University of New England

ABN: 75 792 454 315
Annual Financial Report for the year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT

University of New England

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the University of New England (the University), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, 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:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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.

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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 2020. 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.

Key Audit Matter	How my audit addressed the matter
Application of new revenue accounting standards	
The University adopted accounting standards AASB 15 'Revenue from contracts with customers' (AASB15) and AASB 1058 'Income of not-for-profit entities' (AASB1058) for the first time in their 2020 financial statements for research grant revenue as permitted by AASB 2019-6 'Amendments to Australian Accounting Standards-Research Grants and Not-for-Profit Entities'. At 1 January 2020, the University reclassified $5.0 million from retained earnings to contract liabilities (deferred revenue) on adoption of AASB 15. I considered this to be a key audit matter because of the: • significance to the University's financial position • first year application of the new revenue standards to research revenue • extent of significant judgements and assumptions used to apply the new standards • increased disclosure requirements in the financial statements. Further information on the adoption of the new standards is included in Note 1(j) 'Initial application of Australian Accounting Standards' and Note 3.7 'Revenue and income from continuing operations'.	Key audit procedures included the following: • evaluating the design of relevant key controls over research revenue and assessing on a sample basis whether these controls were implemented effectively • obtaining management's impact assessment of AASB 15 and AASB 1058 to confirm the recognition and measurement requirements have been considered across all research revenue streams • assessing the reasonableness of opening balance adjustments • for a sample of transactions, ensuring they were appropriately accounted for under the new requirements • assessing the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Fair value measurement of property, plant and equipment	
At 31 December 2020, the University reported $339.7 million in property, plant and equipment. In 2020, the University assessed whether the carrying values reported in the financial statements for land, buildings and infrastructure assets reflect their fair value. The University performed this assessment by engaging an independent valuer to assess if there had been a material change in the fair value of its land, buildings and infrastructure assets. This resulted in a net increment of $13.2 million to the property, plant and equipment carrying values. I considered this to be a key audit matter because of the: • significance of property, plant and equipment to the University's financial position and the specialised nature of the assets • use of significant assumptions required to estimate fair value	Key audit procedures included the following: • assessing the competency, capability and objectivity of management's independent valuer • assessing the accuracy and completeness of assets included in the revaluation • assessing significant judgements for unique and specialised assets • assessing the appropriateness of the methodology and key assumptions adopted, provided by management's independent valuer and material changes to useful lives • assessing the sufficiency and appropriateness of management's fair value assessment against the requirements of applicable Australian Accounting Standards • reviewed the reconciliation of the valuation report to the reported financial statement balances

Key Audit Matter	How my audit addressed the matter
• judgement and complexities associated with the application of AASB 13 'Fair Value Measurement' requirements. Further information on the fair value measurement is included in Note 19 'Property, plant and equipment'.	• assessing 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	
At 31 December 2020, the University reported: • defined benefit superannuation liabilities totalling $312.6 million • long service leave liabilities totalling $20.8 million. I considered this to be a key audit matter because: • the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position • there is a risk that 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 total value of the liabilities is sensitive to small changes in key valuation inputs. 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'.	Key audit procedures included the following: • assessing the key controls supporting the data used in the models and assessing the completeness and accuracy of the data used in the models • obtaining management's actuarial reports and year-end adjustments, and in relation to defined benefit superannuation liabilities engaging a qualified actuary ('auditor's expert') to: – assess the qualifications, competence and objectivity of management's independent experts – assess the appropriateness of the models – confirm the reasonableness of key assumptions used – assess the reasonableness of the reported liability value • 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 2020, 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 comprises the Report by Members of the Council and the Statement of Appointed Officers.

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

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

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

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines, and for such internal control as the Council 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

6 April 2021
SYDNEY

University of New England

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of New England and the entities it controlled at the end of, or during, the year ended 31 December 2020.

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 (reappointed 20/11/19) - Chancellor
Professor Brigid Heywood, Vice-Chancellor
Ms Jan McClelland AM (reappointed 30/11/20) - Deputy Chancellor
Professor Mark Perry, Chair Academic Board
Ms Meredith Symons
Mr David van Aanholt
Ms Anne Myers
Ms Rosemary Leamon
Mr Russell Evans

The terms of the following members commenced during 2020:

Dr Melanie Fillios (elected 21/08/20)
Ms Jane Schmude (elected 21/08/20)
Ms Emma Wellham (elected 12/10/20)
Mr Phillip Hess (appointed 25/11/20)

The terms of the following members expired during 2020:

Associate Professor Richard Scully (term expired 20/08/20)
Mr Charles Hebblewhite (term expired 20/08/20)
Ms Louisa Quiddington (term expired 11/10/20)
Mr Robert Finch (term expired 24/11/20)

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 2020, and the numbers of meetings attended by each member is attached.

Principal Activities

During the year the principal continuing activities of the consolidated entity consisted of:

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

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

Review of Operations

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

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the consolidated entity occurred during the year.

Matters Subsequent to the End of the Financial Year

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

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. The annual premium of $60,244 for Directors and Officers Insurance covered the period 1 November 2019 to 31 October 2020. Insurance has been renewed for the period 1 November 2020 to 31 October 2021 at a cost of $122,786. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representatives of the University, and who are not otherwise indemnified.

Proceedings on behalf of the University of New England

There are no material proceedings resulting in claims against the University that are required to be reported in this Report or in the Financial Report.

This report is made in accordance with a resolution of the members of the Council of the University of New England.

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

30 March 2021

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 2020, and the numbers of meetings attended by each Council member were:

Members of Council 2020	Council		Finance & Infrastructure		Audit & Risk		Innovation & Development		HDTT*		Remuneration		Nominations		Investment		EAL	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
The Chancellor																		
Mr James Harris (reappointed 20/11/19)	14	14	10	10			0	0	4	4	8	8	1	1				
The Deputy-Chancellor																		
Ms Jan McClelland AM (reappointed 30/11/20) (See below Members appointed by Council)																		
Official Members																		
Professor Brigid Heywood, Vice-Chancellor (from 15/07/19)	14	14	10	10	7	7	0	0	4	4	8	8	1	1	3	4	2	2
Professor Mark Perry, Chair Academic Board	13	14	9	10			0	0	4	4			1	1				
Associate Professor Amy Lykins, Acting Chair Academic Board	1	1	1	1														
Members appointed by the Minister																		
Ms Meredith Symons	12	14	9	10											4	4		
Mr David van Aanholt	14	14	10	10	6	6	0	0	4	4	8	8			4	4		
Members appointed by Council																		
Ms Jan McClelland AM	14	14	10	10	7	7	0	0	4	4	7	7	1	1				
Ms Anne Myers	14	14			7	7					8	8					2	2
Ms Rosemary Leamon	12	14	9	9	6	6											2	2
Mr Robert Finch (retired 24/11/20)	13	13	9	9	6	6					7	7			4	4		
Mr Phil Hess (appointed 25/11/20)	1	1			1	1	0	0			1	1						
Mr Russell Evans	12	14	10	10			0	0	4	4							2	2
Members elected by academic staff																		
Associate Professor Richard Scully (term expired 20/08/20)	8	8																
Dr Melanie Fillios (appointed 21/08/20)	6	6	1	1														
Member elected by non-academic staff																		
Mr Charles Hebblewhite (term expired 20/08/20)	7	8					0	0										
Mrs Jane Schmude (appointed 21/08/20)	6	6					0	0										

Members of Council 2020	Council		Finance & Infrastructure		Audit & Risk		Innovation & Development		HDTT*		Remuneration		Nominations		Investment		EAL	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Ms Louisa Quiddington (term expired 11/10/20)	10	11					0	0										
Ms Emma Wellham (appointed 12/10/20)	3	3																

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

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

*Honorary Degrees, Titles and Tributes Committee

University of New England

STATEMENT OF APPOINTED OFFICERS

In accordance with a resolution of the Council of the University of New England and pursuant to *Sections 41C (1B) and (1C) of the Public Finance and Audit Act 1983*, we state that:

1. The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2020 and the result of their operations and transactions of the economic entity for the year then ended;

2. The financial reports have been prepared in accordance with the provisions of the *New South Wales Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2020 Reporting Period" issued by the Australian Government Department of Education and Training;

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

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

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

6. The amount of 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.

Brigid Heywood

Mr James Harris
Chancellor

Professor Brigid Heywood
Vice-Chancellor & CEO

Being Councillors of the University authorised in accordance with a resolution of Council pursuant to *41C(1C) of the Public Finance and Audit Act 1983*, as amended.

