30,060
Parent				
Contract liabilities	27,431	1,016	-	28,447

d) Assets and liabilities related to contracts with customers

The Group has recognised assets and liabilities related to contracts with customers in note 13 and note 22 respectively.

Contract assets

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer when that right is conditioned on something other than the passage of time.

The Group's contract assets are associated with Government funding for HELP Loan Programs as well as Commonwealth Education Grants for performance obligations satisfied in 2021 for which payments have not been received.

Impairment associated with contract assets is disclosed in note 13.

While a receivable is the Group's right to consideration that is unconditional, a contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to the customer when that right is conditioned on something other than the passage of time.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group recognises contract liabilities as at 31 December 2021, in relation to teaching revenue that had been received but which related to services to be provided in the second part of the third trimester which would fall within the 2022 financial year. These are included under 'Fees in advance' reported under Note 26.

Income of not-for-profit

The Group recognises donations as income under AASB 1058 unless they meet requirements of AASB9 as a financial liability. This revenue is recognised under AASB1058 when the donation is received, unless the donation is considered tied funding in which case it is recognised as a financial liability in the financial statements and recognised as revenue when cash or other financial assets are transferred to the ultimate recipient.

University of New England
Notes to the 2021 Financial Statements

Note 3. Revenue and Income (continued)

Note 3.8 Reconciliation of revenue and income

The following table reconciles the amounts disclosed in notes 3.1 to 3.6 which contain the mandatory disclosures required by the department and the disclosures provided in note 3.7 as per AASB 15 and AASB 1058:

	Note	Consolidated		Parent entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	3.1	270,476	254,478	270,527	254,478
Total State and Local Government financial assistance	3.2	10,201	14,519	9,544	13,634
Total HECS HELP Student Payments	3.2	7,819	8,759	7,819	8,759
Total Fees and charges	3.3	42,857	47,217	40,324	43,153
Total Royalties, trademarks and licences	3.4	114	152	109	157
Total Consultancy and contract fees	3.5	2,780	2,299	212	342
Total Other revenue and income	3.6	38,178	33,116	25,918	19,963
Total		372,425	360,539	354,453	340,485
Total Revenue from contracts with customers as per AASB15	3.7	345,202	336,737	327,230	318,249
Total Income of not-for-profit as per AASB1058	3.7	27,223	23,802	27,223	22,236
Total Revenue and Income from continuing operations		372,425	360,539	354,453	340,485

Note 4. Investment income

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest				
Bank deposits	590	706	157	452
Loans and receivables	924	1,191	924	1,191
Total interest	1,514	1,897	1,081	1,643
Dividends				
Equity instruments designated at fair value through OCI	84,587	6,391	83,371	5,589
Total dividends	84,587	6,391	83,371	5,589
Net fair value gains (losses):				
Financial assets designated at fair value through profit or loss	121	(207)	-	-
Total net fair value gains (losses)	121	(207)	-	-
Investment income (gains/losses)	86,222	8,081	84,452	7,232

With the exception of tied investment returns derived by the UNE Foundation Trust, interest income is recognised as it is earned and dividend revenue is recognised as revenue when the right to receive payment is established. UNE Foundation Trust accumulates tied investment returns as a liability and recognises income when the liability is extinguished.

The significant increase in dividends in 2021 relate to the in specie and cash distributions from Education Australia Ltd as a result of its divestment of its holdings in IDP Education Ltd. Refer to Note 15 for further details.

University of New England
Notes to the 2021 Financial Statements

Note 5. Employee related expenses

Note	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Academic				
Salaries	70,880	84,847	70,880	84,847
Contributions to superannuation and pension schemes				
Contributions to funded schemes	11,229	13,128	11,229	13,128
Payroll tax	4,156	5,655	4,156	5,655
Worker's compensation	709	586	709	586
Long service leave expense	692	3,335	692	3,335
Annual leave	5,756	6,183	5,756	6,183
Other	195	170	195	170
Total academic	93,617	113,904	93,617	113,904
Non-academic				
Salaries	76,870	95,363	66,385	84,040
Contributions to superannuation and pension schemes				
Contributions to funded schemes	12,659	13,575	11,588	12,510
Payroll tax	4,445	5,673	3,855	5,032
Worker's compensation	849	653	721	522
Long service leave expense	725	2,873	648	2,817
Annual leave	6,162	6,233	5,928	5,955
Other	1,148	1,107	1,058	1,097
Total non-academic	102,858	125,477	90,183	111,973
Total employee related expenses	196,475	239,381	183,800	225,877
Deferred superannuation expense	38	325	240	325
Total employee related expenses, including deferred government employee benefits for superannuation	196,800	239,621	184,125	226,117

During 2021, as part of the University's Time for Change program, offers of voluntary redundancy from 18 employees were accepted. A one-off cost of \$2.8 million for employee related expenses was incurred.

Contributions to superannuation schemes 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:

- when the plan amendment or curtailment occurs; and
- 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 2021, 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 25). An increase of \$0.5 million was recognised during the year for payroll tax to increase the \$4.7 million accrued from 31 December 2020. Future payroll tax liability on the unfunded defined superannuation fund has been assessed by the actuary at \$5.2 million as at 31 December 2021.

University of New England
Notes to the 2021 Financial Statements

Note 6. Depreciation and amortisation

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	13,312	13,864	13,205	13,768
Infrastructure	3,547	3,386	3,542	3,381
Plant and equipment	6,521	7,688	6,224	7,382
Right-of-use assets - leasing assets	1,594	1,232	1,464	1,101
Total depreciation	24,974	26,170	24,435	25,632
Amortisation				
Leasehold improvements	-	4	-	-
Intangibles	1,035	878	678	473
Total amortisation	1,035	882	678	473
Total depreciation and amortisation	26,009	27,052	25,113	26,105

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:

	2021
Buildings	3 – 100 years
Infrastructure	10 – 100 years
Vehicles	5 years
Furniture and fittings	7 – 20 years
Information technology equipment and software	3 – 15 years
Internally developed software	10 years
Plant and equipment	5 – 15 years
Right-of-use assets – property	1 – 8 years

During 2021, based on advice from its external expert valuer, the University extended the upper range of the useful life of buildings and infrastructure from 60 years to 100 years.

Note 7. Repairs and maintenance

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Buildings	1,638	1,570	1,638	1,570
Infrastructure	1,897	1,817	3,664	3,674
Plant, furniture and equipment	552	759	360	591
Grounds	904	265	904	265
Computer service costs	3,161	3,530	3,161	3,530
Total repairs and maintenance	8,152	7,941	9,727	9,630

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 8. Borrowing costs

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest expense on financial liabilities	476	21	469	13
Interest expense for long-term lease ROU assets	73	71	73	71
Total borrowing costs expensed	549	92	542	84

University of New England
Notes to the 2021 Financial Statements

Note 8. Borrowing costs (continued)

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.

Finance charges in respect of finance leases are included in the definition of borrowing costs. For interest expense on lease liabilities, refer to note 24 which details the policy for lease accounting where the Group is a lessee.

Note 9. Impairment of assets

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Impairment of receivables and contract assets (note 13 & 36)	445	167	424	166
Impairment of other financial assets (note 15)	173	-	173	-
Property, plant & equipment (incl. ROU assets) (note 19)	8,190	12	8,175	-
Impairment of financial assets	57	-	57	-
Total impairment of assets	8,865	179	8,829	166

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 purpose 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 impairment are reviewed for possible reversal of the impairment at each reporting date.

The University wrote-off \$8.2m in work in progress costs related to some building activities where they are not likely to contribute to future economic benefits or service potential of the University.

For further information on accounting policies of impairment of financial assets, refer to note 13 and note 15.

Note 10. Other expenses

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	14,886	15,398	13,797	13,829
Non-capitalised equipment	747	947	661	883
Advertising, marketing and promotional expenses	12,375	10,227	12,161	10,034
Utilities	4,214	4,247	3,856	3,942
Consumables and materials	4,378	6,127	2,089	3,817
Telecommunications	1,027	1,050	517	674
Travel, entertainment and staff development	1,738	2,242	1,651	2,140
Books, serials and other library media	5,337	5,562	5,339	5,567
Printing and Stationery	467	535	445	507
Consultants and professional fees	24,319	22,638	22,785	21,213
External contributions	12,530	14,183	15,127	16,605
Catering services	1,104	969	1,167	966
Property and facilities	5,944	5,215	5,877	5,164
Foreign exchange loss	(90)	224	(90)	224
Information technology	12,880	9,260	12,880	9,217
Miscellaneous expenses	14,742	11,442	12,553	10,035
Total other expenses	116,598	110,266	110,815	104,817

University of New England
Notes to the 2021 Financial Statements

Note 11. Income Tax**(a) Income tax expense/(benefits)**

	2021		2020	
	\$'000	\$'000	\$'000	\$'000
Deferred tax	-	67	-	-
Total	-	67	-	-
Deferred income tax (income) / expense included in income tax expense comprises:				
Decrease / (increase) in deferred tax assets	-	(67)	-	-
Total	-	(67)	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Tax at the Australian tax rate of 30% (2020 30%)	-	(71)	-	-
Amortisation of intangibles	-	(1)	-	-
Other non-allowable items	-	5	-	-
Total income tax expense:	-	(67)	-	-

Note 12. Cash and cash equivalents

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	106,675	78,403	102,360	72,671
Short-term deposits at call	19,644	8,304	14,000	5,055
Total cash and cash equivalents	126,319	86,706	116,360	77,725

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

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

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balances as above	126,319	86,706	116,360	77,725
Balance per statement of cash flows	126,319	86,706	116,360	77,725

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns only a nominal rate of interest.

(c) Deposits at call

The deposits are bearing floating interest rates between 0.01% and 0.55% (2020 – 0.25% and 0.80%).

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.

University of New England
Notes to the 2021 Financial Statements

Note 13. Receivables and contract assets

Note	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade and other debtors	9,104	8,369	7,308	6,536
Less: allowance for expected credit losses	(1,406)	(1,068)	(1,322)	(1,006)
Subtotal	7,698	7,301	5,986	5,530
Deferred government benefit for superannuation	38	19,579	20,103	19,579
Total current receivables	27,277	27,404	25,565	25,633
Non-current				
Other receivables	341	-	341	-
Deferred government benefit for superannuation	38	268,285	290,397	268,285
Total non-current receivables	268,626	290,397	268,626	290,397
Total receivables	295,903	317,801	294,191	316,030

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days. Receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Contract assets	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract assets - current	1,813	7,212	1,813	7,212
Subtotal	1,813	7,212	1,813	7,212

As at 31 December 2021, the Group has contract assets of \$1.81 million. There was no allowance for expected credit losses in relation to contract assets as the Group does not expect to incur any credit losses in relation to contract assets. Refer to note 3.7 and note 36 for further detail.

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

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
As at 1 January	(1,068)	(1,100)	(1,006)	(961)
Provision for expected credit losses	(426)	(117)	(418)	(166)
Write-off	88	149	102	121
At 31 December	(1,406)	(1,068)	(1,322)	(1,006)

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less any provision for expected credit losses or impairment. Receivables are due for settlement generally no more than 30 days from date of recognition. Cash flows relating to short term receivables are not discounted to the effect that discounting is immaterial.

Impairment

For trade receivables and contract assets the Group applies a simplified approach in calculating expected credit losses (ECLs).

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. Subsequent recoveries of amounts previously written off are credited to the income statement.

While a receivable is the Group's right to consideration that is unconditional, a contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer when that right is conditioned on something other than the passage of time, such as future performance.

University of New England
Notes to the 2021 Financial Statements

Note 14. Inventories

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Fodder and produce	140	150	140	150
Other stocks	1,117	1,010	-	-
Total current inventories	1,257	1,160	140	150

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

Note 15. Other financial assets

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Held-to-maturity	14,032	11,000	14,032	11,000
Loans to related parties	-	-	-	405
Other financial assets at fair value through other comprehensive income	31,725	-	31,725	-
Other financial assets designated at fair value through profit or loss	2,388	36,625	2,388	36,625
Total current other financial assets	48,145	47,625	48,145	48,031
Non-current				
Investments in subsidiaries	-	-	-	173
Investments in Equity instruments at fair value through other comprehensive income	43,300	60,757	43,300	60,757
Other financial assets at fair value through other comprehensive income	32,915	1,224	32,915	1,224
Other financial assets at fair value through profit or loss	42,478	30,909	6,890	-
Total non-current other financial assets	118,693	92,890	83,105	62,154
Total other financial assets	166,838	140,515	131,250	110,185

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 4).

Held to maturity consists of term deposits with an average maturity of 6 to 110 days, with an average of 61 days (2020: 153 days).

Other financial assets include an amount of \$25.1m (2020: \$22.6m) that is restricted. The restriction relates to the receipt of donations by UNE Foundation which is only available when scholarships, awards or prizes are made in accordance with the terms of the donation.

(a) Allowance for debt instruments other than receivables

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

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 January	4,667	4,571	-	-
Write-off	-	96	-	-
At 31 December	4,667	4,667	-	-

The information about the credit exposures are disclosed in note 36 - Financial risk management.

b) Equity instruments elected to be at fair value through other comprehensive income (continued)

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 fair value of these investments is \$64.64 million with \$31.73 million disclosed as current and \$32.91 million in non-current (2020 \$1.22 million).

The group classifies its investments in private entities as investments in equity instruments designated to be measured at fair value through other comprehensive income. The fair value of these investments is \$43.30 million (2020 \$60.75 million).

University of New England
Notes to the 2021 Financial Statements

Note 15. Other financial assets (continued)**(b) Equity instruments elected to be at fair value through other comprehensive income (continued)**

Total dividends, including available franking credits, recognised in the Group in 2021 was \$83.10 million (2020 \$7.00 million). No investments were derecognised during the year.

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.

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 four categories:

- financial assets at amortised costs;
- financial assets at fair value through other comprehensive income;
- Investments in equity instruments designated at fair value through other comprehensive income;
- 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.

University of New England
Notes to the 2021 Financial Statements

Note 15. Other financial assets (continued)

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Group elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *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 not 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.

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.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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.

University of New England
Notes to the 2021 Financial Statements

Note 15. Other financial assets (continued)

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.

Education Australia Limited

The University, along with all other Australian universities, owns an equal shareholding in Education Australia Limited (EAL). EAL's primary investment has historically been a 40% interest in IDP Education Limited (IDP), an ASX listed company. During 2021, EAL divested its holding in IDP via the following transaction:

- a) 25% in-specie distribution to each university shareholder; and
- b) 15% market selldown, with cash and franking credits distributed to each university shareholder.

The above transaction was completed in the form of a fully franked dividend.

Key estimates and judgements

The University has historically accounted for changes in the fair value of the EAL investment through Other Comprehensive Income (OCI) under an irrevocable election made under AASB 9. In assessing the treatment of the divestment of the IDP shareholding in EAL, the University has considered the substance of the above transaction. AASB 9 requires dividends paid on investments through OCI to be recognised through the profit or loss unless they clearly represent a recovery of part of the cost of the investment. The cost of the University's investment in EAL was approximately \$10,000. Other than the return of the University's initial investment, the distributions by EAL represents a realisation of the post-acquisition gains of its investment in EAL. Therefore, the University has recognised the in-specie distribution of IDP shares and cash distribution as dividends in the University's profit and loss in 2021. A financial asset for the direct investment in IDP has been recognised in the University's balance sheet and the balance of the residual investment in EAL has been reduced to reflect the original investment adjusted for the expected distribution to the University on the ultimate winding up of EAL.

This transaction is disclosed in the accounts as follows:

- a) 25% in-specie distribution to each university shareholder

Note	TOTAL \$'000	Listed investments \$'000	Unlisted investments \$'000	Accrued Income \$'000
Opening balance at 1 January 2021	15	52,580	-	52,580
Recognised value for dividend				
Transfer of fair value reserve through OCI to retained earnings -				
Investment in EAL	27	(52,570)	-	(52,570)
Investment in IDP shares at fair value	4 & 15	53,104	53,104	-
Franking credit receivable	4 & 16	22,759	-	22,759
Revaluation of shareholdings at 31 December 2021				
Reserve- other financial assets at fair value through OCI	27	11,076	10,346	730
Closing balance as at 31 December 2021	15 & 16	86,949	63,450	740

- b) As of 31 December 2021, the following amounts had been received from the market selldown by EAL:

Note	TOTAL \$'000	Cash Dividend \$'000	Accrued Income \$'000
Recognised value from market selldown			
Cash dividend received	4	5,260	5,260
Franking credit receivable	4 & 16	2,254	-
Total income from market selldown		7,514	5,260

University of New England
Notes to the 2021 Financial Statements

Note 16. Other non-financial assets

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued income	30,789	11,823	30,815	11,061
Less Contract assets	(1,773)	(7,014)	(1,773)	(7,014)
Net accrued income	29,017	4,809	29,043	4,047
Prepaid expenses	11,410	8,149	11,340	8,137
Other non-financial assets	1,944	967	1,944	967
Total current other non-financial assets	42,371	13,925	42,327	13,151

Amounts related to the recognition of accrued income are:

- Interest on cash deposits and investments not yet received;
- Receipts in advance from students and other customers; and
- Dividend franking credits to be received.

The Group recognises a prepayment of expenses 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.

Amounts related to other non-financial assets are related to GST receipts from customer payments.

Note 17 University as lessor

Amounts included in the income statement are as follows:

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Operating leases				
Lease income	393	319	393	319
Income relating to variable lease payments that do not depend on an index or a rate	26	28	26	28
	<u>419</u>	<u>347</u>	<u>419</u>	<u>347</u>

The Group's operating lease portfolio as a lessor comprises the lease of properties. The Group has not derived any income from subleases.

Risk management for rights retained in the underlying assets

The Group ensures that the underlying leases are written agreements and legally binding with the essential terms of the agreement. Risk mitigation options like regular planning, inspections and due diligence have been undertaken before entering and renewing all lease contracts. Make good provisions and variable lease payment options are part of lease agreements to safeguard the title and rights of the underlying leases.

The Group's operating lease portfolio as a lessor comprises the lease of properties. The Group has not derived any income from subleases.

Maturity analysis of undiscounted lease payments receivable

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Less than one year	292	239	292	239
One to five years	679	700	679	700
More than five years	350	498	350	498
Total undiscounted lease payments receivable	1,321	1,437	1,321	1,437

When the Group acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers indicators such as whether the lease is for the major part of the economic life of the asset.

University of New England
Notes to the 2021 Financial Statements

Note 17 University as lessor (continued)

The Group reassesses the lease classification only if there is a lease modification. Changes in estimates (e.g. changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (e.g. default by the lessee), do not give rise to a new classification of a lease for accounting purposes.

Note 18. Biological assets

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Livestock	2,057	2,331	2,057	2,331
Total biological assets	<u>2,057</u>	<u>2,331</u>	<u>2,057</u>	<u>2,331</u>
Reconciliation of changes in the carrying amount of biological assets				
Livestock - Balance as at 1 January	2,331	320	2,331	320
Purchases	2,427	1,682	2,427	1,682
Sales	(3,790)	(1,268)	(3,790)	(1,268)
Revaluation gain/(loss)	1,089	1,597	1,089	1,597
Balance as at 31 December	2,057	2,331	2,057	2,331
Total biological assets	2,057	2,331	2,057	2,331

The remainder of this page is intentionally blank

University of New England
Notes to the 2021 Financial Statements

Note 19. Property, plant and equipment

	Infrastructure	Land	Buildings	Plant and equipment*	Leasehold improvements & equipment	Leased plant & equipment	Library rare books	Other**	Work in Progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets***	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated												
At 1 January 2020												
- Cost	2,019	-	3,062	87,164	673	98	776	2,601	34,249	130,642	6,570	137,212
- Valuation	25,372	21,422	216,415	-	-	(26)	-	-	-	263,209	-	263,209
Accumulated depreciation and impairment	(64)	-	(146)	(61,922)	(669)	(26)	-	-	-	(62,827)	(1,154)	(63,981)
Net book amount	27,327	21,422	219,331	25,242	4	72	776	2,601	34,249	331,024	5,416	336,440
Year ended 31 December 2020												
Opening net book amount	27,327	21,422	219,331	25,242	4	72	776	2,601	34,249	331,024	5,416	336,440
Additions	130	-	520	417	-	-	-	-	22,421	23,488	37	23,525
Revaluation surplus	1,214	(325)	12,644	-	-	-	-	-	-	13,533	-	13,533
Depreciation written back on disposal	-	-	(1)	-	-	-	-	-	(33,405)	(1)	209	208
Transfers	11,119	-	11,419	6,496	-	-	-	-	(33,405)	(4,371)	2,168	(2,203)
Disposals	-	-	5	(712)	-	-	-	-	-	(707)	(210)	(917)
Depreciation charge	(3,386)	-	(13,864)	(7,660)	(4)	(29)	-	-	-	(24,943)	(1,233)	(26,176)
Closing net book amount	36,404	21,097	230,054	23,783	0	43	776	2,601	23,265	338,023	6,387	344,410
At 31 December 2020												
- Cost	9,857	-	-	92,801	0	72	776	2,601	23,265	129,373	8,542	137,915
- Valuation	26,670	21,097	230,054	-	-	(29)	-	-	-	277,821	-	277,821
Accumulated depreciation and impairment	(123)	-	-	(69,018)	0	(29)	-	-	-	(69,171)	(2,155)	(71,326)
Net book amount	36,404	21,097	230,054	23,783	0	43	776	2,601	23,265	338,023	6,387	344,410

Note 19. Property, plant and equipment (continued)

	Infrastructure	Land	Buildings	Plant and equipment*	Leasehold improvements & equipment	Leased plant & equipment	Library rare books	Other**	Work in Progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets***	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated												
Year ended 31 December 2021												
Opening net book amount	36,404	21,097	230,054	23,783	-	43	776	2,601	23,265	338,023	6,387	344,410
Additions	-	-	-	98	-	52	-	-	11,193	11,343	4,366	15,709
Revaluation surplus/(decrement)	17,308	7,932	203,557	(2,587)	-	-	-	3,956	-	232,753	-	232,753
Reclassification of assets	-	-	2,587	(2,587)	-	-	-	-	-	-	-	-
Depreciation written back on disposal	-	-	2,083	21,788	-	-	-	165	(11,056)	(1,791)	-	(1,791)
Transfers	2,800	-	-	4,328	-	-	-	54	(8,245)	(21,858)	-	(21,858)
Derecognition	-	-	-	(21,843)	-	-	-	(15)	-	(6,245)	-	(6,245)
Written off to profit and loss	-	-	-	-	-	(25)	-	-	(8,245)	(25)	(2,694)	(8,245)
Disposals	(3,547)	-	(13,312)	(6,496)	-	(25)	-	-	-	(23,380)	(1,594)	(24,974)
Depreciation charge	52,965	29,029	424,969	19,071	-	45	776	6,761	15,157	548,773	7,542	556,315
Closing net book amount	52,965	29,029	424,969	19,071	-	45	776	6,761	15,157	548,773	7,542	556,315
At 31 December 2021												
- Cost	-	-	882	72,638	-	70	776	6,761	15,157	96,285	10,186	106,471
- Valuation	52,965	29,029	424,094	-	-	(25)	-	-	-	506,088	-	506,088
Accumulated depreciation and impairment	-	-	(7)	(53,567)	-	(25)	-	-	-	(53,600)	(2,644)	(56,244)
Net book amount	52,965	29,029	424,969	19,071	-	45	776	6,761	15,157	548,773	7,542	556,315

Depreciation written back on disposal and Derecognition of Plant and Equipment includes \$10.3m of assets that were transferred to Buildings asset class as a result of the asset revaluation process undertaken in 2021.