University of New England
Armidale, NSW
30 March 2021

Income Statement

for the year ended 31 December 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants	**3.1**	**156,859**	160,304	**156,859**	160,304
HELP - Australian Government payments	**3.1**	**97,619**	88,527	**97,619**	88,527
State and local government financial assistance	**3.2**	**14,519**	9,716	**13,634**	8,914
HECS-HELP - Student payments	**3.2**	**8,759**	8,223	**8,759**	8,223
Fees and charges	**3.3**	**47,217**	51,633	**43,153**	48,122
Royalties, trademarks and licences	**3.4**	**152**	301	**157**	305
Consultancy and contracts	**3.5**	**2,299**	1,383	**342**	207
Other income	**3.6**	**32,987**	34,623	**18,431**	19,938
Other revenue	**3.6**	**129**	251	**1,531**	2,970
Investment income (net gains/losses)	**4**	**8,081**	6,958	**7,232**	3,672
Gains on disposal of assets		**207**	27	**207**	27
Total revenue and income from continuing operations		**368,828**	361,946	**347,924**	341,209
Expenses from continuing operations					
Employee related expenses	**5**	**239,381**	214,966	**225,877**	201,171
Depreciation and amortisation	**6**	**27,052**	25,305	**26,105**	24,386
Repairs and maintenance	**7**	**7,941**	8,293	**9,630**	9,867
Borrowing costs	**8**	**92**	543	**84**	510
Impairment of assets	**9**	**179**	324	**166**	220
Deferred superannuation expense	**5/38**	**240**	190	**240**	190
Other expenses	**10**	**110,266**	116,148	**104,817**	109,710
Total expenses from continuing operations		**385,151**	365,769	**366,919**	346,054
Net result before income tax from continuing operations		**(16,323)**	(3,823)	**(18,995)**	(4,845)
Income tax (expense)/benefit	**11**	**67**	-		-
Net result attributable to members from continuing operations	**27(b)**	**(16,256)**	(3,823)	**(18,995)**	(4,845)

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

Statement of Comprehensive Income

for the year ended 31 December 2020

		Consolidated		Parent entity	
	Note	**2020**	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
Net result after income tax for the period		**(16,256)**	(3,823)	**(18,995)**	(4,845)
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	**27**	**13,539**	9,855	**13,232**	9,855
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	**27**	**20,738**	16,832	**20,569**	16,832
Net actuarial losses/(gains) recognised in respect of defined benefit plans	**27**	**(234)**	(256)	**(234)**	(256)
Total		**34,043**	26,431	**33,567**	26,431
Total other comprehensive income		**34,043**	26,431	**33,567**	26,431
Total comprehensive income attributable to members of the University of New England		**17,787**	22,608	**14,572**	21,586

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

Statement of Financial Position

as at 31 December 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Assets					
Current assets					
Cash and cash equivalents	**12**	**86,706**	43,678	**77,725**	36,049
Receivables	**13**	**27,404**	29,066	**25,633**	26,834
Contract assets	**13**	**7,212**	2,849	**7,212**	2,849
Inventories	**14**	**1,160**	1,287	**150**	206
Other financial assets	**15**	**47,626**	58,851	**48,031**	58,851
Other non-financial assets	**16**	**13,925**	16,631	**13,151**	16,905
Biological assets	**18**	**2,331**	320	**2,331**	320
Total current assets		**186,364**	152,682	**174,233**	142,014
Non-current assets					
Receivables	**13**	**290,397**	313,438	**290,397**	313,438
Other financial assets	**15**	**92,890**	70,646	**62,154**	41,810
Property, plant and equipment	**19**	**344,411**	336,440	**339,702**	331,861
Deferred tax assets	**21**	**67**	-	**-**	-
Intangible assets	**20**	**6,386**	4,736	**5,635**	3,897
Total non-current assets		**734,151**	725,260	**697,888**	691,006
Total assets		**920,515**	877,942	**872,121**	833,020
Liabilities					
Current liabilities					
Trade and other payables	**22**	**5,519**	7,911	**3,749**	4,750
Borrowings	**23**	**1,334**	1,033	**1,189**	868
Provisions	**25**	**50,876**	53,757	**49,141**	52,138
Other liabilities	**26**	**46,557**	41,493	**44,415**	39,053
Contract liabilities	**22**	**11,182**	-	**9,744**	-
Total current liabilities		**115,468**	104,194	**108,238**	96,809
Non-current liabilities					
Borrowings	**23**	**44,900**	4,336	**44,560**	3,856
Provisions	**25**	**303,070**	326,332	**302,811**	326,096
Contract liabilities	**22**	**940**	-	**716**	-
Other liabilities	**26**	**21,694**	21,138	**578**	635
Total non-current liabilities		**370,604**	351,806	**348,665**	330,587
Total liabilities		**486,072**	456,000	**456,903**	427,396
Net assets		**434,443**	421,942	**415,218**	405,624
Equity					
Reserves	**27 (a)**	**171,113**	135,758	**169,026**	134,147
Retained earnings	**27 (b)**	**263,330**	286,184	**246,193**	271,477
Parent entity interest		**434,443**	421,942	**415,219**	405,624
Total equity		**434,443**	421,942	**415,219**	405,624

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 2020

	Consolidated			Parent Entity		
	Reserves $'000	Retained earnings $'000	Total $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2019	109,541	324,408	433,949	107,463	291,498	398,961
Retrospective changes	(468)	(34,144)	(34,612)	(1)	(14,920)	(14,921)
Balance as restated	109,073	290,264	399,337	107,462	276,578	384,040
Net result after income tax	-	(3,823)	(3,823)	-	(4,845)	(4,845)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	9,853	-	9,853	9,853	-	9,853
Gain/(loss) on financial assets at fair value through OCI	16,832	-	16,832	16,832	-	16,832
Remeasurements of Defined Benefit Plans	-	(256)	(256)	-	(256)	(256)
Total comprehensive income	26,685	(4,079)	22,606	26,685	(5,101)	21,584
Balance at 31 December 2019	135,758	286,185	421,943	134,147	271,477	405,624
Balance at 1 January 2020	135,758	286,184	421,942	134,147	271,477	405,624
Retrospective changes [1]	-	(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)
Transfer to/(from) retained earnings on revaluation of assets	1,077	(1,077)	-	1,077	(1,077)	-
Total comprehensive income	35,355	(17,567)	17,788	34,879	(20,305)	14,573
Balance at 31 December 2020	**171,113**	**263,330**	**434,443**	**169,026**	**246,193**	**415,219**

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

[1] The retrospective change to retained earnings for the year ended 31 December 2020 relate to the adoption of application of AASB15 and AASB1058 for research grants income under AASB 2019-6: refer to note 1(j) for first time application of AASB15 and AASB1058 for further information.

Statement of Cash Flows

for the year ended 31 December 2020

	Note	Consolidated		Parent entity	
		2020	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Australian Government grants		**255,370**	247,098	**255,370**	247,098
OS-HELP (net)		**1,880**	(127)	**1,880**	(127)
Superannuation supplementation		**19,476**	17,039	**19,476**	17,039
State Government Grants		**11,380**	7,122	**11,380**	7,122
HECS-HELP - Student payments		**10,768**	9,637	**9,883**	8,835
Receipts from student fees and other customers		**97,702**	102,333	**77,259**	80,343
Dividends received		**4,657**	3,099	**4,461**	2,841
Interest received		**2,267**	3,769	**1,996**	3,470
Payments to suppliers and employees (inclusive of GST)		**(386,403)**	(373,533)	**(367,433)**	(355,048)
Interest and other costs of finance		**(97)**	(339)	**(84)**	(319)
GST recovered		**5,163**	6,864	**5,406**	8,095
Short-term lease payments		**(393)**	(94)	**(393)**	(94)
Variable lease payments not included in the measurement of the lease liability		**(107)**	(153)	**(107)**	(153)
Net cash provided by / (used in) operating activities	**35**	**21,663**	22,715	**19,094**	19,102
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**252**	69	**206**	49
Payments for property, plant and equipment		**(28,163)**	(34,357)	**(27,428)**	(33,828)
Proceeds from sale of financial assets		**2,507**	50,150	**70**	49,000
Proceeds from / Payments for financial assets *		**8,625**	(62,388)	**11,226**	(58,938)
Loans to related parties		**(250)**	-	**(250)**	-
Net cash provided by / (used in) investing activities		**(17,028)**	(46,526)	**(16,177)**	(43,717)
Cash flows from financing activities					
Proceeds from/repayment of borrowings		**39,421**	(20,000)	**40,000**	(20,000)
Repayment of lease liabilities		**(1,371)**	(1,473)	**(1,241)**	(1,336)
Other financing inflows *		**342**	-	**-**	-
Net cash provided by / (used in) financing activities		**38,392**	(21,473)	**38,759**	(21,336)
Net increase / (decrease) in cash and cash equivalents		**43,028**	(45,284)	**41,676**	(45,951)
Cash and cash equivalents at the beginning of the financial year		**43,678**	88,962	**36,049**	82,000
Cash and cash equivalents at the end of the financial year		**86,706**	43,678	**77,725**	36,049

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

* The disclosure format of the 2020 consolidated Statement of Cash Flows includes the University's investment in Ag360 Pty Ltd of $0.342 million as an investing outflow (parent) and financing inflow (subsidiary). This investment has been eliminated on consolidation in the Statement of Financial Position.

Notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for the University as the parent entity and the consolidated entity consisting of the University and its subsidiaries.

The principal address of the University is: University of New England, Armidale NSW 2351, Australia.

(a) Basis of preparation

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
- *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015.*

The University of New England is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Date of authorisation for issue
The financial statements were authorised for issue by the members of the University Council on 19 March 2021.

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.

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 and buildings (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 statement 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 2020 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. Foreign currency differences on qualifying cash flow hedges and qualifying net investment hedges in a foreign operation are accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

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 did not incur an income tax charge in respect of the year ended 31 December 2020.

(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 incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

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

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

(h) Comparative amounts

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

(i) New accounting standards and interpretations not yet adopted

The following standards have been issued but are not mandatory for the 31 December 2020 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	Implications
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of liabilities as Current or Non-Current	1 Jan 2022	No material impact

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

- Conceptual Framework – Amendments to IFRS 3 – 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 – 1 January 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 – 1 January 2022
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopted – 1 Jan 2022
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities – 1 January 2022

(j) Initial application of Australian Accounting Standards

The Group has adopted *AASB 15* and *AASB 1058* using the modified retrospective method of transition with the date of initial application of 1 January 2019 for all non-research related income. For research income, the Group deferred application to 1 January 2020 in accordance with *AASB 2019-6 Amendments to Australian Accounting Standards: Research Grants and Not-for-Profit Entities*.

Note 1. Summary of significant accounting policies (continued)

(j) Initial application of Australian Accounting Standards (continued)

The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted:

AASB2018-6	Amendments to Australian Accounting Standards: Definition of a Business. Adopted from 1 January 2020 with no impact to the financial statements.
AASB2018-7	Amendments to Australian Accounting Standards – Definition of Material. Adopted from 1 January 2020 with no impact to the financial statements.

Application of AASB 15 and AASB 1058 – Research Grants

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in note 3.7 below.

In accordance with the provisions of this transition approach, the group recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2020. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the Group has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 January 2020.

As the Group is applying the modified retrospective approach, the group did apply the practical expedient described in AASB 15.C5 (c), for contracts that were modified before the beginning of the earliest period presented.

The Group did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, the Group reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

Under the new income recognition model applicable to not-for-profit entities in accounting for research grants, the Group shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Group applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group shall consider whether AASB 1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	Reference Adjustments	Consolidated 1 January 2020 $'000	Parent entity 1 January 2020 $'000
Total adjustment on equity			
Retained earnings	Changes in Equity	4,979	4,979

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2020 as a result of the adoption of AASB 15 and AASB 1058 in relation to research grants. The adoption of AASB 15 applicable to research grants did not have a material impact on the financial position or the UNE's operating, investing and financing cash flows. The first column shows amounts prepared under AASB 15 and AASB 1058 for research grants and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

Income Statement

	Amounts prepared under:					
	Consolidated			Parent entity		
AASB15.C8(a), AASB1058.C7	**AASB15/ AASB1058 $'000**	Previous AAS $'000	Increase/ decrease $'000	**AASB15/ AASB1058 $'000**	Previous AAS $'000	Increase/ decrease $'000
Revenue and income from continuing operations						
Australian Government financial assistance						
Australian Government grants	**38,326**	43,565	(5,239)	**38,326**	43,565	(5,239)
State and local government financial assistance	**9,764**	8,394	1,370	**9,764**	8,394	1,370
Other	**4,337**	5,926	(1,589)	**4,337**	5,926	(1,589)
Total revenue and income from continuing operations	**52,427**	57,885	(5,458)	**52,427**	57,885	(5,458)
Net result before income tax from continuing operations	**52,427**	57,885	(5,458)	**52,427**	57,885	(5,458)
Net result from continuing operations, after tax	**52,427**	57,885	(5,458)	**52,427**	57,885	(5,458)
Net result after income tax for the period	**52,427**	57,885	(5,458)	**52,427**	57,885	(5,458)
Total	**52,427**	57,885	(5,458)	**52,427**	57,885	(5,458)

Note 1. Summary of significant accounting policies (continued)
(j) Initial application of Australian Accounting Standards (continued)

Statement of Financial Position

	Amounts prepared under:					
	Consolidated			Parent entity		
AASB15.C8(a)	**AASB15/ AASB1058 $'000**	Previous AAS $'000	Increase /decrease $'000	**AASB15/ AASB1058 $'000**	Previous AAS $'000	Increase /decrease $'000
Assets						
Receivables	**1,627**	1,627	-	**1,627**	1,627	-
Contract assets	**198**	-	198	**198**	-	198
Total assets	**1,825**	1,627	198	**1,825**	1,627	198
Contract liabilities	**10,461**	-	10,461	**10,461**	-	10,461
Other liabilities	**174**	-	174	**174**	-	174
Total liabilities	**10,635**	-	10,635	**10,635**	-	10,635
Equity	**(8,810)**	1,627	(10,437)	**(8,810)**	1,627	(10,437)
Total equity	**(8,810)**	1,627	(10,437)	**(8,810)**	1,627	(10,437)

AASB 1059

Australian Accounting Standard AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. The standard applies to annual reporting periods beginning on or after 1 January 2020.

UNE has adopted this standard from 1 January 2020 and in accordance with the transitional provisions of AASB 1059, UNE adopted the standard retrospectively using the modified retrospective method.

There was no impact on the financial statements of UNE in relation to AASB 1059 for the year ending 31 December 2020.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue and income from transactions*		Results		Assets	
	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	**367,654**	360,711	**(16,138)**	(3,784)	**920,516**	877,942
US/Canada	**369**	500	**(37)**	(16)	**-**	-
Unallocated	**805**	735	**(81)**	(23)	**-**	-
Total	**368,828**	361,946	**(16,256)**	(3,823)	**920,516**	877,942

*It 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. Revenue and Income (continued)

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

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
(a) Commonwealth Grant Scheme and Other Grants	**39a**				
Commonwealth Grant Scheme #1		**110,488**	115,817	**110,488**	115,817
Higher Education Participation and Partnership Program		**3,629**	3,771	**3,629**	3,771
Disability Performance Funding #2		**158**	155	**158**	155
Indigenous Student Success Program #3		**2,303**	2,425	**2,303**	2,425
Total Commonwealth Grant Scheme and Other Grants		**116,578**	122,168	**116,578**	122,168
(b) Higher Education Loan Programs	**39b**				
HECS-HELP		**81,507**	79,187	**81,507**	**79,187**
FEE-HELP		**13,589**	7,021	**13,589**	**7,021**
SA-HELP		**2,523**	2,319	**2,523**	**2,319**
Total Higher Education Loan Programs		**97,619**	88,527	**97,619**	88,527
(c) EDUCATION Research	**39c**				
Research Training Program		**9,114**	9,094	**9,114**	9,094
Research Support Program		**7,547**	7,365	**7,547**	7,365
Total EDUCATION Research Grants		**16,661**	16,459	**16,661**	16,459
(d) Australian Research Council	**39e**				
Discovery		**1,383**	1,306	**1,383**	1,306
Linkages		**314**	81	**314**	81
Total ARC		**1,697**	1,387	**1,697**	1,387
(e) Other Australian Government financial assistance	**39f**				
Non-capital					
Co-operative Research Centres		**999**	1,724	**999**	1,724
Other Research Financial Assistance		**18,968**	15,352	**18,968**	15,352
Non-Research Financial Assistance		**1,956**	3,213	**1,956**	3,213
Total other Australian Government financial assistance		**21,923**	20,289	**21,923**	20,289
Total Australian Government financial assistance		**254,478**	248,830	**254,478**	248,830

#1 Includes the basic CGS grant amount, Regional Loading, Enabling Loading, Medical Student Loading, Allocated Places and Non Designated Courses.
#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.
#3 Indigenous Student Success Program replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

Note 3.2. State and Local Government financial assistance

	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Non-capital				
Research grants	**9,764**	7,122	**9,764**	7,122
Non research grants	**4,755**	2,594	**3,870**	1,792
Total State and Local Government financial assistance	**14,519**	9,716	**13,634**	8,914
HECS HELP Student Payments				
HECS HELP Student Payments	**8,759**	8,223	**8,759**	8,223

Note 3. Revenue and Income (continued)
Note 3.3 Fees and charges

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Course fees and charges					
Fee-paying onshore overseas students		**28,187**	27,923	**28,187**	27,923
Fee-paying domestic postgraduate students		**2,010**	4,127	**2,010**	4,127
Fee-paying domestic undergraduate students		**248**	256	**248**	256
Fee-paying domestic non-award students		**341**	345	**341**	345
Other domestic course fees and charges		**9,353**	5,317	**6,395**	2,203
Total course fees and charges		**40,139**	37,968	**37,181**	34,854
Other non-course fees and charges					
Student services and amenities fees from students	39i	**1,124**	612	**1,124**	612
Parking fees		**-**	437	**-**	437
Conference income		**89**	374	**89**	376
College residential rental		**4,414**	11,326	**4,413**	11,326
Other non course fees and charges		**1,451**	916	**346**	517
Total other fees and charges		**7,078**	13,665	**5,972**	13,268
Total fees and charges		**47,217**	51,633	**43,153**	48,122

Note 3.4 Royalties, trademarks and licences

	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Royalties, trademarks and licences	**152**	301	**157**	305
Total royalties, trademarks and licences	**152**	301	**157**	305

Note 3.5 Consultancy and contract fees

	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Consultancy	**2,101**	1,368	**144**	192
Contract research	**198**	15	**198**	15
Total consultancy and contracts fees	**2,299**	1,383	**342**	207

Note 3.6 Other income and revenue

	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Other income				
Donations and bequests	**3,819**	1,149	**2,346**	111
Non-government grants	**4,830**	8,906	**4,830**	8,906
Sundry trading income	**24,318**	24,558	**11,235**	10,911
Foreign exchange gains	**20**	10	**20**	10
Total other income	**32,987**	34,623	**18,431**	19,938
Other revenue				
Other revenue	**129**	251	**1,531**	2,970
Total other revenue	**129**	251	**1,531**	2,970
Total other income and revenue	**33,116**	34,874	**19,962**	22,908

Note 3.7 Revenue and Income from continuing operations

Basis for Disaggregation

Sources of funding: the Group receives funds from Australian Government as well as State and Local Government 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

The Group derives revenue and income from:

	Consolidated Sources of Funding							2020	
	Higher Education Loan Program ("HELP") $'000	Student fees $'000	Australian Government financial assistance $'000	State and Local Government financial assistance $'000	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
Revenue and Income Streams									
Course fees and charges									
Domestic students undergraduate and postgraduate	103,855	2,599	116,578	885	4,064	-	-	227,981	-
Onshore overseas students undergraduate	-	23,052	-	-	-	-	-	23,052	-
Onshore overseas students postgraduate	-	5,135	-	-	-	-	-	5,135	-
Continuing education and executive programs	-	6,395	-	-	-	-	-	6,395	-
Total course fees and charges	**103,855**	**37,181**	**116,578**	**885**	**4,064**	**-**	**-**	**262,562**	**-**
Research									
Research goods and services [AASB15]	-	-	19,967	9,764	4,337	-	-	34,068	-
Research income [AASB1058]	-	-	18,359	-	-	-	-	-	18,359
Total research	-	-	38,326	9,764	4,337	-	-	34,068	18,359
Non-course fees and charges									
Use of facilities charges	-	4,056	1,124	-	-	-	89	5,269	-
Testing services	-	-	-	-	7,227	-	-	7,227	-
Commercial sales (e.g. sale of books and publications)	-	357	-	-	-	-	-	357	-
Other	-	161	-	-	-	-	791	952	-
Total non-course fees and charges	-	4,574	1,124	-	7,227	-	880	13,804	-
Royalties	-	-	-	-	152	-	-	152	-
Other									
Other [AASB15]	2,523	-	1,944	12	6,811	-	14,861	26,151	-
Other [AASB1058]	-	-	-	-	-	5,443	-	-	5,443
Total other	2,523	-	1,944	12	6,811	5,443	14,861	26,151	5,443
Total revenue from contracts with customers	**106,378**	**41,755**	**139,613**	**10,661**	**22,591**	**-**	**15,741**	**336,737**	**-**
Total income of not-for-profit	**-**	**-**	**18,359**	**-**	**-**	**5,443**	**-**	**-**	**23,802**