University of New England
Notes to the 2021 Financial Statements

Note 19. Property, plant and equipment (continued)

	Infrastructure	Land	Buildings	Plant and equipment*	Library rare books	Other**	Work in Progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets***	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity										
At 1 January 2020										
- Cost	2,019	-	3,062	83,183	776	2,601	34,249	125,890	5,869	131,759
- Valuation	25,301	20,927	213,978	-	-	-	-	260,206	-	260,206
Accumulated depreciation and impairment	(60)	-	(50)	(58,963)	-	-	-	(59,073)	(1,031)	(60,104)
Net book amount	27,260	20,927	216,990	24,220	776	2,601	34,249	327,023	4,838	331,861
Year ended 31 December 2020										
Opening net book amount	27,260	20,927	216,990	24,220	776	2,601	34,249	327,023	4,838	331,861
Additions	130	-	456	78	-	-	22,421	23,085	29	23,114
Revaluation surplus/(deficit)	1,209	(325)	12,342	-	-	-	-	13,226	-	13,226
Depreciation written back on disposal	-	-	(1)	-	-	-	-	(1)	208	207
Transfers	11,119	-	11,419	6,496	-	-	(33,405)	(4,371)	2,168	(2,203)
Disposals	-	-	5	(665)	-	-	-	(660)	(210)	(870)
Depreciation charge	(3,381)	-	(13,768)	(7,382)	-	-	-	(24,531)	(1,102)	(25,633)
Closing net book amount	36,337	20,602	227,443	22,747	776	2,601	23,265	333,771	5,931	339,702
At 31 December 2020										
- Cost	9,857	-	-	88,734	776	2,601	23,265	125,233	7,855	133,088
- Valuation	26,603	20,602	227,443	-	-	-	-	274,648	-	274,648
Accumulated depreciation and impairment	(123)	-	-	(65,986)	-	-	-	(66,109)	(1,924)	(68,033)
Net book amount	36,337	20,602	227,443	22,747	776	2,601	23,265	333,771	5,931	339,702

University of New England
Notes to the 2021 Financial Statements

Note 19. Property, plant and equipment (continued)

	Infrastructure	Land	Buildings	Plant and equipment*	Library rare books	Other**	Work in Progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets***	Total****
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity										
Year ended 31 December 2021										
Opening net book amount	36,337	20,602	227,443	22,747	776	2,601	23,265	333,771	5,931	339,702
Additions	-	-	-	-	-	-	11,193	11,193	4,366	15,559
Revaluation surplus	17,258	8,152	203,002	-	-	3,956	-	232,368	-	232,368
Reclassification of assets	-	-	2,587	(2,587)	-	-	-	-	1,077	1,077
Depreciation written back on disposal	-	-	-	21,788	-	165	-	(1,791)	-	(1,791)
Transfers from WIP	2,800	-	2,083	4,328	-	54	(11,056)	(21,858)	-	(21,858)
Derecognition	-	-	-	(21,843)	-	(15)	-	(8,245)	-	(8,245)
Written off to profit and loss	-	-	-	-	-	-	(8,245)	-	(2,694)	(2,694)
Disposals	-	-	-	-	-	-	-	-	(1,464)	(1,464)
Depreciation charge	(3,542)	-	(13,205)	(6,224)	-	-	-	(22,971)	(1,464)	(24,435)
Closing net book amount	52,853	28,754	421,910	18,209	776	6,761	15,157	544,420	7,216	551,636
At 31 December 2021										
- Cost	-	-	881	68,580	776	6,761	15,157	92,155	9,527	101,682
- Valuation	52,853	28,754	421,036	-	-	-	-	502,642	-	502,642
Accumulated depreciation and impairment	-	-	(7)	(50,371)	-	-	-	(50,378)	(2,311)	(52,689)
Net book amount	52,853	28,754	421,910	18,209	776	6,761	15,157	544,420	7,216	551,636

Depreciation written back on disposal and Derecognition of Plant and Equipment includes \$10.3m of assets that were transferred to Buildings asset class as a result of the asset revaluation process undertaken in 2021.

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks.

*** Right-of-use assets excluding those disclosed as part of investment property. Disclosure per each class of right-of-use asset in note 19.1.

**** Transfer balance of \$15.4 million represents Work in Progress transferred to Intangible asset and property plant and equipment additions.

***** Work in progress includes costs related to Intangibles assets of \$3.4 million for 2021 (2020 \$1.7 million).

A valuation of land, buildings and infrastructure was conducted during 2021 by APV Valuers & Asset Management and the valuation results are reflected in the above table.

University of New England
Notes to the 2021 Financial Statements

Note 19. Property, plant and equipment (continued)

Land, buildings, and infrastructure are shown at fair value based on periodic, and at least triennial, valuations by external independent valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the asset. Rare books are shown at fair value and were last valued by an independent valuer in 2018. The collection is not depreciated. Plant and equipment 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.

The University was impacted by a supercell event on 14 October 2021 which caused significant damage to some parts of the Armidale campus. The impact of the supercell event on property, plant and equipment has been addressed through the revaluation of land, buildings and infrastructure.

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.

Right of use assets

The Group leases property assets. Information about leases where the Group is a lessee is presented below:

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Right-of-use assets - property				
As at 1 January	6,387	5,416	5,931	4,838
Net Additions of right-of-use assets	2,749	1,997	2,749	1,987
Depreciation charge	(1,594)	(1,025)	(1,464)	(894)
At 31 December	7,542	6,388	7,216	5,931

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether:

- the contract involves the use of an identified asset: the asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use;
- the customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- the customer has the right to direct the use of the asset throughout the period of use: the customer is considered to have the right to direct the use of the asset only if either:
 - i. the customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - ii. the relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

University of New England
Notes to the 2021 Financial Statements

Note 19. Property, plant and equipment (continued)

Right of use assets (continued)

Accounting for leases – Group as lessee

In contracts where the Group is a lessee, it recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Note 20. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Financial tables for the consolidated and parent entity are shown on the following pages.

The remainder of this page is intentionally blank.

University of New England
Notes to the 2021 Financial Statements

Note 20. Intangible assets (continued)

	Software Development \$'000	Licences \$'000	Course Development \$'000	Total \$'000
Consolidated				
At 1 January 2020				
Cost	14,413	500	1,519	16,432
Accumulated amortisation and impairment	(10,909)	-	(787)	(11,696)
Net book amount	3,504	500	732	4,736
Year ended 31 December 2020				
Opening net book amount	3,504	500	732	4,736
Additions - internal development	548	-	187	735
Additions - Separately acquired	1,903	82	-	1,985
Revaluation	-	8	-	8
Derecognition	-	-	(196)	(196)
Depreciation written back on derecognition	-	-	184	184
Disposals	(313)	-	-	(313)
Amortisation charge	(520)	-	(358)	(878)
Work in progress movement	-	-	125	125
Closing net book amount	5,122	590	674	6,386
At 31 December 2020				
Cost	16,227	507	1,308	18,042
Valuation	-	83	-	83
Work in progress	-	-	327	327
Accumulated amortisation and impairment	(11,105)	-	(961)	(12,066)
Net book amount	5,122	590	674	6,386
Year ended 31 December 2021				
Opening net book amount	5,122	590	674	6,386
Additions - internal development	282	-	425	707
Additions - separately acquired	1,790	-	-	1,790
Revaluation	-	27	-	27
Derecognition	-	-	(757)	(757)
Depreciation written back on derecognition	-	-	743	743
Amortisation written back on disposal	2,021	-	-	2,021
Disposals	(2,557)	-	-	(2,557)
Amortisation charge	(704)	-	(332)	(1,036)
Work in progress movement	-	-	(22)	(22)
Closing net book amount	5,954	617	731	7,302
At 31 December 2021				
Cost	15,739	500	977	17,216
Valuation	-	117	-	117
Work in Progress	-	-	304	304
Accumulated amortisation and impairment	(9,785)	-	(550)	(10,335)
Net book amount	5,954	617	731	7,302

University of New England
Notes to the 2021 Financial Statements

Note 20. Intangible assets (continued)

	Software* Development \$'000	Licences \$'000	Total \$'000
Parent			
At 1 January 2020			
Cost	14,135	500	14,635
Accumulated amortisation and impairment	(10,738)	-	(10,738)
Net book amount	3,397	500	3,897
Year ended 31 December 2020			
Opening net book amount	3,397	500	3,897
Additions - internal development	548	-	548
Additions - separately acquired	1,893	75	1,968
Revaluation	-	8	8
Disposals	(313)	-	(313)
Amortisation charge	(473)	-	(473)
Closing net book amount	5,052	583	5,635
At 31 December 2020			
Cost	15,949	500	16,449
Valuation	-	83	83
Accumulated amortisation and impairment	(10,897)	-	(10,897)
Net book amount	5,052	583	5,635
Year ended 31 December 2021			
Opening net book amount	5,052	583	5,635
Additions - internal development	2	-	2
Additions - Separately acquired	1,790	-	1,790
Revaluation	-	34	34
Amortisation written back on disposal	2,021	-	2,021
Disposals	(2,557)	-	(2,557)
Amortisation charge	(678)	-	(678)
Closing net book amount	5,630	617	6,247
At 31 December 2021			
Cost	15,185	500	15,685
Valuation	-	117	117
Accumulated amortisation and impairment	(9,555)	-	(9,555)
Net book amount	5,630	617	6,247

* Work in progress of \$3.4 million for 2021 (2020 \$1.7 million) disclosed in note 19 includes costs related to Intangibles assets.

Development

Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- 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.

Licences

Licences have an indefinite useful life and are not amortised. They are assessed for impairment annually and, whenever there is an indication that a licence may be impaired, an impairment is recognised in accordance with note 9 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.

University of New England
Notes to the 2021 Financial Statements

Note 21. Deferred tax assets and liabilities

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred tax assets				
The balance comprises temporary differences attributable to:				
Amounts recognised in net result	-	67	-	-
Total deferred tax assets	-	-	-	-
Net deferred tax assets	-	67	-	-
Movements - Consolidated	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	-	-	-	-
Charged/(credited) to the income statement	-	(67)	-	-
At 31 December 2020	-	(67)	-	-

Note 22. Trade and other payables

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade payables	6,502	3,114	5,015	1,344
OS-HELP Liability to Australian Government	2,405	2,405	2,405	2,405
Other current liabilities	266	-	30	-
Total current trade and other payables	9,173	5,519	7,450	3,749

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.

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Australian dollars	9,173	5,519	7,450	3,749

b) Contract liabilities

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract liabilities - current	9,770	11,182	8,640	9,744
Contract liabilities - non-current	1,323	940	1,016	716
	11,093	12,122	9,655	10,460

Contract liabilities are associated with deferred receipts in relation to research activities funded by federal, state and local government grants.

The classification of a contract liability as non-current was made on the basis that 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.

Contract liabilities differ from the amounts disclosed in note 26 other liabilities.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

University of New England
Notes to the 2021 Financial Statements

Note 23. Borrowings

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Unsecured bank loans	8,000	-	8,000	-
Finance lease liabilities	1,513	1,326	1,408	1,189
Vehicle finance	13	9	-	-
Total current borrowings	9,526	1,335	9,408	1,189
Non-current				
Unsecured bank loans	32,000	40,000	32,000	40,000
Lease liabilities	5,750	4,900	5,493	4,560
Total non-current borrowings	37,750	44,900	37,493	44,560
Total borrowings	47,276	46,235	46,901	45,749

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2021.

(b) Financing arrangements

In December 2020, UNE entered into a loan agreement with Westpac for \$40 million. Amounts borrowed under the loan were applied towards the University's core business. The loan bears interest quarterly using the aggregate of the applicable margin and the Bank Bill Swap Rate. The term of the loan is 5 years with \$8 million due to be repaid in the next financial year. As a financial covenant on the loan, the University must ensure that its Net Debt ratio is less than 3.5 times at 31 December each year for the term of the loan. At 31 December 2021, the University is in compliance with this requirement.

(c) Borrowings in respect of assets

The Group has no borrowings in respect of assets in 2021.

(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

The exposure of the Group and parent entity's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Within one year	40,000	40,000	40,000	40,000
Between one and five years	-	-	-	-
Later than five years	-	-	-	-
Total borrowings	40,000	40,000	40,000	40,000

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.

University of New England
Notes to the 2021 Financial Statements

Note 24. The Group as lessee

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Amounts recognised in the income statement				
Interest on lease liabilities	73	71	73	71
Variable lease payments not included in the measurement of leases	298	107	298	107
Expenses relating to short-term leases	532	393	532	393
	<u>903</u>	<u>571</u>	<u>903</u>	<u>571</u>
Maturity analysis – undiscounted contractual cash flows				
Less than one year	1,380	1,210	1,380	1,210
One to five years	4,649	4,545	4,649	4,545
More than 5 years	1,194	-	1,194	-
Total undiscounted contractual cash flows	<u>7,223</u>	<u>5,755</u>	<u>7,223</u>	<u>5,755</u>
Lease liabilities recognised in the statement of financial position	<u>6,901</u>	<u>4,560</u>	<u>6,901</u>	<u>4,560</u>
Current	1,408	1,189	1,408	1,189
Non-current	5,493	3,371	5,493	3,371

Property Leases

The Group leases land and buildings for its office space and operations. It has exclusive use of the property, or a defined portion of that property, that is physically distinct. The leases of office space is typically run for a period of 5 years and some leases include an option to renew for an additional period based on mutual agreements between the lessee and lessor. Some leases provide for additional rent payments that are based on the local consumer price index (CPI). Monthly outgoings and variable components for property taxes, insurance and council and utility rates are included in the lease.

Leases are classified as short-term if the tenure of the lease is less than a year from inception of the contract. No major property taken on lease is subleased.

The Group elected not to recognise right-of-use assets and lease liabilities for short-term leases for information technology equipment and machinery that have a lease term of 12 months or less and low value assets including plant and machinery or equipment leased for specific purposes. Lease payments associated with such contracts are recognised as expense on a straight-line basis over the lease term.

Exposure from variable lease payments not reflected in the measurement of lease liabilities

The variable lease payments exposure of the current leases was \$298,377 for the current financial year. The exposure for short term property leases not recognised in lease liabilities was \$452,945.

Exposure from extension options and termination options

The extension of the existing leases are not reasonably certain of being exercised. The current annual rent payable for those leases will continue to incur yearly if those leases are extended. The annualised rental cash outflow would be above \$1.6 million, if those lease contracts are either renewed or extended considering no indexation or rent review.

A lease for property has a termination option that, if exercised, would result in a loss of \$1.65 million for property improvements and rent of \$150,000 that may not be recoverable.

Exposure from residual value guarantees

The university has no residual value agreements included in property leases.

Exposure from leases not yet commenced but committed

The Group does not have any exposure to leases not yet commenced but committed.

Restrictions and covenants imposed by leases

All lease agreements have exclusive use of the property or a defined portion of that property that is physically distinct (e.g. a floor of a building). There are no covenants that have the potential to expose the Group to future cash outlays.

Sale and leaseback transactions

The Group does not hold the rights to any sale and leaseback agreements.

University of New England
Notes to the 2021 Financial Statements

Note 24 The Group as lessee (continued)**Amounts recognised in statement of cash flows**

	Consolidated		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Total cash outflow for leases	2,236	1,864	2,136	1,741

Lease Liability

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI); and
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The situations where a remeasurement may occur is a change of the lease agreement on renewal, early termination or a decision to purchase the underlying asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in note 19 and lease liabilities are presented as borrowings in note 23.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases, i.e. leases with a lease term of 12 months or less, and leases of low-value assets, i.e. when the value of the leased asset when new is \$3,000 or less. The Group recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Note 25. Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

University of New England
Notes to the 2021 Financial Statements

Note 25. Provisions (continued)
Employee Benefits

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	12,267	12,778	11,417	12,093
Long service leave	3,157	3,194	3,048	3,069
Employment on-costs provision	351	321	351	321
Defined benefit obligation	19,579	20,103	19,579	20,103
Other	4	5	-	-
Subtotal	35,358	36,401	34,395	35,586
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	2,816	1,556	2,500	1,197
Long service leave	12,084	12,919	11,523	12,358
Subtotal	14,900	14,475	14,023	13,555
Total current provisions	50,258	50,876	48,418	49,141
Non-current provisions				
Employee benefits				
Long service leave	5,318	5,631	5,065	5,372
Employment on-costs provision	4,846	4,667	4,846	4,667
Defined benefit obligation	270,291	292,500	270,291	292,500
Professorial superannuation	-	272	-	272
Total non-current provisions	280,455	303,070	280,202	302,811
Total provisions	330,713	353,946	328,620	351,952

(i) Short-term obligations

Liabilities for wages and salaries including non-monetary benefits, 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.

(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 items 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.

(iii) Retirement benefit obligations

Most employees of the group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Most employees of the parent entity are members of the defined contribution section of the Group's plan.

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service.

University of New England
Notes to the 2021 Financial Statements

Note 25. Provisions (continued)

Employee Benefits (continued)

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:

- when the plan amendment or curtailment occurs; or
- 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.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months after the end of the reporting period are discounted to present value.

Note 26. Other liabilities

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
(i) Accrued liabilities				
Salary related	1,692	4,662	1,674	4,553
Other accrued expenditure	6,673	2,662	6,405	2,438
Total	8,365	7,324	8,079	6,991
(ii) Monies received in advance				
Australian Government unspent financial assistance	2,424	220	2,424	220
Fees in advance	27,268	27,343	27,092	27,179
Financial Liabilities - Contract Current	2,465	1,670	1,389	174
Total	32,157	29,233	30,905	27,573
(iii) Trust funds				
Security deposits	33	35	33	35
Employee deduction clearing accounts	6,966	9,483	6,971	9,483
Associated entities	(84)	12	95	12
Other	469	470	293	321
Total	7,384	10,000	7,392	9,851
Total current other liabilities	47,906	46,557	46,376	44,415
Non Current				
Financial liability	24,200	21,694	217	578
Total non current other liabilities	24,200	21,694	217	578
Total other liabilities	72,106	68,251	46,593	44,993

In 2021, any Australian Government unspent financial assistance amounts that are part of the contract liabilities in scope of AASB 15 are now disclosed in note 3.7 and note 22. For comparative purposes, all Australian Government unspent financial assistance amounts (including amounts that are now classified as contract liabilities) are presented in this note.

The University has elected to participate in the NSW Treasury incentive to defer payroll tax liabilities. The amount deferred as at 31 December 2021 is \$4.0 million. This liability is being paid in equal monthly instalments. The final instalment will be paid in December 2022.

University of New England
Notes to the 2021 Financial Statements

Note 27. Reserves and retained earnings

	Consolidated		Parent entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(a) Reserves				
Revaluation reserve - investments	20,111	61,455	20,111	61,286
Revaluation reserve - buildings	281,055	77,497	279,037	76,034
Revaluation reserve - land	21,638	13,706	21,443	13,291
Revaluation reserve - infrastructure	39,712	18,447	39,621	18,407
Revaluation reserve - intangibles	42	8	42	8
Total reserves	362,558	171,113	360,254	169,026
Movements				
Asset revaluation reserve - investments				
Balance 1 January	61,454	40,716	61,285	40,716
Retrospective changes [1]	(169)	-	-	-
Increment/(decrement) on revaluation	(41,174)	20,738	(41,174)	20,569
Balance 31 December	20,111	61,454	20,111	61,285
Asset revaluation reserve - buildings				
Balance 1 January	77,497	64,086	76,035	62,926
Increment/(decrement) on revaluation	203,557	12,645	203,002	12,342
Transfer to/(from) retained earnings on revaluation	-	767	-	767
Balance 31 December	281,054	77,497	279,037	76,035
Asset revaluation reserve - land				
Balance 1 January	13,706	13,722	13,291	13,307
Increment/(decrement) on revaluation	7,932	(326)	8,152	(326)
Transfer to/(from) retained earnings on revaluation	0	310	-	310
Balance 31 December	21,638	13,706	21,443	13,291
Asset revaluation reserve - infrastructure and other assets				
Balance 1 January	18,447	17,234	18,407	17,198
Asset Revaluation Reserve Heritage Cultural Assets	3,956	-	3,956	-
Increment/(decrement) on revaluation	17,309	1,213	17,258	1,209
Balance 31 December	39,712	18,447	39,621	18,407
Asset revaluation reserve - intangibles				
Balance 1 January	8	-	8	-
Increment/(decrement) on revaluation	34	8	34	8
Balance 31 December	42	8	42	8
(b) Retained earnings				
Movements in retained earnings were as follows:				
Retained earnings at 1 January	263,671	286,185	246,194	271,478
Actuarial changes for defined benefit superannuation schemes	309	(234)	309	(234)
Transfer to/(from) retained earnings on revaluation	165	(1,077)	165	(1,077)
Retrospective adjustment in relation to AASB 15, AASB 1058, AASB 16	458	(5,288)	458	(4,979)
Net result for the year	102,650	(16,256)	99,419	(18,995)
Retained earnings at 31 December	367,253	263,330	346,545	246,193

(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 19 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. The fair value of the investment in unlisted shares have been determined through external valuation and the fair value of the investment in listed shares have been determined through market price at the end of the year.

University of New England
Notes to the 2021 Financial Statements

Note 28. 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) Other key management personnel

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

Professor Brigid Heywood	Professor Michael Wilmore (until 31/12/2021)
Professor Peter Creamer	Professor Steven Warburton (from 01/09/2021)
Professor Heiko Daniel	Professor Shelley Kinash (from 01/07/2021)
Ms Gabrielle Price (from 01/02/2021)	Ms Barbara Shaw (until 30/06/2021)
Ms Megan McKechnie (from 03/09/2021)	Mr Anthony Smith (from 01/09/2021)
Ms Anita Taylor (until 03/09/2021)	

(c) Remuneration of Council Members, the Board members of Controlled Entities and Executives

	Consolidated		Parent entity	
	2021	2020	2021	2020
	Number	Number	Number	Number
i) Remuneration of council members				
Nil to \$9,999	35	39	6	8
\$10,000 to \$19,999	5	7	5	7
\$20,000 to \$29,999	1	1	1	1
\$30,000 to \$39,999	1	1	1	1
	42	48	13	17

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

	Consolidated		Parent entity	
	2021	2020	2021	2020
	Number	Number	Number	Number
ii) Remuneration of executive officers				
\$70,000 to \$79,999	-	1	-	-
\$90,000 to \$99,999	1	-	1	-
\$100,000 to \$109,999	1	2	-	1
\$110,000 to \$119,999	3	3	-	1
\$130,000 to \$139,999	-	2	-	-
\$140,000 to \$149,999	1	-	-	-
\$150,000 to \$159,999	1	1	-	-
\$160,000 to \$169,999	-	-	-	-
\$170,000 to \$179,999	1	1	1	-
\$180,000 to \$189,999	1	1	-	1
\$200,000 to \$209,999	1	-	-	-
\$230,000 to \$239,999	-	-	-	-
\$250,000 to \$259,999	-	1	-	-
\$270,000 to \$279,999	1	-	-	-
\$290,000 to \$299,999	1	-	1	-
\$300,000 to \$309,999	-	1	-	1
\$310,000 to \$319,999	1	-	1	-
\$320,000 to \$329,999	-	3	-	3
\$330,000 to \$339,999	3	1	3	1
\$360,000 to \$369,999	1	-	1	-
\$370,000 to \$379,999	-	1	-	1
\$380,000 to \$389,999	1	-	1	-
\$390,000 to \$399,999	1	1	1	1
\$440,000 to \$449,999	-	-	-	-
\$620,000 to \$629,999	-	1	-	1
\$630,000 to \$639,999	-	-	-	-
\$670,000 to \$679,999	1	-	1	-
\$690,000 to \$699,999	-	1	-	1
	20	21	11	12

Total remuneration paid to the Vice-Chancellor during the 2021 reporting period was \$0.676 million (2020: \$0.694 million).

University of New England
Notes to the 2021 Financial Statements

(d) Key management personnel compensation

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Short-term employee benefits	4,491	4,464	3,059	3,219
Post-employment benefits	417	456	417	443
Termination benefits	222	527	222	527
Total key management personnel compensation	5,130	5,447	3,698	4,189

(e) Loans to key management personnel

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

Note 29. Remuneration of auditors

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

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Audit the Financial Statements				
Fees paid to the Audit Office of NSW	445	409	308	281
Total paid for audit services	445	409	308	281
Other services				
Forsyths Business Services Pty Ltd	21	1	21	1
LMS Scientific Consulting APVMA Audit	4	-	4	-
AGPAL Accreditation	4	-	4	-
Capital Review Group	22	1	22	1
Tanner Consultancy Services Pty Ltd	6	-	6	-
Infosec Services Pty Ltd	37	-	37	-
Total paid for other services	94	2	94	2
Total audit fees	539	411	402	283

Note 30. Contingencies**Contingent liabilities**

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.

There are no contingent liabilities.

Contingent assets

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.

The University does not have any contingent assets.