Note 3. Revenue and Income (continued)

Note 3.7 Revenue and Income from continuing operations (continued)

a) Disaggregation (continued)

Parent entity
Sources of Funding
2020

	Higher Education Loan Program ("HELP") $'000	Student Fees $'000	Australian Government financial assistance $'000	State and Local Government financial assistance $'000	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
Revenue and Income Streams									
Course fees and charges									
Domestic students undergraduate and postgraduate	103,855	2,599	116,578	-	-	-	-	223,031	-
Onshore overseas students undergraduate	-	23,052	-	-	-	-	-	23,052	-
Onshore overseas students postgraduate	-	5,135	-	-	-	-	-	5,135	-
Continuing education and executive programs	-	6,395	-	-	-	-	-	6,395	-
Total course fees and charges	**103,855**	**37,181**	**116,578**	**-**	**-**	**-**	**-**	**257,613**	**-**
Research									
Research goods and services [AASB15]	-	-	19,967	9,764	4,337	-	-	34,068	-
Research income [AASB1058]	-	-	18,359	-	-	-	-	-	18,359
Total research	**-**	**-**	**38,326**	**9,764**	**4,337**	**-**	**-**	**34,068**	**18,359**
Non-course fees and charges									
Use of facilities charges	-	4,056	1,124	-	-	-	89	5,269	-
Commercial sales (e.g. sale of books and publications)	-	357	-	-	-	-	-	357	-
Other	-	161	-	-	-	-	791	952	-
Total non-course fees and charges	**-**	**4,574**	**1,124**	**-**	**-**	**-**	**880**	**6,578**	**-**
Royalties	-	-	-	-	157	-	-	157	-
Other									
Other [AASB15]	2,523	-	1,944	12	493	-	14,861	19,833	-
Other [AASB1058]	-	-	-	-	-	3,877	-	-	3,877
Total other	**2,523**	**-**	**1,944**	**12**	**493**	**3,877**	**14,861**	**19,833**	**3,877**
Total revenue from contracts with customers	**106,378**	**41,755**	**139,613**	**9,776**	**4,987**	**-**	**15,741**	**318,249**	**-**
Total income of not-for-profit	**-**	**-**	**18,359**	**-**	**-**	**3,877**	**-**	**-**	**22,236**

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 relates 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 on in accordance with the relevant agreement.

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	After 5 years $'000	Total $'000
Consolidated				
Contract liabilities	29,549	940	-	30,489
Parent				
Contract liabilities	28,827	716	-	29,543

As permitted under the transitional provisions in AASB 15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2019 is not disclosed.

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.

	Note	Consolidated		Parent Entity	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
Contract Assets		**7,212**	**2,849**	**7,212**	**2,849**
Contract Assets - Current	13	7,212	2,849	7,212	2,849
Contract Liabilities		**30,489**	**17,165**	**29,543**	**16,365**
Current Contract Liabilities		**29,549**	**17,165**	**28,827**	**16,365**
Deferred research revenue	22	11,182	-	9,744	-
Student income in advance	26	18,367	17,165	19,083	16,365
Non-Current Contract Liabilities		**940**	**-**	**716**	**-**
Deferred research revenue	22	940	-	716	-

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 2020 for which payments have not been received.

Impairment associated with the contract assets is disclosed in note 13. Receivables and contract assets.

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 31st December 2020, in relation to teaching revenue that had been received but which related to services to be provided in the second part of the 2020 third trimester which would fall within the 2021 financial year.

Income of not-for-profit
The Group recognises donations as income under AASB 1058. This revenue is recognised when the donation is received, unless said donations are tied funding in which case they are recognised as financial liabilities in the financial statements.

e) Unsatisfied obligations

The Group had no unsatisfied obligations during 2020.

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	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	3.1	254,478	248,830	254,478	248,830
Total State and Local Government financial assistance	3.2	14,519	9,716	13,634	8,914
Total HECS HELP Student Payments	3.2	8,759	8,223	8,759	8,223
Total Fees and charges	3.3	47,217	51,633	43,153	48,122
Total Royalties, trademarks and licences	3.4	152	301	157	305
Total Consultancy and contract fees	3.5	2,299	1,383	342	207
Total Other revenue and income	3.6	33,116	34,874	19,963	22,908
Total		**360,539**	**354,960**	**340,485**	**337,509**
Deferred research revenue		-	(54,288)	-	(54,288)
Total		**360,539**	**300,672**	**340,485**	**283,221**
Total Revenue from contracts with customers as per AASB15	3.7	336,737	298,190	318,249	280,739
Total Income of not-for-profit as per AASB1058	3.7	23,802	2,482	22,236	2,482
Total Revenue and Income from continuing operations		**360,539**	**300,672**	**340,485**	**283,221**

Note 4. Investment income

	Consolidated		Parent entity	
	2020 **$'000**	2019 $'000	**2020** **$'000**	2019 $'000
Interest				
Bank deposits	**706**	2,743	**452**	2,413
Loans and receivables	**1,191**	318	**1,191**	318
Total interest	**1,897**	3,061	**1,643**	2,731
Dividends				
Equity instruments designated at fair value through OCI	**6,391**	1,745	**5,589**	941
Total dividends	**6,391**	1,745	**5,589**	941
Net fair value gains (losses):				
Financial assets designated at fair value through profit or loss	**(207)**	2,152	**-**	-
Total net fair value gains (losses)	**(207)**	2,152	**-**	-
Investment income (gains/losses)	**8,081**	6,958	**7,232**	3,672

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.

Note 5. Employee related expenses

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Academic					
Salaries		**84,847**	74,340	**84,847**	74,340
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**13,128**	12,398	**13,128**	12,398
Contributions to unfunded schemes		**-**	-	**-**	-
Payroll tax		**5,655**	5,574	**5,655**	5,574
Worker's compensation		**586**	433	**586**	433
Long service leave expense		**3,335**	2,401	**3,335**	2,401
Annual leave		**6,183**	6,164	**6,183**	6,164
Other		**170**	174	**170**	174
Total academic		**113,904**	101,484	**113,904**	101,484
Non-academic					
Salaries		**95,363**	83,979	**84,040**	72,418
Contributions to superannuation and pension schemes					
Contributions to funded schemes		**13,575**	13,888	**12,510**	12,779
Payroll tax		**5,673**	5,506	**5,032**	4,766
Worker's compensation		**653**	502	**522**	414
Long service leave expense		**2,873**	2,216	**2,817**	2,161
Annual leave		**6,233**	6,069	**5,955**	5,857
Other		**1,107**	1,322	**1,097**	1,292
Total non-academic		**125,477**	113,482	**111,973**	99,687
Total employee related expenses		**239,381**	214,966	**225,877**	201,171
Deferred superannuation expense	**38**	**240**	190	**240**	190
Total employee related expenses, including deferred government employee benefits for superannuation		**239,621**	215,156	**226,117**	201,361

During 2020, as part of the University's Time for Change program, offers of voluntary redundancy from 161 employees were accepted. A one-off cost of $20.6 million for employee related expenses was incurred. For operational reasons, the departure date of 16 employees was deferred to 2021. As all offers were accepted prior to 31 December 2020 the total of employee related expenses for the voluntary redundancy program have been recognised as at that date.

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:

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

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

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

Payroll tax on unfunded defined superannuation funds
In 2020, 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 Provisions). A reduction of $0.8 million was recognised during the year for payroll tax to reduce the $5.9 million accrued from 31 December 2019. Future payroll tax liability on the unfunded defined superannuation fund has been assessed by the actuary at $5.0 million as at 31 December 2020.

Note 6. Depreciation and amortisation

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Depreciation				
Buildings	**13,864**	12,925	**13,768**	12,829
Infrastructure	**3,386**	2,740	**3,381**	2,736
Plant and equipment	**7,688**	7,961	**7,382**	7,681
Right-of-use assets - leasing assets	**1,232**	1,154	**1,101**	1,031
Total depreciation	**26,170**	24,780	**25,632**	24,277
Amortisation				
Leasehold improvements	**4**	22	**-**	-
Intangibles	**878**	503	**473**	109
Total amortisation	**882**	525	**473**	109
Total depreciation and amortisation	**27,052**	25,305	**26,105**	24,386

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:

	2020
Buildings	3 – 60 years
Infrastructure	10 – 60 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

Note 7. Repairs and maintenance

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Buildings	**1,570**	1,978	**1,570**	1,978
Infrastructure	**1,817**	2,463	**3,674**	4,381
Plant, furniture and equipment	**759**	907	**591**	563
Grounds	**265**	152	**265**	152
Computer service costs	**3,530**	2,793	**3,530**	2,793
Total repairs and maintenance	**7,941**	8,293	**9,630**	9,867

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.

During 2019 one building on campus was evacuated due to structural damage due to subsidence. The process regarding rectifying the damage and the potential insurance claim was ongoing as at 31 December 2020.