University of New England
Notes to the 2021 Financial Statements

Note 31. Commitments**(a) Capital commitments**

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

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Property, plant and equipment				
Within one year	1,940	1,819	1,940	1,819
Between one and five years	1,698	2,316	1,698	2,316
Later than five years	-	-	-	-
Total property, plant and equipment commitments	3,638	4,135	3,638	4,135

(b) Lease commitments**(i) Operating leases**

No operating lease arrangement existing as at 31 December 2021 contained contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing. Lease commitments existed at the end of the previous year 2020 has been recognised as lease liability in the current year financials as per the initial adoption of AASB 16.

Note 32. 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 33.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 28.

(d) Transactions with related parties

	Parent entity	
	2021 \$'000	2020 \$'000
Sale of goods and services	1,866	3,853
Purchase of goods and services	6,384	4,989
Total	8,250	8,842

(e) Loans to related parties

	Parent entity	
	2021 \$'000	2020 \$'000
Loans to subsidiaries		
Beginning of the year	391	950
Loan repayments received	(396)	(579)
Interest charged	5	20
End of year	-	391

(f) Outstanding balances

	Parent entity	
	2021 \$'000	2020 \$'000
Current receivables (sale of goods and services)		
Subsidiaries	158	227
Total current receivables	158	227
Current payables (purchases of goods and services)		
Subsidiaries	388	145
Total current payables	388	145

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

There is no outstanding loan as at 31 December 2021 with the related parties.

(h) Guarantees

In a letter of comfort to UNE Life, the University of New England has undertaken to support UNE Life to ensure it can operate as a going concern.

University of New England
Notes to the 2021 Financial Statements

Note 33. 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	
		2021 %	2020 %
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
Ag360 Pty Ltd	Armidale NSW	Nil	100

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of New England as at 31 December 2021 and the results of all subsidiaries for the year then ended. The University of New England and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the University has control. The University 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 University 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 University 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 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.

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.

AG360 Ltd was wound up and deregistered on 10 November 2021.

Note 34. Events occurring after the end of the reporting period

On 1 March 2022, the University disposed of 457,790 shares in IDP Limited following the expiration of the escrow period. The University received \$11.955 million in net proceeds from the sale.

University of New England
Notes to the 2021 Financial Statements

Note 35. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	Consolidated		Parent entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net result for the period	102,648	(16,256)	99,419	(18,996)
Depreciation and amortisation	26,009	27,052	25,113	26,105
Impairment of assets	8,363	12	8,348	-
Provision for impaired receivables	342	21	316	45
Provision for impaired related party loans	(5)	-	-	-
Actuarial gain / (loss) on deferred superannuation	309	(234)	309	(234)
Capitalisation and reinvestment of dividend	(52,511)	(1,168)	(52,570)	-
Forgone rent	-	(44)	-	-
Fair value gain/(loss) on other financial assets at fair value through profit or loss	(58)	139	-	-
Lease payment for ROU liabilities	1,313	1,248	1,306	1,240
Loss / (gain) on asset revaluation decrement	-	68	-	-
Net (gain) / loss on disposal of non-current assets	(964)	(206)	335	(207)
Increase / (decrease) in payables and prepaid income	9,243	5,026	8,335	5,087
Increase / (decrease) in provision for employee entitlements	(22,780)	(25,879)	(22,838)	(26,013)
Increase / (decrease) in other provisions	72	-	-	-
Increase / (decrease) in trust funds	(2,904)	8,421	(2,904)	8,421
(Increase) / decrease in receivables and prepaid expenses	(2,503)	23,337	(2,254)	23,589
(Increase) / decrease in inventories	(96)	128	10	57
Net cash provided by / (used in) operating activities	66,478	21,663	62,925	19,094

Note 36. Financial risk management

Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: market risk, currency risk, interest rate risk, cash flow risk, 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 manage different types of risk to which it is exposed. These methods include adopting a range of tenors and interest rate structures on interest bearing investments and debt to manage interest rate, liquidity and cash flow risks, using instruments such as forward contracts or physical currency holdings to mitigate currency risk and limiting exposure to market linked securities to reduce price risk. Counterparty risk is managed through exposure limits based on both credit ratings and institutions.

The Group has adopted Financial Management Principles and Guidelines approved by the Finance and Infrastructure Committee, a Committee of Council, which provide a written framework for financial risk management.

(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.

Physical currency was purchased during the year to lock in the Australian dollar value of foreign currency transactions payable in December 2021.

(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.

(iii) Cash flow and 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 tenors and interest rate structures.

Note 36. Financial risk management (continued)

(a) Market risk (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 2021	Carrying amount \$'000	Interest rate risk		Foreign exchange risk		Other price risk			
		-1%		+10%		-1%		+1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets	106,675	(1,067)	1,067	-	-	-	-	-	-
Cash and cash equivalents	19,644	(196)	196	-	-	-	-	-	-
Short term deposits - at call	27,277	-	-	-	-	-	-	-	-
Receivables	14,032	(140)	140	-	-	(1,079)	(449)	1,079	449
Held-to-maturity - current	107,940	-	-	-	-	-	-	-	-
Other financial assets at fair value through OCI	44,866	-	-	-	-	-	-	-	-
Other financial assets at fair value through P&L	9,173	-	-	-	-	-	-	-	-
Financial liabilities	47,276	(473)	473	-	-	-	-	-	-
Payables	8,365	-	-	-	-	-	-	-	-
Borrowings	24,200	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Total increase / (decrease)		(1,876)	1,876	-	-	(1,528)	1,528	-	-

Comparative figures for the previous year are as follows:

31 December 2020	Carrying amount \$'000	Interest rate risk		Foreign exchange risk		Other price risk			
		-1%		+10%		-1%		+1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets	78,403	(784)	784	-	-	-	-	-	-
Cash at bank and on hand	8,304	(83)	83	-	-	-	-	-	-
Short term deposits - at call	27,404	-	-	-	-	-	-	-	-
Receivables	11,000	(110)	110	-	-	(620)	(675)	620	675
Held-to-maturity - current	61,981	-	-	-	-	-	-	-	-
Other financial assets at fair value through OCI	67,534	-	-	-	-	-	-	-	-
Other financial assets at fair value through P&L	5,519	-	-	-	-	-	-	-	-
Financial liabilities	46,235	(462)	462	-	-	-	-	-	-
Payables	7,324	-	-	-	-	-	-	-	-
Borrowings	21,694	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Total increase / (decrease)		(1,439)	1,439	-	-	(1,295)	1,295	-	-

Note 36. 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 36(a).

Receivables and contract assets

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.

31-Dec-21	Contract assets	Current	Trade receivables				Total
			Day past due				
			<30 days	30-60 days	61-90 days	> 91 days	
Expected credit loss rate	%	%	0%	0%	0%	100%	'\$'000
Estimated total gross carrying amount at default	-	211	211	98	2	800	1,322
Expected credit loss	-	211	211	98	2	800	1,322

31-Dec-20	Contract assets	Current	Trade receivables				Total
			Day past due				
			<30 days	30-60 days	61-90 days	> 91 days	
Expected credit loss rate	%	%	0%	0%	0%	100%	'\$'000
Estimated total gross carrying amount at default	78	78	78	81	690	1,005	1,005
Expected credit loss	78	78	78	81	690	1,005	1,005

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 mainly in defensive assets, subject to ratings parameters specified in its Financial Management Guidelines.

The University's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021 and 2020 is the carrying amounts as illustrated in note 15.

(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.

University of New England
Notes to the 2021 Financial Statements

Note 36. 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 2021	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	0.00%	106,675	-	-	-	-	106,675
Short term deposits - at call	0.54%	-	19,644	-	-	-	19,644
Receivables	-	-	-	-	-	27,277	27,277
Held-to-maturity - current	0.71%	-	14,032	-	-	-	14,032
Held-to-maturity - non-current	-	-	-	-	-	-	-
Other financial assets at fair value through OCI	-	-	-	-	-	107,940	107,940
Other financial assets at fair value through P&L	-	-	-	-	-	44,866	44,866
Total financial assets		106,675	33,676	-	-	180,083	320,434
Financial liabilities							
Payables	-	-	-	-	-	9,173	9,173
Borrowings	-	-	9,526	37,750	-	-	47,275
Accrued liabilities	-	-	8,365	-	-	-	8,365
Other financial liabilities	-	-	-	24,200	-	-	24,200
Total financial liabilities		-	17,891	61,950	-	9,173	89,013

Comparative figures for the previous year are as follows:

31 December 2020	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	0.55%	78,403	-	-	-	-	78,403
Short term deposits - at call	2.39%	-	8,304	-	-	-	8,304
Receivables	-	-	-	-	-	27,404	27,404
Held-to-maturity - current	2.37%	-	11,000	-	-	-	11,000
Other financial assets at fair value through OCI	-	-	-	-	-	61,981	61,981
Other financial assets at fair value through P&L	-	-	-	-	-	67,534	67,534
Total financial assets		78,403	19,304	-	-	156,919	254,625
Financial liabilities							
Payables	-	-	-	-	-	5,519	5,519
Borrowings	-	-	1,335	44,900	-	-	46,235
Accrued liabilities	-	-	7,324	-	-	-	7,324
Other financial liabilities	-	-	-	21,694	-	-	21,694
Total financial liabilities		-	8,659	66,594	-	5,519	80,772

Note 37. 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:

Consolidated	Note	Carrying amount		Fair value	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assets					
Cash and Cash Equivalents	12	126,319	86,706	126,319	86,706
Receivables	13	295,903	317,801	295,903	317,801
Held-to-maturity	15	14,032	11,000	14,032	11,000
Other financial assets at fair value through other comprehensive income	15	107,940	61,981	107,940	61,981
Other financial assets at fair value through profit or loss	15	44,866	67,534	44,866	67,534
Total financial assets		589,060	545,022	589,060	545,022
Financial liabilities					
Payables	22	9,173	5,519	9,173	5,519
Borrowings	23	47,276	46,235	47,276	46,235
Accrued liabilities	26	8,365	7,324	8,365	7,324
Other financial liabilities	26	24,200	21,694	24,200	21,694
Total financial liabilities		89,014	80,772	89,014	80,772

Page 56

University of New England
Notes to the 2021 Financial Statements

Note 37. Fair Value Measurements (continued)

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;
- investments in equity instruments designated at fair value through other comprehensive income;
- land and buildings;
- infrastructure;
- cultural and heritage assets;
- borrowings;
- livestock.

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 fair value of assets traded in active markets (such as 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 current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2). The fair value of non-current borrowings disclosed in note 23 approximates the carrying amount given the recency of the loan drawdown.

(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 2021.

Page 57

University of New England
Notes to the 2021 Financial Statements

Note 37. Fair Value Measurements (continued)

Fair value measurements at 31 December 2021

Recurring fair value measurements	Note	Consolidated			
		2021 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Other financial assets at fair value through other comprehensive income	15	107,940	86,123	21,817	-
Other financial assets at fair value through profit or loss	15	44,866	44,866	-	-
Other financial assets		14,032	14,032	-	-
Total financial assets		166,838	145,021	21,817	-
Non-financial assets					
Land	19	29,029	-	29,029	-
Buildings	19	424,969	-	-	424,969
Infrastructure	19	52,965	-	-	52,965
Total non-financial assets		506,963	-	29,029	477,934
Total fair value measurements at 31 December 2021		673,801	145,021	50,846	477,934

Fair value measurements at 31 December 2020

Recurring fair value measurements		Consolidated			
		2020 \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial assets					
Other financial assets at fair value through other comprehensive income		61,981	1,224	60,757	-
Other financial assets at fair value through profit or loss		67,534	67,534	-	-
Held-to-maturity - current		11,000	11,000	-	-
Total financial assets		140,515	79,758	60,757	-
Non-financial assets					
Land		21,097	-	12,902	8,195
Buildings		230,053	-	-	230,053
Infrastructure		36,404	-	666	35,738
Total non-financial assets		287,554	-	13,568	273,986
Total fair value measurements at 31 December 2020		428,069	79,758	74,325	273,986

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 2021, a revaluation was conducted on the Group's land, buildings and infrastructure assets with an effective date of 31 December 2021. The revaluation was undertaken by an independent valuer APV Valuers and Asset Management.

These asset classes are recorded as level 2 and level 3 assets. In 2021 all land has been recorded as Level 2 and all infrastructure has been transferred to Level 3.

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.

(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 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 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 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.

University of New England
Notes to the 2021 Financial Statements

Note 37. Fair Value Measurements (continued)

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 asset based approach, adjusted net assets with a discount factor approach, cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

(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 2021 and 2020:

	Land \$000	Buildings \$000	Infrastructure \$000	Total \$000
Level 3 fair value measurements 2021				
Opening balance	8,195	230,053	35,738	273,986
Acquisitions - WIP & reclassifications	-	4,670	2,800	7,470
Revaluation surplus	-	203,558	17,308	220,866
Transfers from level 2	-	-	666	666
Transfers out of level 3	(8,195)	-	-	(8,195)
Depreciation	-	(13,312)	(3,547)	(16,859)
Closing balance	-	424,969	52,965	477,934
Level 3 fair value measurements 2020				
Opening balance	8,195	189,215	25,177	222,587
Acquisitions	-	11,172	11,248	22,420
Depreciation written back on disposal	-	(1)	-	(1)
Revaluation surplus	-	13,410	643	14,053
Disposals	-	5	-	5
Transfers from level 1	-	-	(94)	(94)
Transfers from level 2	-	30,116	2,150	32,266
Total gains / (losses)	8,195	243,917	39,124	291,236
Recognised in other comprehensive income	-	(13,864)	(3,386)	(17,250)
Closing balance	8,195	230,053	35,738	273,986

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

There were transfers of \$8.195 million of land \$0.666 million of Infrastructure following independent valuation.

(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 2021 \$000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	424,969	Unit rates (eg per square metre), useful lives, condition assessments	+-5%	Increase in replacement cost of buildings by 5% would increase value by \$21.2 million. Decrease in replacement cost of buildings by 5% would decrease value by \$21.2 million. Increase in replacement cost of infrastructure by 5% would increase value by \$2.6 million. Decrease in replacement cost of infrastructure by 5% would decrease value by \$2.6 million.
Infrastructure	52,965			
Total	477,934			

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

Note 38. 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:

- a) State Authorities Superannuation Scheme (SASS);
- b) State Authorities Non-contributory Superannuation (SANCS); and
- c) 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. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. 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.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2021. The next actuarial investigation will be performed as at 30 June 2024.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.

Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions.

Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.

Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Note 38. Defined Benefit Plans (continued)

Professorial superannuation scheme

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

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

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

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

The University made a contribution of \$0.282 million in 2021, (2020: \$0.323 million) to the defined benefit plan during the year.

The expected maturity analysis of the undiscounted benefit obligations are as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligation - 31 Dec 2021	19,579	19,185	55,289	219,495	313,548
Defined benefit obligation - 31 Dec 2020	20,103	19,803	57,734	246,554	344,194

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.

University of New England
Notes to the 2021 Financial Statements

Note 38. Defined Benefit Plans (continued)

As at 30 November 2021	Total (A\$'000)	Quoted prices in active markets for identical assets	Significant observable inputs	Unobservable inputs
		Level 1 (A\$'000)	Level 2 (A\$'000)	Level 3 (A\$'000)
Short term securities	5,962	1,988	3,974	-
Australian fixed interest	690	-	690	-
International fixed interest	1,642	26	1,594	22
Australian equities	7,759	7,050	275	433
International equities	14,841	14,823	18	-
Property	2,654	-	-	2,654
Alternatives	8,293	(10)	2,772	5,532
Total	41,841	23,877	9,323	8,641

As at 30 November 2020	Total (A\$'000)	Quoted prices in active markets for identical assets	Significant observable inputs	Unobservable inputs
		Level 1 (A\$'000)	Level 2 (A\$'000)	Level 3 (A\$'000)
Short term securities	3,863	1,688	2,175	-
Australian fixed interest	785	-	785	-
International fixed interest	1,880	41	1,832	8
Australian equities	8,107	8,107	-	-
International equities	13,160	12,668	493	-
Property	3,372	696	-	2,675
Alternatives	9,582	(3)	3,122	6,463
Total	40,749	23,196	8,406	9,147

* Actual asset allocation as at 31 December 2021 is not yet available: the latest allocation available as at 30 November 2021 has 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 or 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.

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

	2021 (%)	2020 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	6.5	7.0
Expected rate(s) of salary increase #1	2.74	1.7
Expected return on reimbursement rights	5.7	6.0
Rate of CPI Increase	2.0	2.0
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	1.0	1.0
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	1.3	0.3
Expected rate(s) of salary increase	1.5	1.5
(1) 2.74% pa 21/22 to 25/26; 3.2% pa thereafter		

University of New England
Notes to the 2021 Financial Statements

Note 38. Defined Benefit Plans (continued)**c) Actuarial assumptions and sensitivity**

The entity's total defined benefit obligation as at 31 December 2021 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 31 December 2021.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

Impact on defined benefit obligation

Impact on defined benefit obligation	Scenario A -0.5% discount rate		Scenario B +0.5% discount rate	
	Base case \$000	as above \$000	as above \$000	as above \$000
Discount rate	as above	as above -0.5% pa	as above	as above +0.5% pa
Rate of CPI increase	as above	as above	as above	as above
Salary inflation rate	as above	as above	as above	as above
Defined benefit obligation (A\$)	312,491	328,543	312,491	297,713

Impact on defined benefit obligation	Scenario C +0.5% rate of CPI increase		Scenario D -0.5% rate of CPI increase	
	Base case \$000	as above \$000	as above \$000	as above \$000
Discount rate	as above	as above	as above	as above
Rate of CPI increase	as above	as above +0.5% pa	as above	as above -0.5% pa
Salary inflation rate	as above	as above	as above	as above
Defined benefit obligation (A\$)	312,491	329,212	312,491	296,969

Impact on defined benefit obligation	Scenario E +0.5% salary increase rate		Scenario F -0.5% salary increase rate	
	Base case \$000	as above \$000	as above \$000	as above \$000
Discount rate	as above	as above	as above	as above
Rate of CPI increase	as above	as above	as above	as above
Salary inflation rate	as above	as above +0.5% pa	as above	as above -0.5% pa
Defined benefit obligation (A\$)	312,491	312,750	312,491	312,236

Impact on defined benefit obligation	Scenario G Lower Mortality*		Scenario H Higher Mortality**	
	Base case \$000	as above \$000	as above \$000	as above \$000
Defined benefit obligation (A\$)	312,491	315,351	312,491	309,195

* Assumes the short term pensioner mortality improvement factors for years 2020-2023 also apply for years after 2023.

** Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for years 2020 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.

University of New England
Notes to the 2021 Financial Statements

Note 38. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity

	31 December 2021
Discount rate	1.68% pa
Salary increase (exclude promotional increases)	2.74% pa 2021/2022 to 2025/2026; 3.2% pa thereafter
Rate of CPI increase	2.50% for 21/22, 2.25% for 22/23; 2.50% for 23/24 and 24/25; 2.75% 25/26, 26/27 and 27/28; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are those used for the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report on the trustee's website. The report shows the pension mortality rates for each age.
	31 December 2020
Discount rate	0.97% p.a.
Salary increase (exclude promotional increases)	1.7% for 2020/2021; 2.2% p.a. for 2021/2022 to 2023/2024; 3.2% p.a. thereafter
Rate of CPI increase	1.00% for 2020/21; 1.25% for 2021/22; 1.50% for 2022/23 and 2023/24; 1.75% for 2024/25; 2.00% for 2025/26; 2.25% for 2026/27; 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.

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 - 2021					
	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Liabilities					
Provision for deferred government benefits for superannuation	11,467	1,826	299,198	4,982	317,473
Provision for pension entitlements	-	-	-	-	-
Total liabilities	11,467	1,826	299,198	4,982	317,473
Add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	11,467	1,826	299,198	4,982	317,473
Assets					
Receivable for deferred government benefit for superannuation	4,496	121	18,004	5,323	27,944
Total assets recognised in statement of financial position	4,496	121	18,004	5,323	27,944
Net liability recognised in the statement of financial position	6,971	1,705	281,194	(341)	289,529
Net liability reconciliation - 2021					
Defined benefit obligation	11,467	1,826	299,198	4,982	317,473
Fair value of plan assets	4,496	121	18,004	5,323	27,944
Net liability	6,971	1,705	281,194	(341)	289,529
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	6,971	1,705	281,194	(341)	289,529

University of New England
Notes to the 2021 Financial Statements

Note 38. Defined Benefit Plans (continued)

Statement of financial position amounts (continued)

	SASS	SANCS	SSS	PSF	Total
Reimbursement rights - 2021					
Opening value of reimbursement right	6,738	2,783	303,867	-	313,388
Remeasurement	-	-	-	-	-
Closing value of reimbursement right	6,738	2,783	303,867	-	313,388
Present value of obligations - 2021					
Opening defined benefit obligation	20,846	3,202	319,558	5,649	349,255
Current service cost	331	96	-	318	745
Interest expense	187	29	3,009	22	3,247
Remeasurement					
Actuarial losses/(gains) arising from changes in demographic assumptions	108	27	(1,033)	32	(866)
Actuarial losses/(gains) arising from changes in financial assumptions	(208)	(52)	(9,560)	(351)	(10,171)
Actuarial losses/(gains) arising from liability experience	1,119	(133)	3,657	322	4,965
Contributions	-	-	-	-	-
Plan participants	207	-	17	-	224
Payments from plan	-	-	-	-	-
Benefits paid	(10,529)	(1,386)	(16,274)	(1,010)	(29,199)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(594)	44	(177)	-	(727)
Closing defined benefit obligation	11,467	1,827	299,197	4,982	317,473
Present value of plan assets - 2021					
Opening fair value of plan assets	11,096	1,045	18,863	5,377	36,381
Interest (income)	109	10	167	15	301
Remeasurement					
Return on plan asset, excluding amounts included in net interest expense	754	(10)	(81)	-	663
Actuarial (loss)/gain on fund assets	-	-	-	659	659
Contributions	-	-	-	-	-
Employers	3,453	418	15,489	282	19,642
Plan participants	207	-	17	-	224
Payments from plan	-	-	-	-	-
Benefits paid	(10,529)	(1,386)	(16,274)	(1,010)	(29,199)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(594)	44	(177)	-	(727)
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	4,496	121	18,004	5,323	27,944
Amounts recognised in the statement of financial position - 2020					
	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Liabilities					
Provision for deferred government benefits for superannuation	20,846	3,202	319,559	5,649	349,256
Provision for pension entitlements	-	-	-	-	-
Total liabilities	20,846	3,202	319,559	5,649	349,256
Total liabilities recognised in statement of financial position	20,846	3,202	319,559	5,649	349,256
Assets					
Receivable for deferred government benefit for superannuation	11,096	1,045	18,863	5,377	36,381
Total assets recognised in statement of financial position	11,096	1,045	18,863	5,377	36,381
Net liability recognised in the statement of financial position	(9,750)	(2,157)	(300,696)	(272)	(312,875)
Net liability reconciliation - 2020					
Defined benefit obligation	20,846	3,202	319,559	5,649	349,256
Fair value of plan assets	11,096	1,045	18,863	5,377	36,381
Net liability	9,750	2,157	300,696	272	312,875
Total net liability/(asset)	9,750	2,157	300,696	272	312,875
Reimbursement rights - 2020					
Opening value of reimbursement right	6,738	2,783	303,867	-	313,388
Closing value of reimbursement right	6,738	2,783	303,867	-	313,388

University of New England
Notes to the 2021 Financial Statements

Note 38. Defined Benefit Plans (continued)

d) Statement of financial position amounts (continued)

	SASS	SANCS	SSS	PSF	Total
Present value of obligations - 2020					
Opening defined benefit obligation	22,389	3,581	340,666	5,786	372,422
Current service cost	470	109	-	252	831
Past service cost	-	-	-	-	0
Interest expense	290	46	4,530	42	4,908
Remeasurement					
Return on plan assets, excluding amounts included in net interest expense	-	-	-	-	0
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	41	41
Actuarial losses/(gains) arising from liability experience	(40)	(344)	(9,608)	312	(9,680)
Actuarial losses/(gains) arising from changes in financial assumptions	(238)	(58)	2,437	276	2,417
Contributions					0
Plan participants	234	-	19	-	253
Payments from plan					0
Benefits paid	(2,187)	(296)	(16,256)	(1,060)	(19,799)
Taxes, premiums & expenses paid	(72)	164	(2,230)	-	(2,138)
Closing defined benefit obligation	20,846	3,202	319,558	5,649	349,255
Present value of plan assets - 2020					
Opening fair value of plan assets	12,830	573	17,724	5,772	36,899
Interest (income)	159	9	240	54	462
Remeasurement					
Return on plan assets, excluding amounts included in net interest expense	66	(6)	(156)	-	(96)
Actuarial losses/(gains) on fund assets	-	-	-	288	288
Contributions					0
Employers	66	602	19,521	323	20,512
Plan participants	234	-	19	-	253
Payments from plan					0
Benefits paid	(2,187)	(296)	(16,255)	(1,060)	(19,798)
Settlements	-	-	-	-	0
Taxes, premiums & expenses paid	(72)	163	(2,230)	-	(2,139)
Closing fair value of plan assets	11,096	1,045	18,863	5,377	36,381

e) Amounts recognised in other statements

Amounts recognised in other statements	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Amounts recognised in the Income Statement – 2021					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 25. The amounts are included in employee related expenses (note 5).					
Current service cost	331	96	-	318	745
Past service cost	-	-	-	-	-
Net interest	78	19	2,842	7	2,946
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	409	115	2,842	325	3,691
Amounts recognised in the Statement of Comprehensive Income - 2021					
The amounts recognised in the Statement of Comprehensive Income are restricted to the 1 scheme and pension in accordance with note 25. The amounts are included in reserves (note 27(b)).					
Remeasurement					
Actuarial losses (gains) arising from changes in demographic assumptions	-	-	-	-	-
Actuarial losses (gains) arising from changes in financial assumptions	265	(149)	6,855	(656)	6,315
Actuarial losses (gains) arising from experience adjustments	-	-	-	-	-
Actual return on plan assets less interest income	-	-	-	-	-
Total remeasurement in other comprehensive income	265	(149)	6,855	(656)	6,315
Total remeasurement recognised in the Statement of Comprehensive Income	265	(149)	6,855	(656)	6,315
Amounts recognised in the Income Statement – 2020					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pensions. The amounts are included in employee related expenses (note 5).					
Current service cost	470	109	-	252	831
Past service cost	-	-	-	-	-
Net interest	130	37	4,290	(12)	4,445
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	600	146	4,290	240	5,276
Amounts recognised in the Statement of Comprehensive Income - 2020					
The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pensions. The amounts are included in reserves (note 27).					
Remeasurement					
Actuarial losses (gains) arising from changes in demographic assumptions	-	-	-	-	-
Actuarial losses (gains) arising from changes in financial assumptions	(80)	(20)	(7)	341	234
Actuarial losses (gains) arising from experience adjustments	-	-	-	-	-
Actual return on plan assets less interest income	-	-	-	-	-
Total remeasurement in other comprehensive income	(80)	(20)	(7)	341	234
Total amounts recognised in the Statement of Comprehensive Income	(80)	(20)	(7)	341	234

University of New England
Notes to the 2021 Financial Statements

Note 38. 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 2021, the assets of the DBD in aggregate were estimated to be \$5,070 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 121.3%. 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 2021, the assets of the DBD in aggregate were estimated to be \$7,339 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 134.2%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2021. The financial assumptions used were:

Note 38. Defined Benefit Plans (continued)

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	5.3% p.a.	6.5% p.a.
Gross of tax investment return – commercial rate indexed pensions	2.4% p.a.	2.4% p.a.
Net of tax investment return - non pensioner members	4.6% p.a.	5.7% p.a.
Consumer Price Index	2.0% p.a.	2.0% p.a.
Inflationary salary increases		
- For the next 3 years	2.25% p.a.	2.25% p.a.
- Beyond 3 years	2.75% p.a.	2.75% p.a.

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

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

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, 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 Mercer and relate to the defined benefit superannuation plans of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS).

University of New England
Notes to the 2021 Financial Statements

Note 39. Acquittal of Australian Government financial assistance

39a Education - CGS and Other Education Grants	Note	Parent					
		Commonwealth Grant Scheme #1		Indigenous, Regional and Low-SES Attainment Fund #2		National Priorities and Industry Linkage Fund	
		2021	2020	2021	2020	2021	2020
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		119,794	109,609	13,030	10,066	4,750	-
Net adjustments		(137)	(5,557)	(282)	-	-	-
Revenue and income for the period	3.1(a)	119,657	104,051	12,748	10,066	4,750	-
Surplus / (deficit) from the prior year		-	(2,850)	-	-	-	-
Total funding available during the year		119,657	101,201	12,748	10,066	4,750	-
Less expenses including accrued expenses		119,657	101,201	12,546	10,066	4,750	-
Surplus / (deficit) for reporting period		-	-	202	-	-	-

39b Higher Education Loan Programs (excluding OS-HELP)	Note	Parent					
		Higher Education Disability Support Program #3		Indigenous Student Success Program		Total	
		2021	2020	2021	2020	2021	2020
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		219	158	2,598	2,303	140,390	122,135
Net adjustments		-	-	-	-	(419)	(5,557)
Revenue and income for the period	3.1(a)	219	158	2,598	2,303	139,971	116,578
Surplus / (deficit) from the prior year		-	-	-	247	-	(2,603)
Total funding available during the year		219	158	2,598	2,550	139,971	113,975
Less expenses including accrued expenses		219	158	2,104	2,550	139,276	113,975
Surplus / (deficit) for reporting period		-	-	494	-	695	-

1 Includes the basic CGS grant amount, CGS – Medical Student Loading, Transition Fund loading, Allocated Places, Non Designated Courses and CGS – Special Advances from Future Years.
2 Includes the Higher Education Participation and Partnership Program, regional loading and enabling loading.
3 Higher Education Disability Support Program includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.

39b Higher Education Loan Programs (excluding OS-HELP)	Note	Parent							
		HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Cash Payable / (Receivable) at beginning of year		(3,867)	789	(2,182)	1,441	(745)	(595)	(6,794)	1,635
Financial assistance received in Cash during the reporting period		72,451	76,851	15,103	9,963	3,095	2,373	90,649	89,187
Cash available for the period		68,584	77,640	12,921	11,404	2,350	1,778	83,855	90,822
Revenue and income earned	3.1(b)	68,739	81,507	12,740	13,589	2,358	2,523	83,837	97,618
Cash Payable / (Receivable) at end of year		(155)	(3,867)	181	(2,185)	(8)	(745)	18	(6,796)

University of New England
Notes to the 2021 Financial Statements

Note 39. Acquittal of Australian Government financial assistance (continued)

39c Department of Education and Research	Note	Parent					
		Research Training Program		Research Support Program		Total	
		2021	2020	2021	2020	2021	2020
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		9,083	9,114	15,640	7,547	24,724	16,662
Net adjustments		-	-	-	-	-	-
Revenue for the period	3.1(c)	9,083	9,114	15,640	7,547	24,724	16,662
Surplus / (deficit) from the previous year		-	-	-	-	-	-
Total funding available during the year		9,083	9,114	15,640	7,547	24,724	16,662
Less expenses including accrued expenses		9,083	9,114	15,640	7,547	24,724	16,662
Surplus / (deficit) for reporting period		-	-	-	-	-	-

39d Total Higher Education Provider Research Training Program expenditure	Parent	
	Total Domestic Students	Total Overseas Students
	\$'000	\$'000
Research Training Program Fees offsets	5,004	-
Research Training Program Stipends	3,669	308
Research Training Program Allowances	60	42
Total for all types of support	8,733	350

39e Australian Research Council Grants	Note	Parent					
		Discovery		Linkages		Total	
		2021	2020	2021	2020	2021	2020
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		1,087	1,383	431	314	1,518	1,697
Revenue for the period	3.1(d)	1,087	1,383	431	314	1,518	1,697
Surplus / (deficit) from the previous year		1,263	1,122	286	-	1,548	1,122
Total funding available during the year		2,350	2,505	717	314	3,066	2,819
Less expenses including accrued expenses		941	1,242	420	28	1,361	1,271
Surplus / (deficit) for reporting period		1,409	1,263	297	286	1,705	1,548

39f Other Australian Government Financial Assistance	Parent	
	2021	2020
	\$'000	\$'000
Cash Received during the reporting period	20,476	21,923
Cash Spent during the reporting period	(20,476)	(21,923)
Net Cash received	-	-
Cash Surplus / (deficit) from the previous period	-	-
Cash Surplus / (deficit) for the reporting period	-	-

39g OS-HELP	Note	Parent	
		2021	2020
		\$'000	\$'000
Cash Received during the reporting period		-	2,256
Cash Spent during the reporting period		-	(376)
Net Cash received		-	1,880
Cash Surplus / (deficit) from the previous period		2,405	525
Cash Surplus / (deficit) for the reporting period		2,405	2,405

*University of New England
Notes to the 2021 Financial Statements*

Note 39. Acquittal of Australian Government financial assistance (continued)

39h Higher Education Superannuation Program		Parent	
Note	2021	2020	
	\$'000	\$'000	
Cash Received during the reporting period	19,151	19,476	
University contribution in respect of current employees	-	-	
Cash available	19,151	19,476	
Cash Surplus / (deficit) from the previous period	-	-	
Cash available for current period	19,151	19,476	
Contributions to specified defined benefit funds	(19,121)	(19,476)	
Cash Surplus / (deficit) this period	30	-	

39i Student Services and Amenities Fee		Parent	
Note	2021	2020	
	\$'000	\$'000	
Unspent / (overspent) revenue from previous period	0	0	
SA-HELP Revenue Earned	2,358	2,523	3.1(b)
Student Services and Amenities Fees direct from Students	1,044	1,053	3.3
Total revenue expendable in period	3,402	3,576	
Student Services expenses during period	2,898	3,576	
Unspent / (overspent) Student Services Revenue	504	0	

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 2021**



Financial Statements for the year ended December 31, 2021

AGRIBUSINESS INFORMATION SPECIALISTS
 +61 2 6773 3555 | office@abri.une.edu.au | +61 2 6772 5376 | abri.une.edu.au
 The Short Run · University of New England · Armidale NSW 2351 · ABN 59 781 301 088



INDEPENDENT AUDITOR'S REPORT Agricultural Business Research Institute

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

Opinion

I have audited the accompanying financial statements of Agricultural Business Research Institute (the Company), which comprise the Directors' Statement Pursuant to Section 7.6(4) of the *Government Sector Finance Act 2018* (the Act), Directors' declaration, the Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions

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

Basis for opinion

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

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

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (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 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
 GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | 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.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations, Treasurer's Directions, and *Corporations Act 2001*. The directors' responsibility also includes 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.

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.

The scope of my audit does not include, nor 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.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 April 2022
SYDNEY

Agricultural Business Research Institute

Directors' Report

Your Directors submit their report, together with the financial statements of the company for the year ended 31 December 2021 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

<p>Name and Occupation: Qualifications: Experience:</p>	<p>Ian Michael LOCKE B. Agric. Econ. 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.</p>
<p>Special Responsibilities</p>	<p>Chairman, IBRS Sub-Committee, Finance Committee Non-executive director since June 2002.</p>
<p>Name and Occupation: Qualifications: Experience:</p>	<p>Hugh Peter NIVISON B.V.Sc. MAICD FARL Mr Nivison was appointed Managing Director in 2015. He has a lifelong involvement in, and passion for, livestock production industries as a wool and cattle producer. Mr Nivison has previously acted as an advisor to global investment funds, identifying and acquiring assets including due diligence, strategic & business plan evaluation and operational advice on agricultural investments in Australia and internationally. He has a high level of corporate experience having served on numerous industry organisations and remains Chair of the Australian Farmers' Fighting Fund. With a degree in Veterinary Science and appointed an Adjunct Associate Professor at the University of Queensland School of Veterinary Science, Mr Nivison is also a graduate of the Australian Rural Leadership Program.</p>
<p>Special Responsibilities</p>	<p>Managing Director Board member since October 2015.</p>
<p>Name and Occupation: Qualifications: Experience:</p>	<p>Peter Brett COOMBE Bachelor of Business (Rural Management), from Gatton College 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.</p>
<p>Special Responsibilities</p>	<p>Deputy Chairman, IBRS Sub-Committee Non-executive director since July 2014.</p>
<p>Name and Occupation: Experience:</p>	<p>Professor Heiko DANIEL 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.</p>
<p>Special Responsibilities</p>	<p>Non-executive director since June 2015.</p>
<p>Name and Occupation: Experience:</p>	<p>Kris KAUFFMANN Kris is Strategy Advisor to the Vice Chancellor and a former Chief Financial Officer of 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.</p>
<p>Special Responsibilities</p>	<p>Finance Committee Non-executive director since May 2017.</p>
<p>Name and Occupation: Qualifications: Experience:</p>	<p>James Sebastian NEAL B. Ag. Sci (Hon 1) PhD Vet. Sci GAICD Mr 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.</p>
<p>Special Responsibilities</p>	<p>Dairy Express Advisory Committee Non-executive director since May 2017.</p>
<p>Name and Occupation: Qualifications: Experience:</p>	<p>Sarah NOLET B.S. Computer Science; B.S. Human Factors Engineering; M.S. Systems Engineering and Management Ms Nolet is an internationally recognized food systems innovation expert. She is the CEO and Founder of AgThentic, a global food and agriculture strategy firm; co-founder of Tenacious Ventures, Australia's first dedicated agrifood tech VC firm; and co-founder of Farmers2Founders, a national innovation program that supports Australian primary producers to commercialize inventions and new businesses, as well as gain early access to emerging technologies.</p>
<p>Special Responsibilities</p>	<p>Non-executive director since October 2019. Resigned November 2021.</p>

Agricultural Business Research Institute
ABN 59 781 301 088
Directors Report

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.

Special Responsibilities
 IBRS Sub-Committee
 Non-executive director since May 2018.

Name and Occupation: Angela Maree SCHUSTER
Qualifications: MBM, PGDipBusAdmin, DipBusGov
Experience: Mrs Schuster has a track record of achievement in the areas of strategy, planning, standards, compliance, risk and policy. Angela is a Non-Executive Director of the Central West Leadership Academy Pty Ltd, Managing Director of Schuster Consulting Group Pty Ltd and co-owner of Benalong Pastoral Company Pty Ltd - a wool, prime lamb, beef cattle and dry land and specialised irrigated cropping enterprise in the Central West of NSW. Prior to co-founding Schuster Consulting Group, Angela was the head of international marketing for ASX listed technology company Integrated Research.

Special Responsibilities
 Finance Committee
 Non-executive director since November 2020.

Name and Occupation: Felicity Ann COVENTRY
Qualifications: MBA, BEcon/IAB
Experience: Felicity has a Masters in Business Administration from The University of Melbourne. She is a senior business leader with a strong, broad and practical understanding of the global Agribusiness Industry gained through more than 15 years in the sector. Verifiable track record in developing innovative strategies and business plans; transforming back offices and automating processes; developing new products and services from prototype through to commercialisation and opening up new markets. International experience working with stakeholder groups across government, researchers, and industry to enhance agribusinesses and drive complex industry projects to success.

Non-executive director since November 2021.

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.

Agricultural Business Research Institute
ABN 59 781 301 088
Directors Report

Directors' meetings

During the financial year ended 31, December 2021, 4 directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Number Attended
Ian Michael LOCKE	4	4
Hugh Peter NIVISON	4	4
Peter Brett COOMBE	4	4
Heiko DANIEL	4	4
Kris KAUFFMANN	4	4
James Sebastian NEAL	4	4
Sarah NOLET	4	4
Justin BOSHAMMER	4	3
Angela Maree SCHUSTER	4	4
Felicity Ann COVENTRY	1	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 2021, 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 \$591,766 (Restated 2020 = \$683,398) and the deficit after fair value adjustments and gains(loss) on sale of the financial assets was \$555,562 (Restated 2020 = \$751,516)

After considering the approved budget, business activity, and trading conditions for the year and in particular the effects that continuing drought and bushfires have had on the national herd size, 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 \$61,784 for Directors and Officers Insurance covered the period 1 November 2020 to 31 October 2021. Insurance has been renewed for the Group for the period 1 November 2021 to 31 October 2022 at a cost of \$62,178 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

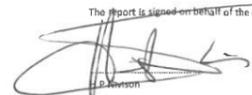
There were no legal proceedings brought against the company during the financial year. At the date of this report, the directors are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

Agricultural Business Research Institute
ABN 69 781 301 088
Directors 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 2021.

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


Managing Director
Date: 13/4/2022


H DANIEL
Director
Date: 13/4/2022



To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Agricultural Business Research Institute for the year ended 31 December 2021, 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.



Caroline Karakatsanis
Director, Financial Audit
Delegate of the Auditor-General for New South Wales
13 April 2022
SYDNEY

Agricultural Business Research Institute
 ABN 59 781 301 088
 Directors Report

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 2021;
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
 Managing Director
 Date: 13/4/2022


 H DANIEL
 Director
 Date: 13/4/2022

Directors' Statement Pursuant to Section 7.6(4) of the Government Sector Finance Act 2018 (the Act)

In accordance with a resolution of the directors and pursuant to Section 7.6(4) of the Government Sector Finance Act 2018 (the Act), we state that:

1. The attached general purpose financial statements and notes present fairly the financial position and performance of the Company at 31 December 2021 and cashflows of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the Act and the Government Sector Finance regulation 2018
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
 Managing Director
 Date: 13/4/2022


 H DANIEL
 Director
 Date: 13/4/2022

Agricultural Business Research Institute
 ABN 59 781 301 088
 2021 Financial Statements

Income Statement
 For the year ended 31 December 2021

	Notes	2021 \$	Restated 2020 \$
Revenue and income from continuing operations			
Investment income	2	369,480	207,845
Trading revenue	4	6,517,666	7,227,527
Total revenue and income from continuing operations		6,887,146	7,435,372
Expenses from continuing operations			
Employee related expenses	5	4,823,772	5,186,884
Depreciation and amortisation	6	750,799	694,794
Repairs and maintenance	7	42,673	45,176
Borrowing costs	9	6,818	8,049
Impairment of assets	8	20,430	5,714
Other expenses	9	1,834,420	2,178,153
Total expenses from continuing operations		7,478,912	8,118,770
Net result from continuing operations		(591,766)	(683,398)
Other Gains/(Losses)			
Other investment gain/(loss)	3	26,474	(68,118)
Gain/(Loss) on sale of assets	3	9,730	-
Net result attributable to the ABRI	20(b)	(555,562)	(751,516)

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

Statement of Comprehensive Income
 For the year ended 31 December 2021

	Notes	2021 \$	Restated 2020 \$
Net result for the year		(555,562)	(751,516)
Items that will not be reclassified to profit or loss			
Gain/(loss) on revaluation of land, buildings and infrastructure	14	385,007	306,853
Total other comprehensive income		385,007	306,853
Total comprehensive income for the year		(170,555)	(444,663)

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

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements

Statement of Financial Position
As at 31 December 2021

Notes	2021 \$	Restated 31 December 2020 \$	Restated 1 January 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	10 3,479,264	3,492,267	4,048,202
Receivables	11 944,049	1,056,462	1,646,615
Other assets	13 5,886	470,390	303,704
Total current assets	<u>4,429,199</u>	<u>5,019,119</u>	<u>5,998,521</u>
Non-current assets			
Other financial assets	12 4,772,971	4,667,207	4,571,929
Property, plant and equipment	14 3,960,655	3,756,609	3,510,753
Intangible assets	15 1,055,843	1,259,166	1,264,808
Total non-current assets	<u>9,789,469</u>	<u>9,682,982</u>	<u>9,347,490</u>
Total assets	<u>14,218,668</u>	<u>14,702,101</u>	<u>15,346,011</u>
LIABILITIES			
Current liabilities			
Trade and other payables	16 313,095	631,142	603,946
Borrowings	17 18,038	42,047	60,348
Provisions	18 1,123,262	1,099,406	1,091,119
Other liabilities	19 504,814	504,244	687,528
Total current liabilities	<u>1,959,209</u>	<u>2,276,839</u>	<u>2,442,941</u>
Non-current liabilities			
Borrowings	17 19,250	6,499	58,644
Provisions	18 108,000	116,000	97,000
Total non-current liabilities	<u>127,250</u>	<u>122,499</u>	<u>155,644</u>
Total liabilities	<u>2,086,460</u>	<u>2,399,338</u>	<u>2,598,585</u>
Net assets	<u>12,132,208</u>	<u>12,302,763</u>	<u>12,747,426</u>
EQUITY			
Asset revaluation reserve	20(a) 2,303,805	1,918,798	1,611,945
Retained earnings	20(b) 9,828,403	10,383,965	11,135,481
Total equity attributable to equity holders of the company	<u>12,132,208</u>	<u>12,302,763</u>	<u>12,747,426</u>

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

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements

Statement of Changes in Equity
For the year ended 31 December 2021

Notes	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 January 2020	1,611,945	9,870,673	11,482,618
Retrospective changes			
Correction of prior period error		1,264,808	1,264,808
Balance as restated	<u>1,611,945</u>	<u>11,135,481</u>	<u>12,747,426</u>
Restated Net result		(751,516)	(751,516)
Gain/(loss) on revaluation of Land, Buildings and Infrastructure	306,853	-	306,853
Restated Total comprehensive income	<u>306,853</u>	<u>(751,516)</u>	<u>(444,663)</u>
Restated Balance at 31 December 2020	<u>1,918,798</u>	<u>10,383,965</u>	<u>12,302,763</u>
Restated Balance at 1 January 2021	1,918,798	10,383,965	12,302,763
Net result		(555,562)	(555,562)
Gain/(loss) on revaluation of Land, Buildings and Infrastructure	385,007	-	385,007
Total comprehensive income	<u>385,007</u>	<u>(555,562)</u>	<u>(170,555)</u>
Balance at 31 December 2021	<u>2,303,805</u>	<u>9,828,403</u>	<u>12,132,208</u>

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 2021

Notes	2021 \$	Restated 2020 \$
Cash flows from operating activities		
Receipts from customers	7,746,350	8,096,641
Interest received	369,480	260,237
Payments to suppliers and employees (inclusive of GST)	(7,309,571)	(7,805,787)
GST recovered/paid	(86,579)	(236,977)
Net cash provided by / (used in) operating activities	<u>719,680</u>	<u>314,114</u>
Cash flows from investing activities		
Net payments for property, plant, equipment and intangible assets, net proceeds from sales of PPE	(356,785)	(628,156)
Payments for financial assets	(346,594)	(163,397)
Net cash provided by / (used in) investing activities	<u>(703,379)</u>	<u>(791,553)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(29,304)	(78,496)
Net cash provided by / (used in) financing activities	<u>(29,304)</u>	<u>(78,496)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(13,003)</u>	<u>(555,935)</u>
Cash and cash equivalents at the beginning of the financial year	3,492,267	4,048,202
Cash and cash equivalents at the end of the financial year	<u>3,479,264</u>	<u>3,492,267</u>

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

**Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements**

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	12
	Income	
2	Investment income	13
3	Gains and losses	13
4	Trading revenue	13
	Expenses	
5	Employee related expenses	13
6	Depreciation and amortisation	13
7	Repairs and maintenance	14
8	Impairment of assets	14
9	Other expenses	14
	Assets	
10	Cash and cash equivalents	15
11	Receivables	15
12	Other financial assets	16
13	Other assets	16
14	Property, plant and equipment	17
15	Intangible assets	18
	Liabilities	
16	Trade and other payables	18
17	Borrowings	18
18	Provisions	19
19	Other Liabilities	19
	Equity	
20	Reserves and retained earnings	19
21	Key management personnel disclosures	21
22	Remuneration of auditors	21
23	Contingencies	21
24	Commitments	21
25	Related parties	22
26	Reconciliation of operating result after income tax to net cash flows	22
27	Events subsequent to reporting period	22
28	Financial risk management	23
29	Fair value measurements	26

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, 2021 membership of the company stood at seven.

The company is a controlled entity of the University of New England. The financial statements includes only Agricultural Business Research Institute as an individual entity.

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

The financial statements for the year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Board on 23 March 2022

As per the ABRI Board meeting in November 2021, it was agreed that costs associated with software development are recognised as an intangible asset and capitalised accordingly.

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.

The company is for profit and is exempt under the provisions of Section 50-B of the Income Tax Assessment Act 1997 (ITAA).

(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.

- Government Sector Finance Act 2018.
- Government Sector Finance Regulation 2018.
- Corporations Act 2001.

The Financial Statements has been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets 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 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

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.

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 entity's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements include the valuation of land and buildings (note 14), long service leave and annual leave provisions (note 18).

(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.