Note 8. Borrowing costs

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Interest expense on financial liabilities	**21**	329	**13**	319
Interest expense for long- term lease ROU assets	**71**	214	**71**	191
Total borrowing costs expensed	**92**	543	**84**	510

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Impairment of receivables and contract assets (note 13 & 36)	**167**	324	**166**	220
Property, plant & equipment (incl. ROU assets)	**12**	-	**-**	-
Total impairment of assets	**179**	324	**166**	220

During 2019 a research laboratory on the Armidale campus suffered structural damage as a result of subsidence. It has not been impaired as it is inseparable and currently partially occupied. Its value has been reduced by $0.67 million, being the portion that is expected to be demolished. An interim building has been installed for use until a more permanent solution is found.

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.

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

Note 10. Other expenses

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Scholarships, grants and prizes	**15,398**	15,750	**13,829**	15,885
Non-capitalised equipment	**947**	2,784	**883**	2,645
Advertising, marketing and promotional expenses	**10,227**	11,330	**10,034**	11,141
Utilities	**4,247**	5,137	**3,942**	4,855
Consumables and materials	**6,127**	8,525	**3,817**	4,534
Telecommunications	**1,050**	1,146	**674**	674
Travel, entertainment and staff development	**2,242**	8,789	**2,140**	8,575
Books, serials and other library media	**5,562**	5,528	**5,567**	5,538
Printing and Stationery	**535**	1,489	**507**	1,489
Consultants and professional fees	**22,638**	20,409	**21,213**	18,964
External contributions	**14,183**	8,141	**16,605**	10,814
Catering services	**969**	2,329	**966**	2,231
Property and facilities	**5,215**	5,417	**5,164**	5,291
Foreign exchange loss	**224**	**-**	**224**	-
Information technology	**9,260**	7,764	**9,217**	7,764
Miscellaneous expenses	**11,442**	11,610	**10,035**	9,310
Total other expenses	**110,266**	116,148	**104,817**	109,710

Note 11. Income Tax

(a) Income tax expense/(benefits)

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Tax at the Australian tax rate of 30% (2019 - 30%)	**(71)**	-	-	-
Amortisation of intangibles	**(1)**	-	-	-
Other non-allowable items	**5**	-	-	-
Sub total	**(67)**	-	-	-

Note 12. Cash and cash equivalents

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**78,403**	23,226	**72,671**	19,049
Short-term deposits at call	**8,304**	20,452	**5,055**	17,000
Total cash and cash equivalents	**86,706**	43,678	**77,725**	36,049

(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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Balances as above	**86,706**	43,678	**77,725**	36,049
Balance per statement of cash flows	**86,706**	43,678	**77,725**	36,049

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns no interest (2019: 0.25% to 0.85%).

(c) Deposits at call

The deposits are bearing floating interest rates between 0.25% and 0.80% (2019 – 1.65% and 2.90%). These deposits have average maturities ranging from 31 days to 365 days, with an average of 153 days (2019: 226 days).

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

Note 13. Receivables and contract assets

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Current					
Trade and other debtors		**8,369**	9,830	**6,536**	7,459
Less: allowance for expected credit losses		**(1,068)**	(1,100)	**(1,006)**	(961)
Subtotal		**7,301**	8,730	**5,530**	6,498
Deferred government benefit for superannuation	38	**20,103**	20,336	**20,103**	20,336
Total current receivables		**27,404**	29,066	**25,633**	26,834
Non-current					
Other receivables		**-**	50	**-**	50
Deferred government benefit for superannuation	38	**290,397**	313,388	**290,397**	313,388
Total non-current receivables		**290,397**	313,438	**290,397**	313,438
Total receivables		**317,801**	342,504	**316,030**	340,272

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 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Contract assets - current	**7,212**	2,849	**7,212**	2,849
Subtotal	**7,212**	2,849	**7,212**	2,849

As at 31 December 2020, the Group has contract assets of $7.212 million. There was no allowance for expected credit losses in relation to contract assets. There are no expected 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 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
As at 1 January	**(1,100)**	(985)	**(961)**	(916)
Provision for expected credit losses	**(117)**	(314)	**(166)**	(217)
Write-off	**149**	199	**121**	172
At 31 December	**(1,068)**	(1,100)	**(1,006)**	(961)

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.

Note 14. Inventories

	Consolidated		Parent entity	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	**$'000**	$'000
Current				
Fodder and produce	**150**	206	**150**	206
Other stocks	**1,010**	1,081	**-**	-
Total current inventories	**1,160**	1,287	**150**	206

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

Note 15. Other financial assets

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Current				
Held-to-maturity	**11,000**	19,000	**11,000**	19,000
Loans to related parties	**-**	-	**405**	-
Other financial assets at fair value through profit or loss	**36,625**	39,851	**36,625**	39,851
Total current other financial assets	**47,625**	58,851	**48,031**	58,851
Non-current				
Loans to related parties	**-**	-	**-**	950
Investments in subsidiaries	**-**	-	**173**	-
Shares in private companies - Other financial assets at fair value through other comprehensive income	**60,757**	39,723	**60,757**	39,723
Other financial assets at fair value through other comprehensive income	**1,224**	1,137	**1,224**	1,137
Other financial assets at fair value through profit or loss	**30,909**	29,786	**-**	-
Total non-current other financial assets	**92,890**	70,646	**62,154**	41,810
Total other financial assets	**140,515**	129,497	**110,185**	100,661

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 – Investment income).

Held to maturity consists of a 31 Day Notice account and Term deposits with an average maturities ranging from 31 days to 365 days, with an average of 153 days (2019: 226 days).

(a) Allowance for debt instruments other than receivables

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

(a) Allowance for debt instruments other than receivables (continued)

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
At 1 January	**4,571**	4,142	**-**	-
Provision for expected credit losses	**-**	-	**-**	-
Write-off	**96**	429	**-**	-
Foreign exchange movement	**-**	-	**-**	-
At 31 December	**4,667**	4,571	**-**	-

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

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 $1.224 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 $60.757 million.

Total dividends, including available franking credits, recognised in the Group in 2020 was $7.001 million. No investments were derecognised during the year.

Note 15. Other financial assets (continued)

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

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.

Note 15. Other financial assets (continued)

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

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

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

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.

Note 15. Other financial assets (continued)

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

Note 16. Other non-financial assets

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Current				
Accrued income	**4,809**	2,104	**4,047**	2,448
Prepaid expenses	**8,149**	12,090	**8,137**	12,020
Other non-financial assets	**967**	2,437	**967**	2,437
Total current other non-financial assets	**13,925**	16,631	**13,151**	16,905

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Operating leases				
Lease income	**319**	328	**319**	328
Income relating to variable lease payments that do not depend on an index or a rate	**28**	29	**28**	29
	347	357	**347**	357

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.

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.

Note 17 University as lessor (continued)
Maturity analysis of undiscounted lease payments receivable

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Less than one year	**239**	230	**239**	230
One to five years	**700**	923	**700**	923
More than five years	**498**	530	**498**	530
Total undiscounted lease payments receivable	**1,437**	1,683	**1,437**	1,683

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.

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Livestock	**2,331**	320	**2,331**	320
Total biological assets	**2,331**	320	**2,331**	320
Reconciliation of changes in the carrying amount of biological assets				
Livestock - Balance as at 1 January	**320**	876	**320**	876
Purchases	**1,682**	732	**1,682**	732
Sales	**(1,268)**	(753)	**(1,268)**	(753)
Revaluation gain/(loss)	**1,597**	(535)	**1,597**	(535)
Balance as at 31 December	**2,331**	320	**2,331**	320
Total biological assets	**2,331**	320	**2,331**	320

At 31 December 2020, livestock held for sale comprised 1,086 cattle and 4,100 sheep (2019: 77 cattle and 3,174 sheep).

Note 19. Property, plant and equipment

Consolidated	Infrastructure	Land	Buildings	Plant and equipment*	Leasehold improvements	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
At 1 January 2019												
- Cost	-	-	640	79,922	672	116	776	2,586	28,227	**112,939**	-	**112,939**
- Valuation	24,599	20,252	210,982	-	-	-	-	-	-	**255,833**	-	**255,833**
Accumulated depreciation and impairment	-	-	(23)	(54,216)	(647)	(20)	-	-	-	**(54,906)**	-	**(54,906)**
Net book amount	**24,599**	**20,252**	**211,599**	**25,706**	**25**	**96**	**776**	**2,586**	**28,227**	**313,866**	**-**	**313,866**
Year ended 31 December 2019												
Opening net book amount	24,599	20,252	211,599	25,706	25	96	776	2,586	28,227	**313,866**	-	**313,866**
Adoption of AASB16	-	-	-	-	-	-	-	-	-	**-**	6,570	**6,570**
Additions	645	-	1,100	771	-	2	-	-	28,542	**31,060**	-	**31,060**
Revaluation surplus	2,233	1,170	6,450	-	-	-	-	-	-	**9,853**	-	**9,853**
Depreciation written back on disposal	-	-	-	113	-	-	-	-	-	**113**	-	**113**
Transfers	2,591	-	13,106	6,808	-	-	-	15	(22,520)	**-**	-	**-**
Disposals	-	-	-	(220)	-	-	-	-	-	**(220)**	-	**(220)**
Depreciation charge	(2,741)	-	(12,924)	(7,936)	(21)	(26)	-	-	-	**(23,648)**	(1,154)	**(24,802)**
Closing net book amount	**27,327**	**21,422**	**219,331**	**25,242**	**4**	**72**	**776**	**2,601**	**34,249**	**331,024**	**5,416**	**336,440**
At 31 December 2019												
- 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	-	-	-	-	-	-	**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**

Note 19. Property, plant and equipment (continued)