The following standards have been issued but are not mandatory for 31 December 2021 reporting periods. The Entity has elected not to early adopt any of these standards.

Standard/Amendment		Application date
AASB2020-1 and AASB2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2022
AASB2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1 January 2022
AASB2020-8	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	1 January 2022
AASB2017-5	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2022
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023

New standards and interpretations issued and effective for 31 December 2021 reporting period did not have a material impact on the Entity's financial statements.

**Agricultural Business Research Institute
ABN 69 781 301 088
2021 Financial Statements**

Notes to the financial statements
(continued)

Note 2. Investment income

Notes	2021 \$	2020 \$
Investment Income	369,480	207,845
Total investment income	369,480	207,845

Interest income is recognised as it accrues using the effective interest method. Dividend income is recognised when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Note 3. Gains and losses

	2021 \$	2020 \$
Other investment gains/(losses)	26,474	(68,118)
Gain on sale of assets	9,730	-
Total gains and losses	36,204	(68,118)

Gains and losses on the disposal of non current assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses

Note 4. Trading revenue

	2021 \$	2020 \$
Fees and charges	6,517,666	7,227,527
Total trading revenue	6,517,666	7,227,527

The Entity provides data processing, computer software products, dairy milk testing and educational services to various domestic and international customers. The Entity generates fees and charges calculated based on rate per agreement and the related level of service provided.

Retainer fees for BREEDPLAN are recognised at a point in time when the application is processed as members can readily access BREEDPLAN at that point.

Technical, executive support, secretariat and clerical support charges are recognised at a point in time when relevant service was provided. Software development charges are recognised at a point in time based on performance. Dairy Express revenue that do not relate to pay as you go services, consultancies, contribution are recognised overtime as obligations are delivered according to the specific contract.

Note 5. Employee related expenses

	2021 \$	Restated 2020 \$
Salaries	4,162,501	4,377,681
Contribution to funded superannuation and pension schemes	396,687	453,329
Payroll tax	213,510	284,089
Worker's compensation	33,164	38,391
Leave accrual expense	15,856	27,287
Other (Allowances, penalties and fringe benefits tax)	2,054	6,107
Total employee related expenses	4,823,772	5,186,884

Refer to note 18 for accounting policies on employee benefits.

Note 6. Depreciation and amortisation

	2021 \$	Restated 2020 \$
Depreciation		
Buildings	107,033	95,973
Infrastructure	4,500	4,500
Furniture and Fittings	12,211	13,537
Plant and Equipment	86,831	85,279
Leased assets	27,328	28,658
Right-of-use assets - leasing assets	28,190	28,267
Total depreciation	266,093	256,214
Amortisation		
Intangibles	484,706	438,580
Total amortisation	484,706	438,580
Total depreciation and amortisation	750,799	694,794

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,	Furniture and Fittings - 7-20 yrs,
Computing Equipment 4 - 15 yrs,	Other Plant and Equipment - 4 - 15 yrs,
Motor Vehicles - 5 yrs,	Intangible 5-20yrs
Infrastructure - 10 yrs,	Right-Of-Use Assets - The shorter of Lease term or useful Life of assets
Leased Assets- Useful Life of Lease - 4yrs	

**Agricultural Business Research Institute
ABN 69 781 301 088
2021 Financial Statements**

Notes to the financial statements
(Continued)

Note 7. Repairs and maintenance

	2021 \$	2020 \$
Plant/furniture/equipment	42,673	45,176
Total repairs and maintenance	42,673	45,176

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 8. Impairment of assets

Note	2021 \$	2020 \$
11	20,430	5,714
Total impairment of assets	20,430	5,714

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.

Refer to Note 11 for policy on receivable impairment

Note 9. Other expenses

	2021 \$	Restated 2020 \$
Non-capitalised equipment	8,983	8,825
Advertising, marketing and promotional expenses	25,356	28,878
Utilities	28,039	27,808
Postal and Telecommunications	510,963	361,908
Travel and Entertainment	40,542	50,120
Short-term leases	12,967	15,723
Consultants	379,782	707,780
Royalties	192,370	238,465
Computer and Office Supplies	195,215	266,650
Other Expenditure	440,203	471,996
Total other expenses	1,834,420	2,178,153

Other expenses are recognised as incurred

The lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. Operating expenses are recognised as incurred

	2021 \$	2020 \$
Interest expense on financial liability	6,818	8,049
Interest expense for long-term lease ROU assets	-	-
Borrowing costs	6,818	8,049
Reconciliation of Finance costs		
Finance lease interest	6,818	8,049
Less : amount capitalised	-	-
Total borrowing costs expensed	6,818	8,049

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements
 Notes to the financial statements
 (Continued)

Note 10. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	974,728	279,037
At call investments	2,504,536	3,213,230
Total cash and cash equivalents	3,479,264	3,492,267

(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:

	2021	2020
	\$	\$
Balances as above	3,479,264	3,492,267
Less: Bank Overdrafts	-	-
Balance per cash flow statement	3,479,264	3,492,267

(b) Deposits at call

The deposits are bearing floating interest rates between 0.45% and 0.7% (2020: 0.4% and 0.7%). These deposits have an average maturity of 225 days, however can be withdrawn within a 30 day notice without penalties.

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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Note 11. Receivables

	2021	2020
	\$	\$
Current		
Trade and Other Debtors	983,709	1,080,071
Less: Allowance for expected credit losses	(39,660)	(23,609)
Total current receivables	944,049	1,056,462
Non-current		
Trade and Other Debtors	-	-
Total non-current receivables	-	-
Total receivables	944,049	1,056,462

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.

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

	2021	2020
	\$	\$
As at 1 January	23,609	70,746
Receivables written off during the year as uncollectible	(4,379)	(52,852)
Provision for expected credit losses during the year	20,430	5,715
At 31 December	39,660	23,609

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. For trade and other receivables, the Entity applies a simplified approach in calculating expected credit losses ("ECL's"). Therefore, the Entity does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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.

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statement

Notes to the financial statements
 (continued)

Note 12. Other financial assets

	2021	2020
	\$	\$
Non-current		
Summary of portfolio as at 31 December:		
Fair value through profit and loss	4,772,971	4,667,207
Total non-current other financial assets	4,772,971	4,667,207

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

- financial assets at amortised costs
- financial assets at fair value through other comprehensive income
- financial assets at fair value through profit or loss

The Entity recognises and measures its 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, ABRI 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.

Note 13. Other assets

	2021	2020
	\$	\$
Current		
Accrued Income	1,280	465,784
Prepaid Expenses	4,606	4,606
Total current other non-financial assets	5,886	470,390

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statement

Notes to the financial statements
(continued)

Note 14. Property, plant and equipment

	Freehold land	Freehold buildings	Infrastructure	Plant and equipment	Leased assets	Furniture & fittings	* Right of use assets	Total
At 1 January 2020								
- Cost	-	-	-	2,122,979	143,292	303,084	83,090	2,652,445
- Valuation	495,000	2,436,300	72,000	-	-	-	-	3,003,300
Accumulated depreciation and impairment	-	(95,972)	(4,500)	(1,685,379)	(71,546)	(264,451)	(23,144)	(2,144,992)
Net book amount	495,000	2,340,328	67,500	437,600	71,746	38,633	59,946	3,510,753
Year ended 31 December 2020								
Opening net book amount	495,000	2,340,328	67,500	437,600	71,746	38,633	59,946	3,510,753
Additions	-	63,992	-	122,535	-	7,211	1,478	195,217
Revaluation increment	-	302,353	4,500	-	-	-	-	306,853
Depreciation charge	-	(95,973)	(4,500)	(85,279)	(28,658)	(13,537)	(28,267)	(256,214)
Closing net book amount	495,000	2,610,700	67,500	474,856	43,088	32,307	33,158	3,756,609
At 31 December 2020								
- Cost	-	-	-	2,245,514	143,292	310,295	84,568	2,783,669
- Valuation	495,000	2,610,700	67,500	-	-	-	-	3,173,200
Accumulated depreciation	-	-	-	(1,770,658)	(100,204)	(277,988)	(51,410)	(2,200,260)
Net book amount	495,000	2,610,700	67,500	474,856	43,088	32,307	33,158	3,756,609
Year ended 31 December 2021								
Opening net book amount	495,000	2,610,700	67,500	474,856	43,088	32,307	33,158	3,756,609
Additions	-	-	-	40,739	51,517	15,750	-	108,006
Revaluation increment/(decrement)	(220,000)	555,040	49,967	-	-	-	-	385,007
Assets disposals	-	-	-	-	(22,873)	-	-	(22,873)
Depreciation charge	-	(107,933)	(4,500)	(86,831)	(27,328)	(12,211)	(28,189)	(266,093)
Closing net book amount	275,000	3,058,707	112,967	428,764	44,404	35,846	4,969	3,960,655
At 31 December 2021								
- Cost	-	-	-	2,286,252	69,344	326,045	84,568	2,766,209
- Valuation	275,000	3,058,707	112,967	-	-	-	-	3,446,674
Accumulated depreciation	-	-	-	(1,857,489)	(24,940)	(290,199)	(79,599)	(2,252,227)
Net book amount	275,000	3,058,707	112,967	428,763	44,404	35,846	4,969	3,960,655

Land, buildings and infrastructure are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment 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.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances arise, which indicate the carrying amount may not be recoverable. 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 2021 by APV.

Note 14.1 Right-of-use-assets

	2021	2020
Right-of-use assets - Property	\$	\$
Net book value As at 1 January	33,158	59,946
Additions of right-of-use assets	-	1,478
Depreciation charge	(28,189)	(28,267)
Net book value At 31 December	4,969	33,158

At inception of a contract, the entity assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The entity assesses whether:

- The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:
 - The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - The relevant decisions about how and for what purpose the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequently, right of use assets are measured at cost less accumulated amortisation and adjusted for any re-measurements of the lease liability.

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements

Notes to the financial statements
(continued)

Note 15. Intangible assets

	2021	Restated 2020
	\$	\$
At 1 January		
Cost	5,164,889	4,883,506
Accumulated amortisation and impairment	(4,109,046)	(3,624,340)
Net book amount	1,055,843	1,259,166
Year ended 31 December		
Opening net book amount	1,259,166	1,264,808
Additions	281,383	432,938
Amortisation charge	(484,706)	(438,580)
Closing net book amount	1,055,843	1,259,166

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 5 to 20 years.

Note 16. Trade and other payables

	2021	2020
	\$	\$
Current		
Trade Payables	76,807	319,364
Other Payables	236,288	311,778
Total current trade and other payables	313,095	631,142

These amounts represent liabilities for goods and services provided to ABRI prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. These liabilities are measured at original cost, which is not materially different to amortised cost due to the short term nature of the liability.

Note 17. Borrowings

	2021	2020
	\$	\$
Current		
Finance lease liabilities ROU	4,859	33,231
Automotive lease liabilities	13,179	8,816
Total current borrowings	18,038	42,047
Non-current		
Finance lease liabilities ROU	-	932
Automotive lease liabilities	19,250	5,567
Total non-current borrowings	19,250	6,499

Credit Card facility

ABRI have a \$40,000 credit card facility with \$23,803 available at 31 December 2021

Lease Liability

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI)
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the Entity is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Entity allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The situations where a remeasurement may occur is a change of the lease agreement on renewal, early termination or a decision to purchase the underlying asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 14 and lease liabilities are presented as borrowings in Note 17

**Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements**

Notes to the financial statements
(continued)

Note 18. Provisions

	2021	2020
Current provisions expected to be settled within 12 months	\$	\$
Annual leave	402,141	400,400
Long service leave	91,000	112,000
Make good provision	3,600	3,600
Total Current Provision	496,741	516,000
Current provisions expected to be settled wholly after more than 12 Months		
Employee benefits		
Annual leave	316,521	245,406
Long service leave	310,000	338,000
Subtotal	626,521	583,406
Total Current Provision	1,123,262	1,099,406
Non-current provisions		
Employee benefits		
Long service leave	108,000	116,000
Total non-current provision	108,000	116,000
Total provisions	1,231,262	1,215,406

Provisions for legal claims and service warranties are recognised when: ABRI 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 can be 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 end of the reporting period. The discount rate (pre-tax) 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) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits are those that 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, accumulating sick leave and long service leave liabilities.

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

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

(iii) Retirement benefit obligations

Contributions to funded superannuation and pension schemes are recognised as expenses as they become payable.

Note 19. Other Liabilities

	2021	2020
Current		
Accrued Liabilities	\$	\$
Accrued Expenses	171,204	219,829
Fees in Advance	175,436	164,120
GST Payable	158,174	120,295
Total current other liabilities	504,814	504,244

Note 20. Reserves and retained earnings

	2021	2020
a) Reserves		
Revaluation Reserve	\$	\$
- Land	195,000	415,000
- Buildings	2,017,835	1,462,794
- Infrastructure	90,971	41,004
	2,303,805	1,918,798

**Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements**

Notes to the financial statements
(continued)

Restated
2020

Movements in reserves were as follows:

	2021	Restated 2020
Reserves at 1 January - Land	415,000	415,000
Increment/(decrement) on revaluation	(220,000)	-
Reserves at 31 December	195,000	415,000
Reserves at 1 January - Buildings	1,462,794	1,160,441
Increment/(decrement) on revaluation	555,041	302,353
Reserves at 31 December	2,017,835	1,462,794
Reserves at 1 January - Infrastructure	41,004	36,504
Increment/(decrement) on revaluation	49,967	4,500
Reserves at 31 December	90,971	41,004

b) Retained earnings

Movements in retained earnings were as follows:

	2021	Restated 2020
Retained earnings at 1 January	10,383,965	11,135,481
Net Operating Result for the year	(555,562)	(751,516)
Retained Earnings at 31 December	9,828,403	10,383,965
Total Equity	12,132,208	12,302,763

c) Correction of error in previous reporting period accounting transaction

Nature of error:

For the 2015 to 2020 reporting periods the Entity did not capitalise software development amounts to intangible assets. These software development costs relate to amounts paid for additional functions or significant enhancement of the Entity's existing software to further improve products or services to its customers. These costs:

- relate to specific, identifiable assets
- are controlled by the Entity as they are internally developed and legally owned by the Entity and
- will result to future economic benefits to the Entity as a result of increase in revenue it generates from its software.

These amounts were treated as consulting and wage expenses in the income statement in prior reporting periods, which had resulted in an understatement in intangible assets and related amortisation expenses.

The error identified above has been corrected by restating the Intangibles balance at the beginning of the earliest period presented, 1 January 2020 and taking the adjustment through to Retained Earnings at that date. The comparatives in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Cashflows have been changes to reflect the correction of the errors.

Changes to the Income Statement for the year ended 31 December 2020:

	Original Balance 31/12/2020	Impact Increase/(Decrease)	Restated Balance 31-Dec-20
Depreciation and amortisation	256,214	438,580	694,794
Other expenses	2,285,125	(106,972)	2,178,153
Employee related expenses	5,512,850	(325,966)	5,186,884
Total expenses from continuing operations	8,113,128	5,642	8,118,770
Net result attributable to ABRI	(745,874)	(5,642)	(751,516)

Changes to the Statement of Comprehensive income for the year ended 31 December 20:

	Original Balance 31/12/2020	Impact Increase/(Decrease)	Restated Balance 31-Dec-20
Net result for the period	(745,874)	(5,642)	(751,516)
Total Comprehensive income for the period	(439,021)	(5,642)	(444,663)

Changes to the Statement of Financial Position for comparative periods:

	Original Balance 1/01/2020	Impact	Restated Balance 1/01/2020
Statement of Financial Position	\$	\$	\$
Intangible Assets, net of accumulated amortisation	0	1,264,808	1,264,808
Total Assets	14,081,203	1,264,808	15,346,011
Net Assets	11,482,618	1,264,808	12,747,426
Retained Earnings	9,870,673	1,264,808	11,135,481
Total Equity	11,482,618	1,264,808	12,747,426
	Original Balance (\$)	Impact	Restated Balance
	31/12/2020	\$	31/12/2020
Intangible Assets, net of accumulated amortisation	0	1,259,166	1,259,166
Total Assets	13,442,935	1,259,166	14,702,101
Net Assets	11,043,597	1,259,166	12,302,763
Retained Earnings	9,124,799	1,259,166	10,383,965
Total Equity	11,043,597	1,259,166	12,302,763

Changes to the Statement of Cash Flows for comparative periods:

Statement of Cash Flows for the year ended 31 December 2020 was restated to reflect payments for software development costs as an investing activity within "Net Payments for Property, Plant and Equipment and Intangible Assets, net of Proceeds from the sale of assets" instead of as an operating activity within "Payments to suppliers and employees".

**Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements**

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.

Nil to \$9,999

	No.	No.
	10	10
	10	10

Aggregate Remuneration of Board Members

Total Aggregate Remuneration

	7,400	6,600
--	-------	-------

Remuneration of executive officers

\$100,000 to \$129,999
\$130,000 to \$159,999
\$160,000 to 280,000

	No.	No.
	4	3
	2	2
	2	2
	8	7

Aggregate Remuneration of executive officers

Total Aggregate Remuneration

	1,229,204	1,033,810
--	-----------	-----------

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:

	2021 \$	2020 \$
	35,900	28,200

Total remuneration for audit services

	35,900	28,200
--	--------	--------

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

(a) Finance Leases

Within one year
Between one and five years
Total future minimum lease payments

	2021 \$	2020 \$
	13,179	8,816
	19,250	5,567
	32,429	14,383

No lease arrangements, existing as at 31 December 2021, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

**Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements**

Notes to the financial statements
(continued)

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

Purchases from
Net

	2021 \$	2020 \$
	80,117	80,914
	80,117	80,914

With other related parties

Payments made
Net

	12,000	12,000
	12,000	12,000

Outstanding balances

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

University of New England

Payables to

	2021 \$	2020 \$
	8,719	20,981

Payables other related parties

	12,000	12,000
--	--------	--------

(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

Operating result for the period
Depreciation and amortisation
Provision for impaired receivables
Lease interest payment for ROU liabilities
(Gain)/Loss on revaluation of investments and sale of assets
Increase/(Decrease) in Payables and Prepaid Income
Increase/(Decrease) in Provision for Employee Entitlements
Increase/(Decrease) in Other Provisions
(Increase)/Decrease in Receivables and Prepaid Expenses
Net cash provided by / (used in) operating activities

	2021 \$	Restated 2020 \$
	(555,562)	(751,516)
	750,799	694,794
	20,430	5,715
	6,818	8,049
	(36,204)	68,117
	405,130	(156,086)
	15,856	27,287
	-	-
	112,413	417,754
	719,680	314,114

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:

(i) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 13	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(b)	Term Deposits are stated at amortised cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(b)	Term Deposits are stated at amortised cost	Term deposits are for a period of up to one year. Interest rates are between .3% and .7%. Average maturity of 365 days
Listed Shares	12	Listed Shares are carried at bid price	
Unlisted Shares	12	Unlisted Shares are carried at fair value	
Financial Liabilities			
Finance Leasing	17	The lease liability is accounted for in accordance with AASB 117.	Interest rates per market and schedules. Between 3% and 5%
Creditors and Accruals	16 & 19	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

Financial Instruments - continued

(ii) Foreign exchange risk

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

The economic entity undertakes certain transactions denominated in foreign currencies. These transactions expose the economic entity to exchange rate fluctuations. As the company recognises all transactions, assets and liabilities in Australian dollars only, it has some exposure to foreign exchange risk.

(iii) Price risk

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

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

(iv) Cash flow and fair value interest rate risk

The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

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

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

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 2021	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.10		974,728				974,728
Investments-Term Deposits	0.55		2,504,536				2,504,536
Receivables						944,049	944,049
Listed Shares						4,772,971	4,772,971
Accrued Income						1,280	1,280
Total Financial Assets			3,479,264			5,718,300	9,197,564
Financial Liabilities							
Borrowings	5.80%		18,038	19,250			37,288
Payables						76,807	76,807
Other payables						407,492	407,492
Total Financial Liabilities			18,038	19,250		484,299	521,587
Net Financial Assets(Liabilities)			3,461,226	(19,250)		5,234,001	8,675,977

Comparative figures for the previous year are as follows:

31 December 2020	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	0.10%		279,037				279,037
Investments - Term Deposits	0.55%		3,213,230				3,213,230
Receivables						1,056,462	1,056,462
Listed Shares						4,667,207	4,667,207
Accrued Income						465,784	465,784
Total Financial Assets			3,492,267			6,189,453	9,681,720
Financial Liabilities							
Borrowings	5.80%		42,047	6,499			48,546
Payables						539,193	539,193
Other payables						311,778	311,778
Total Financial Liabilities			42,047	6,499		850,971	899,517
Net Financial Assets(Liabilities)			3,450,220	(6,499)		5,338,482	8,782,203

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements
 Notes to the financial statements
 (continued)

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 2021	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	974,728	(9,747)	(9,747)	9,747	9,747	N/A	N/A	N/A	N/A
Investments-Term Deposits	2,504,536	(25,045)	(25,045)	25,045	25,045	N/A	N/A	N/A	N/A
Listed Shares	4,772,971					(47,730)	(47,730)	47,730	47,730
Total Financial Assets	8,252,235	(34,792)	(34,793)	34,792	34,792	(47,730)	(47,730)	47,730	47,730
Financial Liabilities									
Creditors	313,095	3,131	3,131	(3,131)	(3,131)	N/A	N/A	N/A	N/A
Total Financial Liabilities	313,095	3,131	3,131	(3,131)	(3,131)				
Total increase / (decrease)	7,939,140	(31,661)	(31,662)	31,661	31,661	(47,730)	(47,730)	47,730	47,730

Comparative figures for the previous year are as follows:

31 December 2020	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	279,037	(2,790)	(2,790)	2,790	2,790	N/A	N/A	N/A	N/A
Investments-Term Deposits	3,213,230	(32,132)	(32,132)	32,132	32,132	N/A	N/A	N/A	N/A
Listed Shares	4,667,207					(46,672)	(46,672)	46,672	46,672
Total Financial Assets	8,159,474	(34,922)	(34,922)	34,922	34,922	(46,672)	(46,672)	46,672	46,672
Financial Liabilities									
Borrowings									
Creditors	48,546	485	485	(485)	(485)	N/A	N/A	N/A	N/A
Total Financial Liabilities	48,546	485	485	(485)	(485)				
Total increase / (decrease)	8,110,928	(34,437)	(34,437)	34,437	34,437	(46,672)	(46,672)	46,672	46,672

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements
 Notes to the financial statements
 (continued)

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 is based on quoted market prices at the balance date. The quoted market price used for financial assets held by ABRI 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 2021.

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 2021.

	31 Dec 2021	Level 1	Level 2	Level 3
	\$	\$		
Financial assets				
Other financial assets	4,772,971	4,772,971	-	-
Total	4,772,971	4,772,971	-	-
Non financial assets				
Land	275,000	-	275,000	-
Buildings	3,058,707	-	-	3,058,707
Infrastructure	112,967	-	-	112,967
Total	3,446,674	-	275,000	3,171,674
	31 Dec 2020	Level 1	Level 2	Level 3
	\$	\$		
Financial assets				
Other financial assets	4,667,207	4,667,207	-	-
Total	4,667,207	4,667,207	-	-
Non financial assets				
Land	495,000	-	495,000	-
Buildings	2,610,700	-	-	2,610,700
Infrastructure	67,500	-	-	67,500
Total	3,173,200	-	495,000	2,678,200

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.

Agricultural Business Research Institute
ABN 59 781 301 088
2021 Financial Statements

Notes to the financial statements
 (continued)

Note 29 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3)

	Buildings	Infrastructure	Total
Level 3 Fair value measurements 2021			
Opening balance	2,610,700	67,500	2,678,200
Depreciation	(107,033)	(4,500)	(111,533)
Revaluation	555,041	49,967	605,008
Closing balance	<u>3,058,708</u>	<u>112,967</u>	<u>3,171,675</u>
Level 3 Fair value measurements 2020			
Opening balance	2,340,328	67,500	2,407,828
Additions	63,992	0	63,992
Depreciation	(95,973)	(4,500)	(100,473)
Revaluation	302,353	4,500	306,853
Closing balance	<u>2,610,700</u>	<u>67,500</u>	<u>2,678,200</u>

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
Buildings	3,058,707	unit rates, useful lives, residual values	+ 3%	Increases in replacement cost of buildings and infrastructure by 3% would increase value by \$91,761 and \$3,389 respectively
Infrastructure	112,967	unit rates, useful lives, residual values	+ 3%	

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation



ABN: 42 536 278 085
Annual Financial Report
for the year ended
31 December 2021



**FINANCIAL REPORT
FOR THE YEAR ENDED
31 December 2021**

Page 1 of 19



**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 by Trustee, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement 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.

In my opinion, the financial statements :

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the *Government Sector Finance Regulation 2018* (GSF Regulation)
- presents fairly, the financial position, financial performance and cash flows of the Foundation

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 (including Independence Standards)' (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 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

The Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act and GSF Regulation. The Trustees' responsibilities also includes such internal control as the Trustees determine(s) 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 is 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

4 April 2022
SYDNEY

UNE FOUNDATION TRUST

Trustees' Report

The UNE Foundation 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.

UNE Foundation Ltd does not prepare separate financial statements as it is exempt from preparing them under the standing exemptions contained in the *Government Sector Finance Act 2018*. UNE Foundation Ltd only acts as a corporate trustee and undertakes no financial transactions or hold financial balances in its own right.

Principal Activities

The principal activities of the UNE Foundation during the course of the financial year were to provide money, property or benefits to the University of New England (UNE) towards the provision of scholarships, research, and teaching and learning.

Review of Operations

The net result from continuing operations in 2021 of \$2.4 million was a significant improvement on the return of \$0.6 million achieved in 2020. This was driven by the higher investment returns, gain on revaluation of investments and the gain on disposal of investments when redeemed in December 2021.

Investment income in 2021 was \$2.1 million of which \$1.3 million has been recognised as revenue in 2021. The remaining \$0.8 million will be recognised in a later period. The accounting standards dictate that where investment earnings are tied to a donation, the investment earnings are recognised at the time the donation is accessed.

Funds advanced to the University for the payment of grants and scholarships decreased by \$0.253 million in 2021.

Significant Changes in the State of Affairs

On 28 September 2021 the board of UNE Foundation Limited approved the amendment to its constitution. Key changes made to the Constitution were to amend the UNE Foundation Limited objects to provide the Board with a role in raising funds and to move it to a more contemporary style and format.

In late 2021, UNEF and UNE changed investment management arrangements, transferring the management of the University's and UNEF's investments from Russell Investments to JB Were.

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 UNE Foundation, 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 UNE Foundation's operations which have been proposed for the immediate future.

Environmental Regulation

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

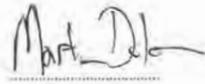
Insurance of Officers

Insurance coverage is provided for directors and officers of the Trustee under UNE's policies and no premium is apportioned to or paid by the UNE Foundation.

Legal proceedings on behalf of the Trust

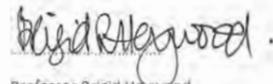
There were no legal proceedings brought against the UNE Foundation during the financial year. At the date of this report, the Trustees are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

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



Mr Martin Dolan
Chair - Director

30 March 2022



Professor Brigid Heywood
Director

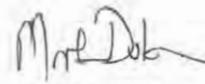
STATEMENT BY TRUSTEE

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 2021 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 *Government Sector Finance Act 2018* and *Government Sector Finance Regulation 2018*;
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 23 March 2022.

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



Mr Martin Dolan
Chair - Director

30 March 2022



Professor Brigid Heywood
Director

Income Statement
For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Revenue and income from continuing operations			
Donations and fundraising	2	1,286,248	1,490,321
Investment income	3	1,270,599	790,270
Other revenue	4	69,203	122,379
Gain on disposal of investments		1,299,511	-
Unrealised gain on valuation of investments	3	94,947	-
Total revenue and income from continuing operations		4,020,508	2,402,970
Expenses from continuing operations			
Administrative expenses	5	191,807	117,904
Unrealised investment loss on valuation of investments	3	-	139,303
Total expenses from continuing operations		191,807	257,207
Net result from continuing operations before distributions to UNE		3,828,701	2,145,763
Distribution to UNE - reimbursement of expenses	6	1,369,594	1,622,773
Net result for the year after distribution to UNE		2,459,107	522,990

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

Statement of Comprehensive Income
For the year ended 31 December 2021

	2021 \$	2020 \$
Net result for the year after distribution to UNE	2,459,107	522,990
Total comprehensive income for the period	2,459,107	522,990

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

Statement of Financial Position
As at 31 December 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	439,399	299,721
Trade and other receivables	8	485,753	344,988
Total current assets		925,152	644,709
Non-current assets			
Other financial assets	9	30,815,384	26,242,221
Total non-current assets		30,815,384	26,242,221
Total assets		31,740,536	26,886,930
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,160,759	1,633,324
Total current liabilities		1,160,759	1,633,324
Non current liabilities			
Trade and other payables	10	23,983,526	21,116,462
Total non current liabilities		23,983,526	21,116,462
Total liabilities		25,144,285	22,749,786
Net assets		6,596,251	4,137,144
EQUITY			
Undistributed trust funds	11	6,596,251	4,137,144
Total Retained Funds		6,596,251	4,137,144

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 2021

	Undistributed trust funds	Total
Balance at 1 January 2020	3,923,293	3,923,293
Transfer to financial liability	(309,149)	(309,149)
Balance as restated	3,614,144	3,614,144
Net result	522,990	522,990
Accounted in 2020	10	10
Total comprehensive income	523,000	523,000
Balance at 31 December 2020	4,137,144	4,137,144
Balance at 1 January 2021	4,137,144	4,137,144
Net result	2,459,107	2,459,107
Total comprehensive income	2,459,107	2,459,107
Balance at 31 December 2021	6,596,251	6,596,251

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 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Donations received		2,794,602	1,784,740
Transferred from UNE		-	46,472
Dividends received		300,596	195,499
Interest received		284	6
Other inflows		57,642	22,645
Payments to suppliers		(299,954)	(196,120)
Distribution to beneficiary		(1,397,924)	(1,597,517)
Net cash provided by / (used in) operating activities	16	1,455,247	255,725
Cash flows from investing activities			
Payments for financial assets		(32,191,145)	(2,601,388)
Proceeds from sale of financial assets		30,875,576	2,601,398
Net cash provided by / (used in) investing activities		(1,315,569)	10
Net increase / (decrease) in cash and cash equivalents		139,678	255,735
Cash and cash equivalents at the beginning of the financial year		299,721	43,986
Cash and cash equivalents at the end of the financial year	7	439,399	299,721

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	9
2	Donation and fundraising	10
3	Investment income	10
4	Other revenue	11
	Expenses	
5	Administrative Expenses	11
6	Distribution to beneficiary	11
	Assets	
7	Cash and cash equivalents	11
8	Trade and other receivables	12
9	Other financial assets	12
	Liabilities	
10	Trade and other payables	13
	Equity	
11	Retained funds	14
12	Remuneration of auditors	14
13	Contingencies	14
14	Commitments	14
15	Related parties	14
16	Reconciliation of operating result after income tax to net cash flows from operating activities	15
17	Events subsequent to reporting period	15
18	Financial risk management	16
19	Fair value measurements	18

Notes to and forming part of the Financial Statements**Note 1. 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 UNE Foundation. UNE Foundation is for the benefit of the University of New England.

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

The financial statements for the year ended 31 December 2021 were authorised for issue by the Trustee on 23 March 2022.

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 Standards, 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.

- *Government Sector Finance Act 2018,*

- *Government Sector Finance Regulation 2018.*

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) Foreign currency translation**(i) Functional and presentation currency**

The financial statements are presented in Australian dollars which is the UNE Foundation'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 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) Comparative amounts

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

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

The following standards have been issued but are not mandatory for 31 December 2021 reporting period. UNE Foundation has elected not to early adopt any of these standards.

Note 1. Summary of significant accounting policies (continued)

Standard/Amendment		Application date
AASB2020-1 and AASB2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023
AASB2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023

(f) Initial application of AAS

The following interpretations and amending standards have also been adopted:

Standard/Amendment		Implication
AASB2021-3	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021	No material impact

Note 2. Donations and fundraising

	2021	2020
	\$	\$
Donations and fundraising	<u>1,286,248</u>	<u>1,490,321</u>
Total donations and fundraising	<u>1,286,248</u>	<u>1,490,321</u>

The Foundation assesses donations that it receives under AASB1058 Income of Not-for-Profit Entities based on the substance of the transaction. In cases where the transaction is an endowment and the conditions attaching to that endowment require the Foundation to transfer cash or other financial assets to another party, then a liability is recognised until the liability is settled. When the liability is settled, income is recognised at that point in time.

Donations that do not have conditions attaching to them are recognised as income when received.

Note 3. Investment income

	2021	2020
	\$	\$
Bank interest	480	3
Dividend - financial assets at fair value through income statement	<u>1,270,119</u>	<u>790,267</u>
Total investment income	<u>1,270,599</u>	<u>790,270</u>
Net gain/(loss) on financial assets at fair value through income statement	<u>94,947</u>	<u>(139,303)</u>
Net investment income	<u>1,365,546</u>	<u>650,967</u>

Investment income is recognised on an accrual basis except for franking credits which are recognised as revenue when the application for refund is lodged with the Australian Taxation Office. Where investment earnings are tied to a bequest, the investment earnings are recognised at the time the donation is accessed.

Financial assets are measured at fair value through the income statement. Any unrealised gains and losses to the market value of these investments are presented in the income statement.

Note 4. Other revenue

	2021	2020
	\$	\$
Transferred from UNE	-	46,398
Franking credits	<u>69,203</u>	<u>57,629</u>
Other	-	<u>18,352</u>
Total other revenue	<u>69,203</u>	<u>122,379</u>

Note 5. Administrative expenses

	2021	2020
	\$	\$
Consultancy fees	<u>197,006</u>	<u>114,127</u>
Doubtful debts	<u>(5,229)</u>	<u>3,220</u>
Bank fees	<u>30</u>	<u>57</u>
Bad Debts	-	<u>500</u>
Total administrative expenses	<u>191,807</u>	<u>117,904</u>

Note 6. Distribution to beneficiary

	2021	2020
	\$	\$
University of New England - scholarships and prizes	<u>1,369,594</u>	<u>1,622,773</u>
Total distribution to beneficiary	<u>1,369,594</u>	<u>1,622,773</u>

Note 7. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	<u>439,399</u>	<u>299,721</u>
Total cash and cash equivalents	<u>439,399</u>	<u>299,721</u>

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:

	2021	2020
	\$	\$
Balances as above	<u>439,399</u>	<u>299,721</u>
Balance per statement of cash flows	<u>439,399</u>	<u>299,721</u>

For cash flow statement presentation purposes, cash and cash equivalents include 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.

Note 8. Trade and other receivables

	2021	2020
	\$	\$
Trade receivables	218,550	233,800
Less: Provision for expected credit losses	(991)	(6,220)
Total trade receivables	217,559	227,580
Other receivables		
Other accrued income	268,194	117,408
Total other receivables	268,194	117,408
Total trade and other receivables	485,753	344,988

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. 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. An allowance for expected credit losses 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 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.

	2021	2020
	\$	\$
Set out below is the movements in the allowance for expected credit loss of trade receivables:		
As at 1 January	(6,220)	(3,000)
Allowance for expected credit loss recognised during the year	5,229	(6,220)
Receivables written off during the year as uncollectible	-	3,000
As at 31 December	(991)	(6,220)

Note 9. Other financial asset

	2021	2020
	\$	\$
Non-current		
Financial assets at fair value through income statement	30,815,384	26,242,221
Total non-current other financial assets	30,815,384	26,242,221

Other financial assets include an amount of \$25.1m (2020: \$22.6m) that is restricted. The restriction relates to the receipt of donations by UNE Foundation which is only available when scholarships, awards or prizes are made in accordance with the terms of the donation.

Note 9. Other financial assets (continued)

Financial assets at fair value through income statement include financial assets held for trading, financial assets designated upon initial recognition at fair value through income statement, 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 income statement on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through income statement 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

	2021	2020
	\$	\$
Current		
Accrued expense for scholarships, prizes and consultancy fees	62,797	137,269
Financial liabilities	1,097,962	1,496,055
Current trade and other payables	1,160,759	1,633,324
Non-current		
Financial liabilities	23,983,526	21,116,462
Non-current trade and other payables	23,983,526	21,116,462
Total trade and other payables	25,144,285	22,749,786

Foreign currency risk

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

	2021	2020
	\$	\$
Australian Dollars	25,144,285	22,749,786
	25,144,285	22,749,786

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

Trade and other payables represent amounts owed by the Foundation for goods or services received before the end of the financial year and which remain unpaid at balance date.

Financial liabilities represent amounts that the Foundation has received as endowments for which the conditions require it to transfer cash or other financial asset to another party. These financial liabilities are recognised after considering the requirements set out in AASB1058 *Income of Not-for-Profit Entities* and the requirements for recognising a financial liability under AASB9 *Financial Instruments*.

Note 11. Retained Funds

	2021	2020
Movements in retained funds were as follows:		
Undistributed trust funds at 1 January	\$ 4,137,144	\$ 3,923,293
Transfer tied net earnings to financial liability	-	(309,149)
Trust settlement sum	-	10
Net result for the year	<u>2,459,107</u>	<u>522,990</u>
Undistributed trust funds at 31 December	<u>6,596,251</u>	<u>4,137,144</u>

Note 12. Remuneration of auditors

The audit fee payable by UNE, in respect of the audit of the financial reports for the UNE Foundation and Trustee to the Audit Office of NSW for the financial year ended 31 December 2021 was \$13,100 (2020: \$12,800).

Note 13. Contingencies

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

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Foundation have been identified.

Note 14. Commitments

UNE Foundation has not identified any material commitments at 31 December 2021 (2020: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2020 Nil).

Note 15. Related parties**(a) Corporate Trustee**

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

Mr Martin Dolan (Chair)
Mr Ross Beaney
Professor Brigid Heywood
Mr Bob McCarthy AM
Ms Chanelle McEnallay
Professor Bob Officer AM
Ms Nicole Patterson
Ms Marea Salisbury
Mr David van Aanholt

(b) Controlling entity

For the purposes of meeting the requirements of the Australian Accounting Standards, UNE is deemed to be the controlling entity of UNE Foundation and its corporate trustee, UNE Foundation Limited.

(c) Related Party Transactions

UNE provided UNE Foundation with a range of administrative support services. Under a service level agreement, these services have been provided at no charge to UNE Foundation and comprised the provision of:

Page 14 of 19

Note 15. Related parties (continued)

- 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:

	2021	2020
<i>Transactions during the period</i>		
University of New England	\$	\$
Income received - transferred prizes and scholarship funds	-	46,398
Expenditures incurred for scholarships and prizes	<u>(1,369,594)</u>	<u>(1,622,772)</u>
Net	<u>(1,369,594)</u>	<u>(1,576,374)</u>

With other related parties

Income received - UNE Life Pty Ltd	1,000	5,000
Income received - Agricultural Business Research Institute	-	12,000
Payments made to related parties	<u>(800)</u>	<u>(50,000)</u>
Net	<u>200</u>	<u>(33,000)</u>

Outstanding balances

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

	2021	2020
University of New England	\$	\$
Receivables	-	-
Payables	<u>85,751</u>	<u>86,299</u>
With other related parties		
Receivables	-	12,000
Payables	-	-

Note 16. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	2021	2020
	\$	\$
Net result for the period	2,459,107	522,990
Capitalisation and reinvestment of dividend	<u>(1,270,119)</u>	<u>(786,494)</u>
Provision for impaired receivables	<u>(5,229)</u>	<u>3,220</u>
Fair value (gain)/loss - financial assets at fair value through profit and loss	<u>(94,947)</u>	<u>139,303</u>
Gain on disposal of investments	<u>(1,299,512)</u>	<u>-</u>
Decrease/(increase) in trade and other debtors	<u>(135,535)</u>	<u>(102,879)</u>
Increase/(decrease) in payables	<u>1,801,482</u>	<u>479,585</u>
Net cash provided by operating activities	<u>1,455,247</u>	<u>255,725</u>

Note 17. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Page 15 of 19

Note 18. Financial risk management

UNE Foundation'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 funds managed by the Fund Managers.
	9	Australian cash enhanced fund - stated at market value	Investment of 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. It also includes amounts received where the performance of an obligation is deferred to future periods.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year. Funds received where the performance of an obligation under these funds will occur in the future will be in liability until the future obligation is satisfied.

(ii) Foreign exchange risk

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

(iii) Price risk

UNE Foundation 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 UNE Foundation'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.

UNE Foundation's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets included in the statement of financial position.

Note 18. Financial risk management (continued)

(c) Liquidity Risk (continued)

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.

31 December 2021	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.10%	-	439,399	-	-	-	439,399
Receivables	-	-	-	-	-	485,753	485,753
Financial assets at fair value through profit and loss	-	-	-	-	30,815,384	-	30,815,384
Total Financial Assets	-	-	439,399	-	30,815,384	485,753	31,740,536
Financial Liabilities							
Payables	-	-	-	-	-	62,797	62,797
Financial liabilities	-	-	-	-	-	25,081,488	25,081,488
Total Financial Liabilities	-	-	-	-	-	25,144,285	25,144,285
Net Financial Assets(Liabilities)	-	-	439,399	-	30,815,384	(24,658,532)	6,596,251

Comparative figures for the previous year are as follows:

31 December 2020	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	0.10%	-	299,721	-	-	-	299,721
Receivables	-	-	-	-	-	344,988	344,988
Financial assets at fair value through profit and loss	-	-	-	-	26,242,221	-	26,242,221
Total Financial Assets	-	-	299,721	-	26,242,221	344,988	26,886,930
Financial Liabilities							
Payables	-	-	-	-	-	137,269	137,269
Financial liabilities	-	-	-	-	-	22,612,517	22,612,517
Total Financial Liabilities	-	-	-	-	-	22,749,786	22,749,786
Net Financial Assets(Liabilities)	-	-	299,721	-	26,242,221	(22,404,798)	4,137,144

Summarised sensitivity analysis

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

31 December 2021	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	439,399	(4,394)	(4,394)	4,394	4,394	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	485,753	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through P&L	30,815,384	-	-	-	-	-	-	-	-	(308,154)	(308,154)	308,154	308,154
Total Financial Assets	31,740,536	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	62,797	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Financial liabilities	25,081,488	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Total Financial Liabilities	25,144,285	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	6,596,251	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2020	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	299,721	(2,997)	(2,997)	2,997	2,997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	344,988	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through P&L	26,242,221	-	-	-	-	-	-	-	-	(262,422)	(262,422)	262,422	262,422
Total Financial Assets	26,886,930	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	137,269	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Financial liabilities	22,612,517	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Total Financial Liabilities	22,749,786	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	4,137,144	-	-	-	-	-	-	-	-	-	-	-	-

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 UNE Foundation 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.

UNE Foundation 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	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	439,399	299,721	439,399	299,721
Financial assets at fair value through profit and loss	30,815,384	26,242,221	30,815,384	26,242,221
Total financial assets	31,254,783	26,541,942	31,254,783	26,541,942

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

	31 Dec 2021	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Financial assets				
Financial assets at fair value through profit and loss	30,815,384	-	30,815,384	-
Receivables	485,753	-	485,753	-
Total	31,301,137	-	31,301,137	-
	\$	\$	\$	\$
Financial assets				
Financial assets at fair value through profit and loss	26,424,054	181,833	26,242,221	-
Receivables	344,988	-	344,988	-
Total	26,769,042	181,833	26,587,209	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships Pty Ltd



ABN: 74 003 099 125
Annual Financial Report
for the year ended
31 December 2021



UNE Partnerships Pty Limited
Financial Statements for the Year Ended 31 December 2021



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 2021, the Statement of Financial Position as at 31 December 2021, the Statement 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.

In my opinion, the financial statements :

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the *Government Sector Finance Regulation 2018*
- presents fairly, the financial position, financial performance and cash flows of the Company

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 (including Independence Standards)' (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, the GSF Act and the Government Sector Finance Regulation 2018. The Director's responsibilities also includes such internal control as the Director determine(s) 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.

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/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.

Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

23 March 2022
SYDNEY

UNE Partnerships Pty Limited
 ABN 74 003 099 125
 Directors Report

UNE Partnerships Pty Limited

Directors' Statement for the year ended 31 December 2021

In accordance with a resolution of the directors and pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, 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 2021 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 *Government Sector Finance Act 2018* and *Government Sector Finance Regulation 2018*;
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(g) of the financial statements.

Signed in accordance with a resolution of the Directors.



Prof. Michael WILMORE
 Director / Chair



Dr. Jessie HARMAN
 Director

18 March 2022

UNE Partnerships Pty Limited
 ABN 74 003 099 125
 2021 Financial Statements

Income Statement
 for the year ended 31 December 2021

	Notes	2021	2020
		\$	\$
Revenue and income from continuing operations			
Fees and charges	2	5,815,750	6,938,015
Investment income	3	-	716
Other income		-	-
Total revenue and income from continuing operations		5,815,750	6,938,731
Expenses from continuing operations			
Employee related expenses	4	3,003,465	3,054,889
Depreciation and amortisation	5	356,758	385,229
Loss on Disposal of Intangible Assets	6	15,218	12,372
Marketing and promotion		163,904	146,325
Travel and accommodation		58,707	55,028
Consultants and authors' fees		384,525	473,433
Interest Expense		4,605	20,332
Course delivery expenses	7	750,170	801,186
Other expenses	8	265,407	247,634
Total expenses from continuing operations		5,002,759	5,196,428
Net result attributable to UNE Partnerships Pty Limited	16(b)	812,991	1,742,303

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

Statement of Comprehensive Income
 for the year ended 31 December 2021

	Notes	2021	2020
		\$	\$
Net result for the period		812,991	1,742,303
Other comprehensive income		-	-
Total comprehensive income for the period		812,991	1,742,303

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

UNE Partnerships Pty Limited
ABN 74 003 099 125
2021 Financial Statements

**Statement of Financial Position
as at 31 December 2021**

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	3,103,405	2,575,168
Receivables	10	485,431	465,083
Other receivables & accrued income	11	11,381	222,899
Total current assets		<u>3,600,217</u>	<u>3,263,150</u>
Non-current assets			
Plant and equipment	12	16,187	30,727
Intangible assets	13	741,224	695,883
Total non-current assets		<u>757,411</u>	<u>726,610</u>
Total assets		<u>4,357,628</u>	<u>3,989,760</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	353,126	257,536
Contract liabilities	14	1,013,106	1,317,276
Provisions	15	479,240	420,636
Other liabilities	16	110,441	108,815
Borrowings	22	-	391,560
Total current liabilities		<u>1,955,913</u>	<u>2,495,823</u>
Non-current liabilities			
Contract liabilities	14	306,561	228,227
Provisions	15	55,267	38,814
Borrowings	22	-	-
Total non-current liabilities		<u>361,828</u>	<u>267,041</u>
Total liabilities		<u>2,317,741</u>	<u>2,762,864</u>
Net assets		<u>2,039,887</u>	<u>1,226,896</u>
EQUITY			
Issued capital	17(a)	1,198,937	1,198,937
Retained earnings / (Accumulated losses)	17(b)	840,950	27,959
Total equity attributable to equity holders of the company		<u>2,039,887</u>	<u>1,226,896</u>
Total equity		<u>2,039,887</u>	<u>1,226,896</u>

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

5

UNE Partnerships Pty Limited
ABN 74 003 099 125
2021 Financial Statements

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Note	Issued Capital \$	Retained Earnings / (Accumulated Losses) \$	Total \$
Balance at 1 January 2020		1,198,937	(1,714,344)	(515,407)
Net result attributable to UNE Partnerships Pty Ltd		-	1,742,303	1,742,303
Other comprehensive income		-	-	-
Total comprehensive income		<u>-</u>	<u>1,742,303</u>	<u>1,742,303</u>
Balance at 31 December 2020	17	<u>1,198,937</u>	<u>27,959</u>	<u>1,226,896</u>
Balance at 1 January 2021		1,198,937	27,959	1,226,896
Net result attributable to UNE Partnerships Pty Ltd		-	812,991	812,991
Other comprehensive income		-	-	-
Total comprehensive income		<u>-</u>	<u>812,991</u>	<u>812,991</u>
Balance at 31 December 2021		<u>1,198,937</u>	<u>840,950</u>	<u>2,039,887</u>

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

6

UNE Partnerships Pty Limited
ABN 74 003 099 125
2021 Financial Statements

Statement of Cash Flows for the year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from student fees and other customers		5,109,059	5,582,198
Receipts from government funded students		656,587	844,248
Interest received		-	716
Payments to suppliers and employees		(4,462,459)	(4,762,481)
GST recovered/paid		24,528	(7,713)
Net cash provided by / (used in) operating activities	23	1,327,715	1,656,968
Cash flows from investing activities			
Payments for plant and equipment		-	(2,373)
Net cash outflow for intangibles purchased/created		(403,313)	(319,276)
Net cash provided by / (used in) investing activities		(403,313)	(321,649)
Cash flows from financing activities			
Repayment of borrowings		(396,165)	(578,772)
Net cash provided by / (used in) financing activities		(396,165)	(578,772)
Net increase / (decrease) in cash and cash equivalents		528,237	756,547
Cash and cash equivalents at the beginning of the financial year		2,575,168	1,818,621
Cash and cash equivalents at the end of the financial year	9	3,103,405	2,575,168

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

UNE Partnerships Pty Limited
ABN 74 003 099 125
2021 Financial Statements

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	9
	Income	
2	Fees and charges	11
3	Investment income	11
	Expenses	
4	Employee related expenses	11
5	Depreciation and amortisation	11
6	Loss on Disposal of Intangible Assets	12
7	Course delivery expenses	12
8	Other expenses	12
	Assets	
9	Cash and cash equivalents	12
10	Receivables	12
11	Other receivables & accrued income	13
12	Plant and equipment	14
13	Intangible assets	14
	Liabilities	
14	Trade and other payables and contract liabilities	15
15	Provisions	16
16	Other Liabilities	16
	Equity	
17	Issued Capital and Retained earnings	16
	Note Disclosures	
18	Key management personnel disclosures	17
19	Remuneration of auditors	17
20	Contingencies	17
21	Commitments	17
22	Related parties	17
23	Reconciliation of net result after income tax to net cash provided by / (used in) operating activities	18
24	Events occurring after the end of the reporting period	18
25	Financial risk management	18

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 delivering education services, 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.