Consolidated	Infrastructure $'000	Land $'000	Buildings $'000	Plant and equipment* $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Library rare books $'000	Other** $'000	Work in Progress $'000	Subtotal Property, plant and equipment (owned) $'000	Subtotal Right of use assets*** $'000	Total $'000
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
Depreciation written back on disposal	-	-	(1)	-	-	-	-	-	-	(1)	209	208
Transfers	11,119	-	11,419	6,496	-	-	-	-	(33,405)	(4,371)	2,168	(2,203)
Disposals	-	-	5	(712)	-	-	-	-	-	(707)	(210)	(917)
Revaluation surplus	1,214	(325)	12,644	-	-	-	-	-	-	13,533	-	13,533
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**	**-**	**43**	**776**	**2,601**	**23,265**	**338,023**	**6,387**	**344,410**
At 31 December 2020												
- Cost	9,857	-	-	92,801	-	72	776	2,601	23,265	129,373	8,542	137,915
- Valuation	26,670	21,097	230,054	-	-	-	-	-	-	277,821	-	277,821
Accumulated depreciation and impairment	(123)	-	-	(69,018)	-	(29)	-	-	-	(69,171)	(2,155)	(71,326)
Net book amount	**36,404**	**21,097**	**230,054**	**23,783**	**-**	**43**	**776**	**2,601**	**23,265**	**338,023**	**6,388**	**344,411**

Note 19. Property, plant and equipment (continued)

Parent entity	Infrastructure $'000	Land $'000	Buildings $'000	Plant and equipment* $'000	Library rare books $'000	Other** $'000	Work in Progress $'000	Subtotal Property, plant and equipment (owned) $'000	Subtotal Right of use assets*** $'000	Total $'000
At 1 January 2019										
- Cost	-	-	640	76,106	776	2,586	28,227	**108,335**	-	**108,335**
- Valuation	24,527	19,757	208,546	-	-	-	-	**252,830**	-	**252,830**
Accumulated depreciation and impairment	-	-	(23)	(51,469)	-	-	-	**(51,492)**	-	**(51,492)**
Net book amount	**24,527**	**19,757**	**209,163**	**24,637**	**776**	**2,586**	**28,227**	**309,673**	**-**	**309,673**
Year ended 31 December 2019										
Opening net book amount	24,527	19,757	209,163	24,637	776	2,586	28,227	**309,673**	-	**309,673**
Adoption of AASB16	-	-	-	-	-	-	-	-	5,869	**5,869**
Additions	645	-	1,100	563	-	-	28,542	**30,850**	-	**30,850**
Depreciation written back on disposal	-	-	-	88	-	-	-	**88**	-	**88**
Transfers	2,591	-	13,106	6,808	-	15	(22,520)	**-**	-	**-**
Disposals	-	-	-	(195)	-	-	-	**(195)**	-	**(195)**
Revaluation surplus/(deficit)	2,233	1,170	6,450	-	-	-	-	**9,853**	-	**9,853**
Depreciation charge	(2,736)	-	(12,829)	(7,681)	-	-	-	**(23,246)**	(1,031)	**(24,277)**
Closing net book amount	**27,260**	**20,927**	**216,990**	**24,220**	**776**	**2,601**	**34,249**	**327,023**	**4,838**	**331,861**
At 31 December 2019										
- 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**

Note 19. Property, plant and equipment (continued)

Parent entity	Infrastructure $'000	Land $'000	Buildings $'000	Plant and equipment* $'000	Library rare books $'000	Other** $'000	Work in Progress $'000	Subtotal Property, plant and equipment (owned) $'000	Subtotal Right of use assets*** $'000	Total**** $'000
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**
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)**
Revaluation surplus	1,209	(325)	12,342	-	-	-	-	**13,226**	-	**13,226**
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**	**339,701**
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**

* Plant & equipment includes all operational assets.
** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.
*** Right-of-use assets excluding those disclosed as part of investment property. Disclosure per each class of right-of-use asset in note 19.
**** Balances of $2.203 million remaining in transfers represents work in progress transferred to intangible assets (refer note 20).

A valuation of land, buildings and infrastructure was conducted during 2020 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.
There was a change of accounting procedure for computer hardware purchases. Previously computer hardware purchased that had an individual cost of under $5,000 was expensed at time of acquisition. Computer hardware totalling $1.8 million has been capitalised and will be depreciated with reference to the warranty period offered by the manufacturer.

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.

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	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Right-of-use assets - property				
As at 1 January	**5,416**	6,570	**4,838**	5,869
Additions of right-of-use assets	**1,997**	-	**1,987**	-
Depreciation charge	**(1,025)**	(1,154)	**(894)**	(1,031)
At 31 December	**6,388**	5,416	**5,931**	4,838

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.

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.

	Software Development $'000	Licences $'000	Course Development $'000	Total $'000
Consolidated				
At 1 January 2019				
Cost	11,312	500	1,292	13,104
Accumulated amortisation and impairment	(10,772)	-	(450)	(11,222)
Net book amount	540	500	842	1,882
Year ended 31 December 2019				
Opening net book amount	540	500	842	1,882
Additions - internal development	3,128	-	340	3,468
Amortisation charge	(164)	-	(338)	(502)
Work in progress movement	-	-	(112)	(112)
Closing net book amount	3,504	500	732	4,736
At 31 December 2019				
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

Note 20. Intangible assets (continued)

	Development $'000	Licences $'000	Total $'000
Parent			
At 1 January 2019			
Cost	11,068	500	11,568
Accumulated amortisation and impairment	(10,629)	-	(10,629)
Net book amount	439	500	939
Year ended 31 December 2019			
Opening net book amount	439	500	939
Additions - internally developed	3,067	-	3,067
Amortisation charge	(109)	-	(109)
Closing net book amount	3,397	500	3,897
At 31 December 2019			
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

Development

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

(a) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
(b) its intention to complete and its ability and intention to use or sell the asset;
(c) how the asset will generate future economic benefits;
(d) the availability of resources to complete the asset;
(e) the ability to measure reliably the expenditure during development.

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

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.

Note 21. Deferred tax assets and liabilities

Deferred tax assets	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
The balance comprises temporary differences attributable to:				
Amounts recognised in net result	**67**	-	-	-
Total deferred tax assets	**67**	-	-	-
Net deferred tax assets	**67**	-	-	-
Deferred tax assets to be recovered after more than 12 months	**67**	-	-	-

Movements - Consolidated	2020 $'000	2019 $'000	2020 $'000	2019 $'000
At 31 December 2019	-	-	-	-
Charged/(credited) to the income statement	**(67)**	-	-	-
At 31 December 2020	**(67)**	-	-	-

Note 22. Trade and other payables

	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Current				
Trade payables	**3,114**	7,386	**1,344**	4,225
OS-HELP Liability to Australian Government	**2,405**	525	**2,405**	525
Total current trade and other payables	**5,519**	7,911	**3,749**	4,750

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 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Australian dollars	5,519	7,911	3,749	4,750

Contract liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000	Parent entity 2020 $'000	Parent entity 2019 $'000
Contract liabilities - current	**11,182**	-	**9,744**	-
Contract liabilities – non-current	**940**		**716**	-
	12,123	-	**10,460**	-

(a) Contract Liabilities

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.

Note 23. Borrowings

	Consolidated		Parent entity	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	**$'000**	$'000
Current				
Finance lease liabilities	**1,326**	1,001	**1,189**	868
Vehicle finance	**9**	32	**-**	-
Total current borrowings	**1,335**	1,033	**1,189**	868
Non-current				
Unsecured bank loans	**40,000**	-	**40,000**	-
Finance lease liabilities	**-**	33	**-**	-
Lease liabilities	**4,900**	4,303	**4,560**	3,856
Total non-current borrowings	**44,900**	4,336	**44,560**	3,856
Total borrowings	**46,234**	5,369	**45,748**	4,724

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2020.

(b) Financing arrangements

In December 2020, UNE entered into a new loan agreement with Westpac for $40 million.

	Consolidated		Parent entity	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	**$'000**	$'000
Within one year	**-**	**-**	**-**	**-**
Between one and five years	**40,000**	**-**	**40,000**	**-**
Later than five years	**-**	**-**	**-**	**-**
Total borrowings	**40,000**	-	**40,000**	-

(c) Borrowings in respect of assets
The Group has no borrowings in respect of assets in 2020.

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

(e) Risk exposure
Information about the Group and the parent entity's exposure to interest rate changes and contractual repricing dates is provided in note 36.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

Note 24. The Group as lessee

	Consolidated		Parent entity	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Amounts recognised in the income statement				
Interest on lease liabilities	**71**	211	**71**	191
Variable lease payments not included in the measurement of leases	**107**	95	**107**	95
Expenses relating to short-term leases	**393**	153	**393**	153
	571	**459**	**571**	439
Maturity analysis – undiscounted contractual cash flows				
Less than one year	**1,210**	1,038	**1,210**	926
One to five years	**4,545**	4,814	**4,545**	4,346
Total undiscounted contractual cash flows	**5,755**	**5,852**	**5,755**	5,272
Lease liabilities recognised in the statement of financial position	**4,560**	4,782	**4,560**	4,724
Current	**1,189**	901	**1,189**	868
Non-current	**3,371**	3,881	**3,371**	3,856

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 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 $106,957 for the current financial year. The exposure for short term property leases not recognised in lease liabilities was $392,651.

Exposure from extension options and termination options

The extension options of existing property leases are not reasonably certain of being exercised. If they were exercised, the annual lease payments would be above $1.26 million in future years.

A lease for property has a termination option that, if exercised, would result in a loss of $1.65 million for property improvements undertaken 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.

Note 24 The Group as lessee (continued)

Amounts recognised in statement of cash flows

	Consolidated		Parent Entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Total cash outflow for leases	**1,864**	1,720	**1,741**	1,583

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 recognised 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.