The financial statements include only UNE Partnerships Pty Limited as an individual entity.

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 2021 was authorised for issue in accordance with a resolution of the Board on 18 March 2022.

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 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.

- Government Sector Finance Act 2018
- Government Sector Finance Regulation 2018.

The Financial Statements have been prepared under the historical cost convention except for financial instruments which are subsequently measured at amortised cost.

(b) Foreign currency translation

(i) Functional and presentation currency

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

(c) 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) 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.

(e) Leases

UNE Partnerships Pty Limited did not engage in any lease arrangements during the reporting period.

(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.

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

The following standards have been issued but are not mandatory for 31 December 2021 reporting periods. The Entity has elected not to early adopt any of these standards.

Standard/Amendment		Application date / Anticipated Impact
AASB2020-1 and AASB2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1/01/2023 No Material Impact
AASB2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1/01/2022 No material impact
AASB2017-5	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1/01/2022 No material impact

(i) Initial application of AAS

The following interpretations and amending standards have also been adopted:

Standard/Amendment	Implication
AASB2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	No material impact

(i) Critical Accounting Judgements & Estimates

Nature of Estimate Uncertainty	Note
Measuring progress toward satisfaction of performance obligations to recognise revenue	2(a)
Useful lives of intangible assets	5 & 13
Provision for long-term employee entitlements	15

(j) Significant Events affecting Operations

Nature of Significant Event

COVID-19 World-wide pandemic

The effect of COVID-19 progressively slowed the rate of full-qualification enrolments during the reporting period but have remained within historical average. Nonetheless this will have an ongoing and significant impact on reported (recognised) revenues for future periods and the Entity is likely to witness a corresponding drop in 2022 revenue.

Appetite for engaging in further education under COVID-19 is unpredictable but remains steady. Traditional offerings to the Health Sector are under pressure with health workers experiencing limited free time with additional workhours required to control the outbreak. Concerns over the number of public service graduates to be recruited as budgetary realignments are made and in general, industry-wide re-evaluation of skill sets, workplace uncertainty and changes to work patterns have resulted in a 'wait and see' approach to staff training expenditure.

Despite COVID-19 trending toward slowing of enrolments, no significant stress has been encountered over the ability of participants to continue to service their enrolment fees. There have been limited numbers of withdrawals and minimal instances of 'failure to collect'. A need for an increase in the provision for doubtful / uncollectable debts has not been identified over and above current provisions. With unknown completion there is a risk of reduced profitability due to un-recoverable expenditure over-runs typically with fixed term employment contracts.

The Entity's distance education service delivery is significantly technologically driven which and has permitted the Entity to counter COVID-19 restrictions with the additional use of video-conferencing solutions thereby placing minimal disruption to its ability to serve its clients.

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 2. Fees and charges	2021	2020
Note	\$	\$
Education services - fee paying	2,289,964	2,990,830
Education services - government funded	656,587	884,746
Consultancy	2,567,708	1,956,743
Other revenue	42,941	977,140
Product sales	1,215	-
Workshops	257,335	128,556
Total fees and charges	<u>5,815,750</u>	<u>6,938,015</u>
Revenue Recognised over time	2,289,964	2,990,830
Revenue Recognised at point in time	3,525,786	3,947,185
	<u>5,815,750</u>	<u>6,938,015</u>

Revenue from contracts with customers

a) Recognition & Measurement

Education services

The education services revenue relates to vocational education programs, continuing education and executive programs.

The revenue is recognised for:

- Fee paying students - over time as and when the course is delivered to students over their course duration.
- Government funded students - at a point in time when claims are made, usually in arrears as units in a course are completed.

When the courses have been paid in advance by students or the entity has received the government funding in advance (e.g. before starting the teaching period) the entity recognises a contract liability until the services are delivered.

The entity does have obligations to return or refund obligations or other similar obligations. This is mainly applicable under the following circumstances:

- When a student withdraws within 21 days of enrolment.
- When a student satisfies withdrawal on exceptional circumstances.

Consultancy, workshops and other income

Other revenue, including consultancy contracts and workshops, that are within the scope of AASB15 mainly relate to contracted design and development services, group workshop facilitation, and other revenue such as travel recoveries. Revenue is recognised at a point in time when the service or milestone is delivered according to the specific contract.

Government income from State funded initiatives are recognised at a point in time when the government requirements are met and claims have been made.

b) Unsatisfied performance obligations

Remaining performance obligations represent services the entity has promised to provide to customers under education services, including courses, which are satisfied as the goods or services are provided over the contract term. For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Refer to Note 14 for information on income received in advance pertaining to future performance obligations.

Note 3. Investment income	2021	2020
Note	\$	\$
Interest	-	716
Total investment income	<u>-</u>	<u>716</u>

Recognition and Measurement

For all financial instruments measured at amortised cost, 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.

Note 4. Employee related expenses	2021	2020
Note	\$	\$
Salaries	2,271,116	2,347,452
Contribution to funded superannuation and pension schemes	276,390	242,812
Payroll tax	151,257	148,196
Worker's compensation	24,887	34,651
Long service leave expense	42,121	29,393
Annual leave	233,517	250,762
Other (allowances, penalties and fringe benefits tax)	4,177	1,623
Total employee related expenses	<u>3,003,465</u>	<u>3,054,889</u>

Refer to note 15 for accounting policies on employee benefits.

Note 5. Depreciation and amortisation	2021	2020
Note	\$	\$
Depreciation		
Plant & equipment	14,540	17,580
Total depreciation	<u>14,540</u>	<u>17,580</u>
Amortisation		
Intellectual property & courseware	331,596	358,461
Software development	10,622	9,188
Total amortisation	<u>342,218</u>	<u>367,649</u>
Total depreciation and amortisation	<u>356,758</u>	<u>385,229</u>

Recognition and Measurement

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:

Plant & Equipment:	3 - 11 years
Computer Equipment / Software Development:	2 - 5 years
Intellectual Property & Courseware:	3 - 5 years

11

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 6. Loss on Disposal of Intangible Assets	2021	2020
Note	\$	\$
Loss on disposal of Intangible Assets	15,218	12,372
Total De-Recognition of Assets	<u>15,218</u>	<u>12,372</u>

Recognition & Measurement

Intangible assets with a definite useful life are subject to individual amortisation on a straight line basis over the known life of the contract and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are de-recognised when there is no further value to be derived from the asset.

Note 7. Course delivery expenses	2021	2020
Note	\$	\$
Assessment marking	390,856	530,755
Course materials	9,435	12,124
Registrations and memberships	36,741	9,704
Workshop expenses	313,138	248,603
Total course delivery expenses	<u>750,170</u>	<u>801,186</u>

Note 8. Other expenses	2021	2020
Note	\$	\$
Low value equipment	1,105	2,663
Consumables and materials	28,767	13,890
Bad Debt Provision	5,600	(8,448)
Telecommunications	4,756	14,136
Room hire and catering	3,274	25,247
Property and facilities	21,768	5,458
Other expenditure	200,137	194,688
Total other expenses	<u>265,407</u>	<u>247,634</u>

Note 9. Cash and cash equivalents	2021	2020
Note	\$	\$
Cash on hand	-	-
Cash at bank	3,103,405	2,575,168
Total cash and cash equivalents	<u>3,103,405</u>	<u>2,575,168</u>

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

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

Balances as above	3,103,405	2,575,168
Balance per cash flow statement	<u>3,103,405</u>	<u>2,575,168</u>

(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 0% and 1% (2020 - 0% and 1%).

Recognition & Measurement

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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Note 10. Receivables	2021	2020
Note	\$	\$
Current		
Trade debtors	520,548	494,601
Less: allowance for expected credit losses	(35,117)	(29,518)
Total receivables	<u>485,431</u>	<u>465,083</u>

Set out below is the movements in the allowance for expected credit loss of trade receivables:

Note	2021	2020
Note	\$	\$
As at 1 January	29,518	62,763
Allowance for expected credit loss recognised during the year	5,599	(8,448)
Receivables written off during the year as uncollectible	-	(24,797)
As at 31 December	<u>35,117</u>	<u>29,518</u>

12

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 10. Receivables (continued)**Recognition and Measurement**

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal (and interest where charged). At initial recognition trade receivables are measured at their transaction price and are subsequently classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 30 days from issue.

Impairment

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. For trade and other receivables, the Entity applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount of the allowance is recognised in the income statement.

Note 11. Other receivables & accrued income

Note	2021 \$	2020 \$
Current		
Other Receivables	-	182,400
Accrued Income	-	40,499
Prepaid expenses	11,381	-
Total current other receivables & accrued income	<u>11,381</u>	<u>222,899</u>

Recognition and Measurement - Other receivables & Accrued income

Other Receivables are recognised for amounts presently entitled from Governments or other sources not directly arising from services provided to students and clients that are invoiced in future financial periods.

Accrued income is recognised for amounts presently entitled from governments or arising from services provided to students and clients that are invoiced in future financial periods.

Recognition and Measurement - Prepaid Expenses

Prepaid Expenses are recognised when a service will be provided over extended period and are amortised in equal instalments over the period to which the service will be provided.

Note 12. Plant & equipment

	2021 \$	2020 \$
Plant & equipment:		
At cost	14,342	14,342
Accumulated depreciation	(13,436)	(12,469)
	<u>906</u>	<u>1,873</u>
Computer equipment:		
At cost	86,240	120,316
Accumulated depreciation	(70,959)	(91,462)
	<u>15,281</u>	<u>28,854</u>
Total Plant & Equipment	<u>16,187</u>	<u>30,727</u>

Movements in Carrying Amounts

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

	Plant & Equipment	Computer Equipment	Total
Balance at 1 January 2020	3,277	42,657	45,934
Additions	-	2,373	2,373
Depreciation expense	(1,404)	(16,176)	(17,580)
Balance at 31 December 2020	<u>1,873</u>	<u>28,854</u>	<u>30,727</u>
Balance 1 January 2021	1,873	28,854	30,727
Additions	-	-	-
Depreciation expense	(967)	(13,573)	(14,540)
Carrying amount at 31 December 2021	<u>906</u>	<u>15,281</u>	<u>16,187</u>

Recognition and Measurement

Plant & equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Non-consumable items with historical cost of \$1,000 or more are recognised as assets.

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.

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

The carrying values of plant & equipment are reviewed for impairment when events or changes in circumstances arise from the continued use of the asset. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying

An item of plant & equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 13. Intangible assets

	2021 \$	2020 \$
(a) Courseware		
Cost	976,808	1,308,635
Accumulated amortisation	(550,304)	(961,383)
Course materials - work in progress	304,847	327,183
Net carrying value	<u>731,351</u>	<u>674,435</u>
Reconciliation of courseware		
Balance at the beginning of year	674,435	732,451
Additions	425,113	186,942
Derecognition	(756,940)	(196,397)
Depreciation written back on derecognition	742,675	184,025
Amortisation charge	(331,596)	(358,461)
Work in progress movement	(22,336)	125,875
Closing carrying value at 31 December	<u>731,351</u>	<u>674,435</u>
(b) Software Development		
Cost	41,450	46,951
Accumulated amortisation	(31,577)	(25,503)
Net carrying value	<u>9,873</u>	<u>21,448</u>
Reconciliation of software development		
Balance as at the beginning of year	21,448	23,541
Additions	(952)	7,095
Amortisation	(10,622)	(9,188)
Closing carrying value at 31 December	<u>9,874</u>	<u>21,448</u>
Total net carrying value	<u>741,224</u>	<u>695,883</u>

Recognition and Measurement**(i) Research & 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:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- 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 a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which vary from 3-5 years. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with note 6.

(iii) Work in progress

Work in progress is stated at cost. Costs comprise of direct materials and/or labour only.

(iv) De-recognition

An intangible item is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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.

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 14. Trade and other payables and contract liabilities**(a) Trade and other payables**

	2021	2020
	\$	\$
Current		
Trade payables	337,945	259,095
GST payable	15,181	(1,559)
Total current trade and other payables	<u>353,126</u>	<u>257,536</u>

Recognition and Measurement

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. These liabilities are measured at original cost, which is not materially different to amortised cost due to the short-term nature of liabilities.

Liabilities related to contracts with customers

The entity has recognised the following assets and liabilities related to contracts with customers:

(b) Contract liabilities

	2021	2020
	\$	\$
Contract liabilities - current	1,013,106	1,317,276
Contract liabilities - non-current	306,561	228,227
	<u>1,319,667</u>	<u>1,545,503</u>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$1,279,177

Contract liabilities

The contract liabilities are associated to education services revenue in advance and future performance obligations. Contract liabilities with services expected to be provided greater than 12 months from the end of the reporting period will be classified as non-current.

Recognition and Measurement

A contract liability is the obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entity performs under the contract.

(c) Commercial Financing Facilities

The entity had the following financing facilities with its commercial lenders at the end of the reporting period.

	2021	2020
	Balance	Facility
	\$	\$
Purchasing Card Facility	(14,968)	(6,732)

Recognition and Measurement

Commercial Lending is recorded at balance date at face value. Purchasing card facility balances are recorded as trade payables.

15

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 15. Provisions

	2021	2020
	\$	\$
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	162,464	145,907
Subtotal	<u>162,464</u>	<u>145,907</u>
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Annual leave	133,248	111,812
Long service leave	183,528	162,917
Subtotal	<u>316,776</u>	<u>274,729</u>
Total Current Provision	<u>479,240</u>	<u>420,636</u>
Non-current provisions		
Employee benefits		
Long service leave	55,267	38,814
Total non-current provision	<u>55,267</u>	<u>38,814</u>
Total provisions	<u>534,507</u>	<u>459,450</u>

Recognition and Measurement - Provisions

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. The discount rate (pre-tax) 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.

Recognition and Measurement - Employee Benefits**(i) Short-term obligations**

Liabilities for short-term employee benefits including wages and salaries, annual leave and non-monetary benefits 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee service leave liabilities include such things as annual leave, accumulating sick leave and long service leave liabilities.

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

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

Note 16. Other Liabilities

	2021	2020
	\$	\$
Current		
Accrued Liabilities		
Salary Related	110,441	108,815
Total current other liabilities	<u>110,441</u>	<u>108,815</u>

Note 17. Issued Capital and Retained earnings**(a) Issued Capital**

	2021	2020
	\$	\$
1,198,937 ordinary shares @ \$1.00 each fully paid	1,198,937	1,198,937

(b) Retained earnings

	2021	2020
	\$	\$
Movements in retained earnings were as follows:		
Retained earnings at 1 January	27,959	(1,714,344)
Net Operating Result for the year	812,991	1,742,303
Retained earnings at 31 December	<u>840,950</u>	<u>27,959</u>

16

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 18. Key management personnel disclosures**(a) Names of responsible persons**

The following persons were responsible persons and executive officers of UNE Partnerships Pty Limited from the beginning of the year to the reporting date or to/from date stated:

Directors

Dr. Jessie HARMAN
Prof. Debra DUNSTAN
Prof. Mike WILMORE

Executive Officer

Mr Benjamin GILMORE

(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 2021 payments to non-executive directors have been included as paid/accrued.

	2021	2020
	No.	No.
Nil to \$19,999	3	3
	3	3
	\$	\$
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	15,273	12,000
	No.	No.
Remuneration of executive officers		
Nil to \$150,000	-	2
\$175,001 to \$200,000	-	-
Over \$200,000	1	-
	1	2
	\$	\$
Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	202,652	169,126

Note 19. Remuneration of auditors

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

	2021	2020
	\$	\$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	41,500	40,500
Total remuneration for audit services	41,500	40,500

Note 20. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of the Entity.
At balance date, no contingent liabilities or contingent assets of a material nature to the Entity had been identified.

Note 21. Commitments**Capital Commitments**

There were no commitments for capital expenditure at 31 December 2021 (2020: Nil).

Note 22. Related parties**(a) Parent entities**

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

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 18.

(d) Transactions with related parties

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

The following transactions occurred with related parties:

	2021	2020
	\$	\$
Transactions during the period		
University of New England		
Sales to University of New England	25,400	33,866
Purchases from the University of New England	(606,454)	(340,583)
Net	(581,054)	(306,717)
	2021	2020
	\$	\$
Loans from University of New England		
Beginning of the year	391,560	950,000
Interest charged	4,605	20,332
Loan repayments	(396,165)	(578,772)
End of year	-	391,560

17

UNE Partnerships Pty Limited
ABN 74 003 099 125
Notes to the 2021 Financial Statements

Note 22. Related parties (continued)**Outstanding balances**

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

Receivables**Current receivables (sale of goods and services)**

	2021	2020
	\$	\$
University of New England	(4,125)	29,636
Other related entities	-	-
Total current receivables	4,125	29,636

Current payables (purchases of goods and services)

University of New England	28,944	45,197
Other related entities	-	-
Total current payables	28,944	45,197

Current payables (loans)

University of New England	-	391,560
Total current payables	-	391,560

(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

The loan facility provided to UNE Partnerships from the University of New England was fully repaid in June 2021.

Note 23. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	2021	2020
	\$	\$
Net result for the period	812,991	1,742,303
Depreciation and amortisation	356,758	385,229
(Gain) / Loss on Disposal	15,218	12,372
(Recovery of) / Allowance for expected credit losses	5,599	(8,448)
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in trade and other payables and contract liabilities	(127,133)	(131,820)
Increase/(Decrease) in provision for employee entitlements	75,057	86,339
(Increase)/Decrease in receivables and other financial assets	185,571	(420,007)
Net cash provided by / (used in) operating activities	1,324,061	1,665,968

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

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

Note 25. Financial risk management

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

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables, Other Receivables & Accrued Income	10 & 11	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	9	Deposits at call are stated at amortised	Bank Call Deposits interest rate is determined by the
Term Deposits	8	Term Deposits are stated at cost	
Financial Liabilities			
Borrowings		Borrowings are stated at amortised cost.	Refer to Note 22.
Creditors and Accruals	14 & 16	Liabilities are recognised at amounts to be paid for goods and services	Creditors are normally settled on 30 day terms

(i) Terms and conditions

As identified in the table above.

(ii) Cash flow and fair value interest rate risk

From time to time the 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.

18

UNE Partnerships Pty Limited
 ABN 74 003 099 125
 Notes to the 2021 Financial Statements

Note 25. Financial risk management (continued)

(a) Market Risk

Market risk is the risk of losses on financial investments caused by adverse price movements. The Entity is not exposed to such movements.

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

(c) Liquidity Risk

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

Finance personnel monitor the actual and forecast cash flow of the economic entity on a frequent basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2021	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.00	-	3,103,405	-	-	-	3,103,405
Receivables	-	-	-	-	-	11,381	11,381
Income Accrued	-	-	-	-	-	485,431	485,431
Total Financial Assets			3,103,405	-	-	496,812	3,600,217
Financial Liabilities							
Borrowings	-	-	-	-	-	-	-
Payables	-	-	-	-	-	353,126	353,126
Other amounts owing	-	-	-	-	-	110,441	110,441
Total Financial Liabilities			-	-	-	463,567	463,567
Net Financial Assets(Liabilities)			3,103,405	-	-	33,245	3,136,650

Comparative figures for the previous year are as follows:

31 December 2020	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.50	-	2,575,168	-	-	-	2,575,168
Investments - term deposits	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	222,899	222,899
Income Accrued	-	-	-	-	-	465,083	465,083
Total Financial Assets			2,575,168	-	-	687,982	3,263,150
Financial Liabilities							
Borrowings	2.62	-	391,560	-	-	-	391,560
Payables	-	-	-	-	-	259,095	259,095
Other Amounts Owing	-	-	-	-	-	108,815	108,815
Total Financial Liabilities			391,560	-	-	367,910	759,470
Net Financial Assets(Liabilities)			2,183,608	0	-	320,072	2,503,680

(d) 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 cash and cash equivalents, receivables, trade and other payables and current borrowings their carrying value is assumed to approximate fair value.

Summarised sensitivity analysis

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

31 December 2021	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	
Financial Assets					
Cash and cash equivalents	3,103,405	(31,034)	(31,034)	31,034	31,034
Total Financial Assets	3,103,405	(31,034)	(31,034)	31,034	31,034
Financial Liabilities					
Borrowings	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
Total increase/(decrease)		(31,034)	(31,034)	31,034	31,034

Comparative figures for the previous year are as follows:

31 December 2020	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	
Financial Assets					
Cash and cash equivalents	2,575,168	(25,752)	(25,752)	25,752	25,752
Total Financial Assets	2,575,168	(25,752)	(25,752)	25,752	25,752
Financial Liabilities					
Borrowings	391,560	3,916	3,916	(3,916)	(3,916)
Total Financial Liabilities	391,560	3,916	3,916	(3,916)	(3,916)
Total increase / (decrease)		(21,836)	(21,836)	21,836	21,836

END OF AUDITED FINANCIAL STATEMENTS

UNE Life Pty Ltd



ABN: 29 065 648 419 Annual Financial Report for the year ended 31 December 2021

UNE LIFE PTY LTD

29065648419

Financial Statements

For the Year Ended 31 December 2021



INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Ltd

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UNE Life Pty Ltd (the Company), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement 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.

In my opinion, the financial statements:

- has been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the *Government Sector Finance Regulation 2018*
- presents fairly, the financial position, financial performance and cash flows of the Company

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 (including Independence Standards)' (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.

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, the GSF Act and the Government Sector Finance Regulation 2018.

The Directors' responsibilities also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that is 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.