Note 25. Provisions (continued)

Employee Benefits

	Consolidated		Parent entity	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	**$'000**	$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	**12,778**	12,523	**12,093**	11,982
Long service leave	**3,194**	3,713	**3,069**	3,583
Employment on-costs provision	**321**	357	**321**	357
Defined benefit obligation	**20,103**	20,336	**20,103**	20,336
Other	**5**	4	**-**	-
Subtotal	**36,401**	36,933	**35,586**	36,258
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	**1,556**	3,619	**1,197**	3,275
Long service leave	**12,919**	13,205	**12,358**	12,605
Subtotal	**14,475**	16,824	**13,555**	15,880
Total current provisions	**50,876**	53,757	**49,141**	52,138
Non-current provisions				
Employee benefits				
Long service leave	**5,631**	5,614	**5,372**	5,378
Employment on-costs provision	**4,667**	5,531	**4,667**	5,531
Defined benefit obligation	**292,500**	315,173	**292,500**	315,173
Professorial superannuation	**272**	14	**272**	14
Total non-current provisions	**303,070**	326,332	**302,811**	326,096
Total provisions	**353,946**	380,089	**351,952**	378,234

The FairWork Commission approved the University's 2020-2022 Enterprise Agreement for Academic staff on 18 May 2020. The 2020-2022 Enterprise Agreement for Professional staff was approved by the FairWork Commission on 27 May 2020.

As described in Note 5, offers of voluntary redundancy from 161 employees were accepted during 2020. The impact of the acceptance of these offers was a reduction of the University's liability for annual leave of $1.7 million and long service leave of $4.2 million.

(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

Note 25. Provisions (continued)

Employee Benefits (continued)
provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Most employees of the parent entity are members of the defined contribution section of the Group's plan.

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

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

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

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

Contributions to the defined contribution section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

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 are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

Note 26. Other liabilities

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Current				
(i) Accrued liabilities				
Salary related	**4,662**	8,470	**4,553**	8,392
Other accrued expenditure	**2,662**	3,571	**2,438**	3,148
Total	**7,324**	12,042	**6,991**	11,541
(ii) Monies received in advance				
Australian Government unspent financial assistance	**220**	1,638	**220**	1,638
Fees in advance	**27,343**	26,379	**27,179**	24,584
Financial Liabilities - Contract Current	**1,670**	-	**174**	-
Total	**29,233**	28,016	**27,573**	26,221
(iii) Trust funds				
Security deposits	**35**	34	**35**	34
Employee deduction clearing accounts	**9,483**	906	**9,483**	906
Associated entities	**12**	12	**12**	12
Other	**470**	483	**321**	339
Total	**10,000**	1,435	**9,851**	1,291
Total current other liabilities	**46,557**	41,493	**44,415**	39,053
Non Current				
Financial liability	**21,694**	21,138	**578**	635
Total non current other liabilities	**21,694**	21,138	**578**	635
Total other liabilities	**68,251**	62,631	**44,993**	39,688

In 2020, 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 at 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 2020 is $5.0 million. This liability is being paid in equal monthly instalments. The final instalment will be paid in November 2021.

Note 27. Reserves and retained earnings

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
(a) Reserves				
Revaluation reserve - investments	**61,455**	40,716	**61,286**	40,716
Revaluation reserve - buildings	**77,497**	64,086	**76,034**	62,926
Revaluation reserve - land	**13,706**	13,722	**13,291**	13,307
Revaluation reserve - infrastructure	**18,447**	17,234	**18,407**	17,198
Revaluation reserve - intangibles	**8**	-	**8**	-
Total reserves	**171,113**	135,758	**169,026**	134,147

Note 27. Reserves and retained earnings (continued)

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Movements				
Asset revaluation reserve - investments				
Balance 1 January	**40,716**	23,884	**40,716**	23,884
Increment/(decrement) on revaluation	**20,738**	16,832	**20,569**	16,832
Balance 31 December	**61,454**	40,716	**61,285**	40,716
Asset revaluation reserve - buildings				
Balance 1 January	**64,086**	57,636	**62,926**	56,476
Increment/(decrement) on revaluation	**12,645**	6,450	**12,342**	6,450
Transfer to/(from) retained earnings on revaluation	**767**	-	**767**	-
Balance 31 December	**77,497**	64,086	**76,035**	62,926
Asset revaluation reserve - land				
Balance 1 January	**13,722**	12,551	**13,307**	12,136
Increment/(decrement) on revaluation	**(326)**	1,171	**(326)**	1,171
Transfer to/(from) retained earnings on revaluation	**310**	-	**310**	-
Balance 31 December	**13,706**	13,722	**13,291**	13,307
Asset revaluation reserve - infrastructure				
Balance 1 January	**17,234**	15,001	**17,198**	14,965
Increment/(decrement) on revaluation	**1,213**	2,233	**1,209**	2,233
Balance 31 December	**18,447**	17,234	**18,407**	17,198
Asset revaluation reserve - intangibles				
Balance 1 January	**-**	-	**-**	-
Increment/(decrement) on revaluation	**8**	-	**8**	-
Balance 31 December	**8**	-	**8**	-
(b) Retained earnings				
Movements in retained earnings were as follows:				
Retained earnings at 1 January	**286,185**	324,873	**271,478**	291,500
Actuarial changes for defined benefit superannuation schemes	**(234)**	(256)	**(234)**	(256)
Transfer to/(from) retained earnings on revaluation	**(1,077)**	-	**(1,077)**	-
Retrospective adjustment in relation to AASB 15, AASB 1058, AASB 16	**(5,288)**	(34,610)	**(4,979)**	(14,922)
Net result for the year	**(16,256)**	(3,823)	**(18,995)**	(4,845)
Retained earnings at 31 December	**263,330**	286,184	**246,193**	271,477

(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.

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 University of New England during the financial year.

Professor Brigid Heywood
Professor Peter Creamer
Professor Todd Walker (until 04/12/2020)
Professor Heiko Daniel

Professor Mingan Choct (until 31/12/2020)
Professor Jonathan Powles (until 22/05/2020)
Mrs Anita Taylor (from 03/02/2020)
Mr Brendan Peet (until 29/05/2020)
Ms Sandra Matthews (until 31/01/2020)

Note 28. Key management personnel disclosures (continued)

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

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	Number	**Number**	**Number**	**Number**
i) Remuneration of council members				
Nil to $9,999	**39**	36	**8**	6
$10,000 to $19,999	**7**	7	**7**	7
$20,000 to $29,999	**1**	1	**1**	1
$30,000 to $39,999	**1**	1	**1**	1
	48	45	**17**	15

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

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	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	**2**	-	**1**	-
$110,000 to $119,999	**3**	-	**1**	-
$130,000 to $139,999	**2**	1	**-**	-
$140,000 to $149,999	**-**	1	**-**	-
$150,000 to $159,999	**1**	1	**-**	-
$170,000 to $179,999	**1**	-	**-**	-
$180,000 to $189,999	**1**	1	**1**	-
$230,000 to $239,999	**-**	1	**-**	-
$250,000 to $259,999	**1**	1	**-**	1
$290,000 to $299,999	**-**	1	**-**	1
$300,000 to $309,999	**1**	-	**1**	-
$310,000 to $319,999	**-**	2	**-**	2
$320,000 to $329,999	**3**	1	**3**	1
$330,000 to $339,999	**1**	-	**1**	-
$350,000 to $359,999	**-**	1	**-**	1
$370,000 to $379,999	**1**	-	**1**	-
$380,000 to $389,999	**-**	1	**-**	1
$390,000 to $399,999	**1**	-	**1**	-
$440,000 to $449,999	**-**	1	**-**	1
$620,000 to $629,999	**1**	-	**1**	-
$630,000 to $639,999	**-**	1	**-**	1
$690,000 to $699,999	**1**	-	**1**	-
	21	15	**12**	10

(d) Key management personnel compensation

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Short-term employee benefits	**4,464**	4,219	**3,219**	3,045
Post-employment benefits	**456**	403	**443**	386
Termination benefits	**527**	-	**527**	-
Total key management personnel compensation	**5,447**	4,622	**4,189**	3,431

(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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Audit the Financial Statements				
Fees paid to the Audit Office of NSW	**409**	390	**281**	266
Total paid for audit services	**409**	390	**281**	266
Other services				
Forsyths Business Services Pty Ltd	**1**	-	**1**	-
Australian Human Rights Commission	**-**	89	**-**	89
Infosec Services Pty Ltd	**-**	19	**-**	19
Total paid for other services	**1**	108	**1**	108
Total audit fees	**410**	498	**282**	374

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.

(i) WorkPac Pty Ltd v Rossato (2020) FCAFC 84

Following the decision in WorkPac Pty Ltd v Rossato [2020] FCAFC 84 (Rossato) (currently on appeal to the High Court of Australia) and the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2021 (the Bill) passed by the Senate in March 2021, the University is considering applicability to the arrangements of its casual workforce. At balance date there remains uncertainty. As such, the University is recognising a contingent liability, in the event that, notwithstanding the impact of the Bill and the differences in the Enterprise Agreements, if tested in a court of law, certain principles may apply.

(ii) Letters of support to subsidiaries

The University has provided certain controlled entities (UNE Life, Ag360 and UNE Partnerships) with letters of comfort guaranteeing the liabilities of these controlled entities to 31st December 2021. As at the date of signing these financial statements the letters of support over net assets of $4.09 million (2019 - $0.91 million).

In December 2020, the University and its controlled entities, as a participating group, signed a Memorandum of Understanding (MOU) to participate in the National Redress Scheme for Institutional Child Sexual Abuse. The University has informed the Department of Social Services that its preliminary estimate of this liability is $1.056 million.

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.