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 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 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/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

23 March 2022
SYDNEY

UNE LIFE PTY LTD

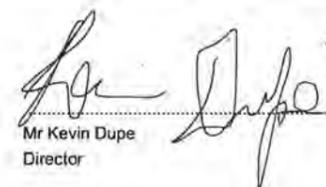
29065648419

Directors' Statement

In accordance with a resolution of the directors and pursuant to section 7.6 (4) of the Government Sector Finance Act 2018, 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 2021 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 Government Sector Finance Act 2018 and Government Sector Finance Regulations 2018;
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(f) of the financial statements.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Kevin Dupe
Director



Mr David Schmude
Managing Director

Dated
9 March 2022

UNE LIFE PTY LTD

29065648419

Income Statement

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue and income from continuing operations			
Trading income	2	6,779,802	6,188,771
Other revenue	4	3,058,952	4,738,387
Investment income	3	8,805	9,722
Total revenue and income from continuing operations		9,847,559	10,936,880
Expenses from continuing operations			
Employee related expenses	5	4,716,614	4,764,075
Depreciation and amortisation	6	272,566	306,275
Repairs and maintenance	7	148,492	123,202
Finance expenses	8	12,552	13,291
Other expenses	9	4,536,191	4,341,860
Total expenses from continuing operations		9,686,415	9,548,703
Net Result attributable to the entity	20	161,144	1,388,177

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

Statement of Comprehensive Income

For the Year Ended 31 December 2021

	2021 \$	2020 \$
Net result for the year	161,145	1,388,118
Other comprehensive income		
Total comprehensive income for the year	161,145	1,388,118

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

2

UNE LIFE PTY LTD

29065648419

Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	2,938,113	2,442,027
Receivables	11	520,316	376,469
Inventories	12	1,116,898	1,010,322
Non-financial assets	13	53,809	8,117
Total Current Assets		4,629,136	3,836,935
Non-Current Assets			
Property, plant and equipment	14	702,012	920,882
Intangible assets	15	32,811	47,538
Total Non-Current Assets		734,823	968,420
Total Assets		5,363,959	4,805,355
LIABILITIES			
Current Liabilities			
Trade and other payables	16	1,604,346	1,129,980
Borrowings	19	100,247	103,812
Contract liabilities	17	116,762	112,904
Provisions	18	238,024	205,074
Total Current Liabilities		2,059,379	1,551,770
Non-Current Liabilities			
Borrowings	19	237,707	333,856
Provisions	18	90,000	104,000
Total Non-Current Liabilities		327,707	437,856
Total Liabilities		2,387,086	1,989,626
Net Assets		2,976,873	2,815,729
EQUITY			
Share capital	20	120	120
Retained earnings	20	2,976,753	2,815,609
Total Equity		2,976,873	2,815,729

The accompanying notes form part of these financial statements.

3

UNE LIFE PTY LTD

29065648419

**Statement of Changes in Equity
For the Year Ended 31 December 2021**

2021

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2021	120	2,815,610	2,815,730
Profit attributable to members of the parent entity	-	161,144	161,144
Transactions with owners in their capacity as owners			
Balance at 31 December 2021	<u>120</u>	<u>2,976,754</u>	<u>2,976,874</u>

2020

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2020	120	1,427,432	1,427,552
Profit attributable to members of the parent entity	-	1,388,178	1,388,178
Transactions with owners in their capacity as owners			
Balance at 31 December 2020	<u>120</u>	<u>2,815,610</u>	<u>2,815,730</u>

The accompanying notes form part of these financial statements.

4

UNE LIFE PTY LTD

29065648419

**Statement of Cash Flows
For the Year Ended 31 December 2021**

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	5,292,799	4,278,334
Payments to suppliers and employees (inclusive of GST)	(9,987,988)	(10,583,027)
Receipts from Federal Government Incentives	345,200	2,223,700
Receipts from University of New England	4,988,302	5,023,515
Interest and other costs of finance	(12,552)	(13,291)
Interest received	8,805	9,722
Net cash provided by/(used in) operating activities	27 <u>634,566</u>	<u>938,953</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	46,423
Purchase of property, plant and equipment	(38,969)	(208,390)
Net cash provided by/(used in) investing activities	<u>(38,969)</u>	<u>(161,967)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(99,511)	(52,480)
Net cash provided by/(used in) financing activities	<u>(99,511)</u>	<u>(52,480)</u>
Net increase/(decrease) in cash and cash equivalents held	496,086	724,506
Cash and cash equivalents at beginning of year	2,442,027	1,717,521
Cash and cash equivalents at end of financial year	10 <u>2,938,113</u>	<u>2,442,027</u>

The accompanying notes form part of these financial statements.

5

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****1 Summary of Significant Accounting Policies**

The principal address of UNE Life Pty Ltd is:

C18, Union Road

University of New England, NSW 2351

The Company is a not for profit entity, and the principal activities of the entity during the course of the financial year were the provision of non-academic services to students, staff and wider community at University of New England, New South Wales.

The company is a controlled entity of the University of New England. The financial statements include only UNE Life Pty Ltd as an individual entity.

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution on xx March 2022.

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:

- Government Sector Finance Act 2018,

- Government Sector Finance Regulations 2018.

UNE LIFE PTY LTD is a not-for-profit entity and these statements have been prepared on that basis.

The Financial Statements have been prepared under the historical cost convention except for right of use assets which are measured at cost less accumulated amortisation and adjustment for any re-measurements of the lease liability, financial instruments which are subsequently measured at amortised cost.

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. Areas involving a higher degree of judgement or complexity, are disclosed in the following: Note 6 – Depreciation & Amortisation, Note 14 – Property, plant & equipment, Note 15 - Intangibles and Note 18 - Employee provisions.

(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.

6

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****1 Summary of Significant Accounting Policies****(c) 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 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 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..

(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) 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" through issuing a letter of support. The terms of the letter remain in place at the date of these financial statements and for a period of 12 months from the date of the audit report delivered to the Audit Office of New South Wales on the 2021 financial statements of the entity.

7

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1 Summary of Significant Accounting Policies

(g) Covid 19 / Supercell Event

The global pandemic led to a reduction in sale of goods across our diverse business operations. This led to staff reduction and prioritising online student activities to service the needs of our customers. Mandated closures of fitness facilities and cinema operations have now been lifted however the ongoing effect of reduced student numbers on the Armidale campus will adversely affect the entity.

Support from Federal Government \$345,200 through the JobKeeper program offset the financial impact of the reduction in trade. Without this Federal Government assistance the entity would incurred a \$184,066 loss for the 2021 financial year.

From August, through to December 2021, UNE Life partnered with the University to deliver a series of Covid-19 vaccination clinics for the New England North-West region of NSW. This partnership resulted in over 7,500 individual vaccines being delivered, incurring a net loss of \$107,622 for this activity within the 2021 financial year. The income associated with the operation of the clinics was booked as income to the Medical Centre.

On the evening of October 14 2021, the University of New England Campus was damaged by a supercell weather event. Several of the buildings from which UNE Life operate were damaged and many remain closed for repair and restoration. We are still assessing the impact of this event on UNE Life and continue to liaise with our insurance providers on this matter.

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

The following standards have been issued but are not mandatory for 31 December 2021 reporting periods. The Entity has elected not to early adopt any of these standards as they have an immaterial effect on the entity..

Standard Name	Effective date for entity	Description	Impact
AASB2020 / AASB2020-6	01/01/2023	Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current and Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date.	
AASB2020-3	01/01/2022	Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments.	
AASB2017-5	01/01/2022	Amendments to Australian Accounting Standards - Effective Date of Amendments to 1 January 2022 AASB and AASB128.	

(i) Effective for the first time in FY2021

The following interpretations and amending standards have also been adopted:

-AASB2020 - 8 - Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - no material

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1 Summary of Significant Accounting Policies

(i) Effective for the first time in FY2021 impact on the entity.

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2 Trading income

	2021	2020
	\$	\$
Sale of goods	4,868,463	4,147,315
Rendering of services	1,911,339	2,041,456
Total Trading Income	6,779,802	6,188,771

Revenue recognition & measurement

The revenue recognition policies for the principal revenue streams of the Company are:

(i) Sale of Goods

The Entity sells various products (food, books and other merchandise, gym memberships, etc). Revenue for the sale of goods is recognised at a point in time when control over the asset has been transferred to the customer, usually upon delivery of the goods to the customer. Revenue from gym memberships is recognised over time based on the length of membership. Revenue is measured at the quoted sales prices at a point in time.

(ii) Rendering of services

The Entity provides safety and security services to the University of New England. The Entity generates service fees calculated as a monthly service fee. The service fees are recognised over time based on meeting the requirements of the contracted service. The related costs are recognised in profit or loss as the fees are earned over time.

3 Investment income

	2021	2020
	\$	\$
Interest received	8,805	9,722
Total Investment income	8,805	9,722

Interest income is recognised as it accrues using the effective interest rate method.

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

4 Other revenue

		2021	2020
		\$	\$
UNE Contribution	26(d)	1,445,455	1,428,000
UNE Student Services & Amenities contribution	26(d)	1,156,585	981,037
Rent		5,101	7,800
Federal Government rebates & Job Keeper		345,200	2,223,700
Forgone rent		-	44,094
Other revenue		106,611	53,757
Total other revenue		3,058,952	4,738,388

Other revenue

Represents income from various activities derived from core business and insurance recoveries.

Contributions from the University of New England and the Student Amenities Fee are recognised at a point in time after the negotiated agreed programs and outcomes with the University of New England are met.

Federal government rebates & Jobkeeper are recognised at a point in time when the government requirements are met and claims have been made.

5 Employee related expenses

	2021	2020
	\$	\$
Salaries	3,691,893	4,126,656
Contributions to funded superannuation and pension schemes	397,699	355,990
Payroll tax	207,175	201,382
Worker's compensation	69,469	56,714
Annual & Long Service Leave	266,406	14,957
Other (Allowances, penalties and uniforms)	83,972	8,376
Total employee related expenses	4,716,614	4,764,075

Refer to note 18 for accounting policies on employee benefits

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****6 Depreciation and amortisation**

		2021	2020
		\$	\$
Depreciation			
Plant and equipment	14	113,288	114,722
Motor vehicles	14	42,799	47,093
Right-of-use assets - leasing assets	14	101,752	103,329
Total depreciation		257,839	265,144
Amortisation			
Leasehold improvements	14	-	3,706
Intangibles	15	14,727	37,425
Total amortisation		14,727	41,131
Total depreciation and amortisation		272,566	306,275

Depreciation on property, 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:

	2021	2020
	\$	\$
Leasehold improvements	5yrs	5 yrs
Plant & Equipment	2-10 yrs	2-10 yrs
Motor Vehicle	3-7 yrs	3-7 yrs
Right of Use Assets	6yrs	6yrs

7 Repairs and maintenance

	2021	2020
	\$	\$
Plant/furniture/equipment/grounds	148,492	123,202
Total repairs and maintenance	148,492	123,202

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.

8 Interest expense

The Finance Costs represent the interest expense attributable to the Right of Use Assets.

12

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****9 Other expenses**

	2021	2020
	\$	\$
Cost of Goods Sold	2,186,575	2,211,531
Personnel services paid	588,604	692,362
Advertising	22,293	18,916
Merchant Fees	39,043	42,334
Computer expenses	67,219	63,984
Legal	-	6,608
Cleaning & Materials	86,366	100,468
Insurance	27,404	11,841
Printing & Stationery	23,120	28,220
Security	17,607	18,258
Other Expenses	352,638	296,442
Postage & Packing	121,588	109,783
Utilities	330,093	276,823
Minor Equipment Purchases	76,112	51,501
Subscriptions & Membership	84,690	126,189
Student Programs & Activities	349,962	227,867
Student Experience Expense	162,877	58,733
Total other expenses	4,536,191	4,341,860

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

Other expenses are recognised as they are incurred.

10 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand and at bank	2,901,499	2,405,651
Short term deposits	36,614	36,376
Total Cash and cash equivalents	2,938,113	2,442,027

The entity holds \$176,547 (2020 - \$148,818) in various funds for student clubs that are held in trust. The entity maintains control over these funds. The corresponding liability for such funds is recognised as payables (refer to Note 16).

13

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****10 Cash and Cash Equivalents****(a) Reconciliation of 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:

	2021	2020
	\$	\$
Balance as above	<u>2,938,113</u>	<u>2,442,027</u>

(b) Cash on hand

These are non - interest bearing	<u>15,117</u>	<u>14,717</u>
----------------------------------	---------------	---------------

(c) Deposits at call

The deposits at call have terms of less than 12 months are bearing floating and fixed interest rates between 0% and 0.60% (2020 - 0% and 0.60%). These deposits have an average maturity of 30 days..

Cash and cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

11 Receivables

	2021	2020
	\$	\$
Current		
Trade and other receivables	528,291	378,824
Less: allowance for expected credit losses	<u>(7,975)</u>	<u>(2,355)</u>
Total receivables	<u>520,316</u>	<u>376,469</u>

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. 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. For trade and other receivables, the Entity applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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.

14

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****11 Receivables**

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 'other expenses' in note 9. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to bad debts recovered in the income statement .

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

	2021	2020
	\$	\$
At 1 January	2,355	2,001
Provision for expected credit losses	7,975	354
Write-off	<u>(2,355)</u>	<u>-</u>
At 31 December	<u>7,975</u>	<u>2,355</u>

12 Inventories

	2021	2020
	\$	\$
Current		
Stock on hand	<u>1,116,898</u>	<u>1,010,322</u>
Total Current inventories	<u>1,116,898</u>	<u>1,010,322</u>

Raw materials and stores, work in progress and finished goods

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

13 Other non-financial assets

	2021	2020
	\$	\$
Current		
Prepaid Expenses	<u>53,809</u>	<u>8,117</u>
Total current other non-financial assets	<u>53,809</u>	<u>8,117</u>

Prepaid Expenses

15

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****13 Other non-financial assets**

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

14 Property, plant and equipment

	2021	2020
	\$	\$
Plant and equipment - At cost	1,152,529	1,113,560
Less: Accumulated depreciation	<u>(852,479)</u>	<u>(739,191)</u>
	300,050	374,369
Motor Vehicles - At cost	264,022	264,022
Less: Accumulated depreciation	<u>(182,918)</u>	<u>(140,119)</u>
	81,104	123,903
Leasehold improvements - At cost	672,527	672,527
Less: Accumulated amortisation	<u>(672,527)</u>	<u>(672,527)</u>
	-	-
Right of use (ROU) assets - At cost	626,114	626,114
Less: Accumulated Amortisation	<u>(305,256)</u>	<u>(203,504)</u>
	320,858	422,610
Total Property, Plant and Equipment	<u>702,012</u>	<u>920,882</u>

16

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****14 Property, plant and equipment****(a) Reconciliation**

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

	2021	2020
	\$	\$
Plant and Equipment		
Carrying amount at beginning of year	374,369	310,175
Additions	38,969	206,390
Disposals	-	(27,474)
Depreciation	<u>(113,288)</u>	<u>(114,722)</u>
Carrying amount at end of year	300,050	374,369
Motor vehicles		
Carrying amount at beginning of year	123,903	190,598
Disposals	-	(19,602)
Depreciation	<u>(42,799)</u>	<u>(47,093)</u>
Carrying amount at end of year	81,104	123,903
Right of use (ROU) assets		
Carrying amount at beginning of year	422,609	517,890
AASB 16 Adjustment	-	8,048
Amortisation	<u>(101,752)</u>	<u>(103,329)</u>
Carrying amount at end of year	320,857	422,609
Leasehold improvements		
Carrying amount at beginning of year	-	3,706
Amortisation	<u>-</u>	<u>(3,706)</u>
Carrying amount at the end of year	-	-

Property, plant and equipment

Property, plant and equipment, motor vehicles and leasehold improvements are stated at historical cost less accumulated depreciation and impairment. 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 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.

17

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****14 Property, plant and equipment****(a) Reconciliation**

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 than \$5,000. All plant and equipment under this threshold is expensed when purchased.

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances arise, which indicate the carrying amount may not be recoverable. 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.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Right-of-use assets

At inception of a contract, the entity assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The entity assesses whether:

(a). The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.

(b). The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

(c). The customer has the right to direct the use of the asset throughout the period of use. The customer is considered to have the right to direct the use of the asset only if either:

i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or

ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Subsequently, right of use assets are measured at cost less accumulated amortisation and adjusted for any re-measurements of the lease liability.

18

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****15 Intangible Assets**

	2021	2020
	\$	\$
Computer Software	231,463	231,463
Less: Accumulated Amortisation	(198,652)	(183,925)
Total intangible assets	32,811	47,538

Reconciliation

Reconciliation of the carrying amounts for intangible assets are set out below:

	2021	2020
	\$	\$
Carrying amount at beginning of year	47,538	82,962
Additions	-	2,000
Disposals	-	-
Less: Amortisation	(14,727)	(37,424)
Carrying amount at end of year	32,811	47,538

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Computer software is recognised as having a finite life and is amortised over 5 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

16 Trade and Other Payables

	2021	2020
	\$	\$
Current payables		
Trade payables & Accruals	1,145,900	857,677
GST payable	51,851	24,195

19

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****16 Trade and Other Payables**

	2021	2020
	\$	\$
Funds Held In trust	176,547	148,818
PAYG & Payroll Tax Payable	230,048	99,290
Total trade and other payables	1,604,346	1,129,980

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. These liabilities are measured at original cost, which is not materially different to amortised cost due to the short-term nature of liabilities.

17 Contract Balances

	2021	2020
Note	\$	\$
Income in Advance	116,762	112,904
Total current contract liabilities	116,762	112,904

Recognition and measurement

A contract liability is the obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entity performs under the contract.

18 Provisions

	2021	2020
	\$	\$
Current provisions expected to be settled within 12 months		
Employee benefits		
Long Service Leave	18,000	13,000
Annual Leave	152,024	133,073
Subtotal	170,024	146,073
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Long service leave	68,000	59,000
Subtotal	68,000	59,000
Total current provisions	238,024	205,073
Non-current provisions		

20

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****18 Provisions**

Employee benefits		
Long service leave	90,000	104,000
Long-term provisions		
Total non-current provisions	90,000	104,000
Total provisions	328,024	309,073

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. The discount rate pre-tax 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) Short-term obligations**

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

(ii) Other long-term obligations

The liability for other long-term benefits are those that 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, accumulating sick leave and long service leave liabilities.

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

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

(iii) Superannuation

Contributions to funded superannuation and pension schemes are recognised as expense as they become payable

21

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****19 Borrowings**

	2021	2020
	\$	\$
Current		
Lease liabilities - ROU	<u>100,247</u>	103,812
	<u>100,247</u>	103,812
Non-Current		
Lease liabilities- ROU	<u>237,707</u>	333,856
	<u>237,707</u>	333,856

Lease liabilities - ROU**Lease Liability Movement Table**

	2021	2020
	\$	\$
Lease Liability at start of year	437,668	526,195
Reduction in Liability for the year	<u>(99,709)</u>	(88,527)
Total Liability at end of year	<u>337,959</u>	437,668

Right of use liabilities relate to the lease of the Belgrave Cinema. A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset as disclosed in Note 13.

The entity has the following financing facilities at balance date including total limits available

	2021	2020
	\$	\$
Credit cards	<u>20,906</u>	32,000
	<u>20,906</u>	32,000

Of the above amounts, the undrawn facilities at balance sheet date are:

	2021	2020
	\$	\$
Credit cards	<u>11,929</u>	20,906
	<u>11,929</u>	20,906

The liability for credit cards at balance date is included in Note 16 - Trade and other payables with repayments made in full on the 15th of each calendar month.

22

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****20 Share capital and retained earnings**

	2021	2020
	\$	\$
Retained Earnings		
Movements in retained earnings were as follows:		
	-	-
Retained earnings as at 1 January	2,815,609	1,427,432
Net result for the year	<u>161,144</u>	1,388,177
Retained earnings at 31 December	<u>2,976,753</u>	2,815,609
Share capital		
Share capital held - 120 at \$1 owned by the University of New England	<u>120</u>	120

21 Economic Dependency

Under the present structure the company is dependent upon the continued support of the University of New England and obtains a letter of support from the University of New England each year.

22 Key Management Personnel Remuneration**(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 Members in 2021

Prof Peter Creamer
Mr David Schmude
Mr Kevin Dupe
Mrs Jessica Webb
Mr Isaac Wade
Ms Adelaide Galovic

Executive Officers

Mr David Schmude - Managing Director and Chief Executive Officer
Mr Ashley Clee - Deputy Director and Chief Financial Officer

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

23

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****22 Key Management Personnel Remuneration****(b) Remuneration of Board Members and Executives**

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

	2021 Number	2020 Number
Remuneration of Board Members		
Nil to \$9,999	4	7
	2021 \$	2020 \$
Remuneration of Board Members		
Total Aggregate Remuneration	26,000	18,833

23 Auditors' Remuneration

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:

	2021 \$	2020 \$
Audit the Financial Statements		
Fees paid to The Audit Office of NSW	45,600	48,500
Total paid for audit services	45,600	48,500

24 Commitments**(a) Capital Commitments**

The entity had no commitments for Capital Expenditure at 31 December 2021 (2020: \$nil).

(b) Remuneration commitments

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

25 Contingencies

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

24

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****26 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 board members and executives officers are set out in note 22.

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2021 \$	2020 \$
Transactions during the period		
University of New England		
UNE Commercial Transactions	2,386,262	2,157,796
UNE Support	1,445,455	1,428,000
Student Amenities Contribution	1,156,585	981,036
Payments made for operational expenses such as utilities, Personnel services etc.	(1,181,833)	(1,816,002)
Total	3,806,469	2,750,830
With other related parties (UNEF, UNEP, ABRI, Ag360)		
Income Received	-	50,000
Payments made	(1,000)	(5,000)
Net	(1,000)	45,000

25

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****26 Related Parties****(d) Transactions with related parties****Outstanding balances**

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

	2021	2020
	\$	\$
University of New England		
Receivables	396,492	115,326
Payables	(123,383)	(75,069)

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions of outstanding balances

Related party outstanding balances are unsecured and have been provided on interest-free terms.

27 Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Net result for the year	161,145	1,388,176
Depreciation and amortisation	272,566	306,275
Foregone Rent	-	(44,098)
- net (gain)/loss on sale of assets	(201)	653
Changes in assets and liabilities:		
- (increase)/decrease in trade and Prepaid Expenses	(189,540)	(96,664)
- (increase)/decrease in inventories	(106,575)	70,813
- increase/(decrease) in trade and other payables	478,220	(701,159)
- increase/(decrease) in employee benefits	18,951	14,957
Net cash provided by / (used in) operating activities	<u>634,566</u>	<u>938,953</u>

28 Events Occurring After the Reporting Date

There are no reportable events occurring after balance date.

26

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****29 Financial Risk Management**

The 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 provisions for expected credit losses.	Accounts Receivable credit terms are 30 days
Deposits At Call	9	Deposits at Call are stated at amortised cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	9	Term Deposits are stated at amortised cost	Term Deposits are for a period of up to one year. Interest rates are 0.50%. Average maturity of 30 days
Financial Liabilities			
Borrowings	18	Measured at amortised cost	Non-cancelable lease in place until 17th February 2025
Creditors and Accruals (Excludes statutory payables and unearned revenue)	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled 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 entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The entity interest rate risk arises primarily from short term deposits, 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

27

UNE LIFE PTY LTD
29065648419

Notes to the Financial Statements
For the Year Ended 31 December 2021

29 Financial Risk Management

Average interest rate 2020 %	Variable interest rate 2020 \$	Less than 1 year 2020 \$	1 to 5 years 2020 \$	5+ years 2020 \$	Non-Interest Bearing 2020 \$	Total 2020 \$
	-	103,812	33,856	-	857,681	995,349

Total Financial Liabilities

UNE LIFE PTY LTD

29065648419

Notes to the Financial Statements
For the Year Ended 31 December 2021

29 Financial Risk Management

Summarised sensitivity analysis

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

31 December 2021	Carrying amount \$	Interest rate risk			
		-1% Result \$	Equity \$	+1% Result \$	Equity \$
Financial assets					
Cash and Cash Equivalents	2,922,966	(29,230)	(29,230)	29,230	29,230

1 January 2021	Carrying amount \$	Interest rate risk			
		-1% Result \$	Equity \$	+1% Result \$	Equity \$
Financial assets					
Cash and Cash Equivalents	2,427,310	(24,273)	(24,273)	24,273	24,273

30 Fair Value Measurement

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

Due to the short-term nature of cash and cash equivalents, receivables, payables and current borrowings their carrying value is assumed to approximate to fair value.

The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar lease arrangements.

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)

UNE LIFE PTY LTD

29065648419

**Notes to the Financial Statements
For the Year Ended 31 December 2021****30 Fair Value Measurement**

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

	Note	Carrying Amount		Fair Value	
		2021	2020	2021	2020
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	10	2,938,113	2,442,027	2,938,113	2,442,027
Receivables	11	520,317	376,469	520,317	376,469
Other financial assets					
Total financial assets		3,458,430	2,818,496	3,458,430	2,818,496
<hr/>					
Payables	16	1,148,300	857,681	1,148,300	857,681
Borrowings	19	337,954	437,668	337,954	437,668
Total financial liabilities		1,486,254	1,295,349	1,486,254	1,295,349

End of audited financial statements.

Office of the Vice-Chancellor
Vice-Chancellor's Unit
University of New England
ARMIDALE NSW 2351

Ph +61 2 6773 2004
Email vc@une.edu.au

une.edu.au

une
University of
New England