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Property, plant and equipment				
Within one year	**1,819**	5,960	**1,819**	5,753
Between one and five years	**2,316**	3,661	**2,316**	3,661
Later than five years	**-**	-	**-**	-
Total property, plant and equipment commitments	**4,135**	9,621	**4,135**	9,414

(b) Lease commitments

(i) Operating leases

No operating lease arrangement existing as at 31 December 2020 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 2019 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

The following transactions occurred with related parties:

	Parent entity	
	2020	2019
	$'000	$'000
Sale of goods and services	**3,853**	3,250
Purchase of goods and services	**4,989**	6,424
Total	**8,842**	9,674

(e) Loans to related parties

	Parent entity	
	2020	2019
	$'000	$'000
Loans to subsidiaries		
Beginning of the year	**950**	-
Loan repayments received	**(579)**	-
Reversal of impairment of loan	**-**	1,900
Forgiveness of loan	**-**	(950)
Interest charged	**20**	-
End of year	**391**	950

Note 32. Related parties (continued)

(f) Outstanding balances

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

	Parent entity	
	2020	2019
	$'000	$'000
Current receivables (sale of goods and services)		
Subsidiaries	**227**	310
Total current receivables	**227**	310
Non-current receivables (loans)		
Subsidiaries	**-**	794
Total non-current receivables	**-**	794
Current payables (purchases of goods and services)		
Subsidiaries	**145**	83
Total current payables	**145**	83

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

(g) Terms and conditions of outstanding balance

A loan to a related party was signed on 12th December 2016, providing an unsecured loan facility of up to $1.9 million until 31 March 2020. Interest is currently charged at 4.5% per annum. This was amended in July 2019, with $950,000 of the principal and all interest to date forgiven. The amended loan principal under the new loan agreement is now $950,000 repayable over a nominal term of 7 years with 4% p.a. interest.

(h) Guarantees

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

Note 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	
		2020	**2019**
		%	**%**
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	100	Nil

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of New England as at 31 December 2020 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.

Note 33. Subsidiaries (continued)

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.

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

COVID-19

The University anticipates that the coronavirus pandemic will have a continued impact on the financial performance and liquidity of the University in 2021 primarily caused by the length and impact of pandemic and the Australian Government's evolving position on the domestic and international travel bans and the unfolding mandatory social isolation measures.

The University has been undertaking regular assessment of the current and potential impact of the Novel Coronavirus on 2021 and beyond. In comparison to its peers, the University has relatively low proportion of international students studying on-campus and as such the impact on teaching income is lower. In other areas, UNE has experienced impacts to business revenue and residential college revenue (domestic students).

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

	Consolidated		Parent entity	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Net result for the period	**(16,256)**	(3,823)	**(18,996)**	(4,845)
Depreciation and amortisation	**27,052**	25,305	**26,105**	24,386
Impairment of assets	**12**	-	**-**	-
Provision for impaired receivables	**21**	125	**45**	45
Provision for impaired related party loans	**-**	950	**-**	(950)
Actuarial gain / (loss) on deferred superannuation	**(234)**	(256)	**(234)**	(256)
Capitalisation and reinvestment of dividend	**(1,168)**	(703)	**-**	-
Forgone rent	**(44)**	**-**	**-**	**-**
Fair value gain/(loss) on other financial assets at fair value through profit or loss	**139**	(2,152)	**-**	-
Lease payment for ROU liabilities	**1,248**	194	**1,240**	191
Loss / (gain) on asset revaluation decrement	**68**	-	**-**	-
Net (gain) / loss on disposal of non-current assets	**(206)**	(28)	**(207)**	(27)
(Increase) / decrease in deferred tax asset	**0**	0	**-**	-
Increase / (decrease) in payables and prepaid income	**5,026**	7,448	**5,087**	5,646
Increase / (decrease) in provision for employee entitlements	**(25,879)**	17,565	**(26,013)**	17,471
Increase / (decrease) in other provisions	**0**	0	**-**	-
Increase / (decrease) in trust funds	**8,421**	(1,138)	**8,421**	(1,138)
(Increase) / decrease in receivables and prepaid expenses	**23,337**	(20,837)	**23,589**	(21,444)
Increase / (decrease) in provision for income taxes payable	**0**	0	**-**	-
Increase / (decrease) in provision for deferred tax liabilities	**0**	0	**-**	-
(Increase) / decrease in inventories	**128**	65	**57**	23
Net cash provided by / (used in) operating activities	**21,663**	22,715	**19,094**	19,102

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 2020	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
	$'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000
Financial assets													
Cash and cash equivalents	78,403	(784)	(784)	784	784	-	-	-	-	-	-	-	-
Short term deposits - at call	8,304	(83)	(83)	83	83	-	-	-	-	-	-	-	-
Receivables	27,405	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	11,000	(110)	(110)	110	110	-	-	-	-	-	-	-	-
Other financial assets at fair value through OCI	61,981	-	-	-	-	-	-	-	-	(620)	(620)	620	620
Other financial assets at fair value through P&L	67,534	-	-	-	-	-	-	-	-	(675)	(675)	675	675
Financial liabilities													
Payables	5,557	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	46,201	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(977)	(977)	977	977	-	-	-	-	(1,295)	(1,295)	1,295	1,295

Comparative figures for the previous year are as follows:

31 December 2019	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
	$'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000
Financial assets													
Cash at bank and on hand	23,226	(232)	(232)	232	232	-	-	-	-	-	-	-	-
Short term deposits - at call	20,452	(205)	(205)	205	205	-	-	-	-	-	-	-	-
Receivables	29,066	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	19,000	(190)	(190)	190	190	-	-	-	-	-	-	-	-
Other financial assets at fair value through OCI	40,860	-	-	-	-	-	-	-	-	(409)	(409)	409	409
Other financial assets at fair value through P&L	69,637	-	-	-	-	-	-	-	-	(696)	(696)	696	696
Financial liabilities													
Payables	7,911	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	5,369	-	-			-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(627)	(627)	627	627	-	-	-	-	(1,105)	(1,105)	1,105	1,105

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

31-Dec-19	Current	Trade receivables Day past due <30 days	30-60 days	61-90 days	> 91 days	Total
Expected credit loss rate	%	0%	0%	0%	100%	'$'000
Estimated total gross carrying amount at default	-	-	-	-	961	961
Expected credit loss	-	-	-	-	961	961

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 2020 and 2019 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.

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 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	0.00%	78,403	-	-	-	-	78,403
Short term deposits - at call	0.54%	-	8,304	-	-	-	8,304
Receivables		-	-	-	-	27,405	27,405
Held-to-maturity - current	0.71%	-	11,000	-	-	-	11,000
Held-to-maturity - non-current		-	-	-	-	-	-
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	-	-	156,920	254,626
Financial liabilities							
Payables		-	-	-	-	5,557	5,557
Borrowings		-	1,302	44,900	-	-	46,200
Total financial liabilities		-	1,302	44,900	-	5,557	51,757

Comparative figures for the previous year are as follows:

31 December 2019	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%	23,226	-	-	-	-	23,226
Short term deposits - at call	2.39%	-	20,452	-	-	-	20,452
Receivables		-	-	-	-	29,066	29,066
Held-to-maturity - current	2.37%	-	19,000	-	-	-	19,000
Other financial assets at fair value through OCI		-	-	-	-	40,860	40,860
Other financial assets at fair value through P&L		-	-	-	-	69,637	69,637
Total financial assets		23,226	39,452	-	-	139,563	202,241
Financial liabilities							
Payables		-	-	-	-	7,911	7,911
Borrowings		-	1,033	4,336	-	-	5,369
Total financial liabilities		-	1,033	4,336	-	7,911	13,280

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.

Note 37. Fair Value Measurements (continued)

(a) Fair value measurements (continued)

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

Consolidated	Note	Carrying amount 2020 $'000	Carrying amount 2019 $'000	Fair value 2020 $'000	Fair value 2019 $'000
Financial assets					
Held-to-maturity	**15**	11,000	19,000	11,000	19,000
Other financial assets at fair value through other comprehensive income	**15**	61,981	40,860	61,981	40,860
Other financial assets at fair value through profit or loss	**15**	67,534	69,637	67,534	69,637
Total financial assets		**140,515**	129,497	**140,515**	129,497
Non-financial assets					
Accrued income	**16**	4,809	2,104	4,809	2,104
Prepaid expenses	**16**	8,149	12,090	8,149	12,090
Other non-financial assets	**16**	967	2,437	967	2,437
Total non-financial assets		**13,925**	16,631	**13,925**	16,631
Financial liabilities					
Payables	**22**	5,519	7,911	5,519	7,911
Borrowings	**23**	46,235	5,369	46,235	5,369
Total financial liabilities		**51,754**	13,280	**51,754**	13,280

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.

Note 37. Fair Value Measurements (continued)

(b) Fair value hierarchy

The Group categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements
Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2020.

Fair value measurements at 31 December 2020

			Consolidated		
Recurring fair value measurements	**Note**	**2020**	**Level 1**	**Level 2**	**Level 3**
Financial assets		**$'000**	**$'000**	**$'000**	**$'000**
Other financial assets at fair value through other comprehensive income	**15**	61,981	1,224	60,757	-
Other financial assets at fair value through profit or loss	**15**	67,534	67,534	-	-
Other financial assets		11,000	11,000		
Total financial assets		**140,515**	**79,758**	**60,757**	**-**
Non-financial assets					
Land	**19**	21,097	-	12,902	8,195
Buildings	**19**	230,053	-	-	230,053
Infrastructure	**19**	36,404	-	666	35,738
Total non-financial assets		**287,554**	**-**	**13,568**	**273,986**
Financial liabilities					
Payables	**22**	5,519	-	5,519	-
Borrowings	**23**	46,235	-	46,235	-
Total liabilities		**51,754**	**-**	**51,754**	**-**
Total fair value measurements at 31 December 2020		**479,823**	**79,758**	**126,079**	**273,986**

Fair value measurements at 31 December 2019

		Consolidated		
Recurring fair value measurements	**2019**	**Level 1**	**Level 2**	**Level 3**
Financial assets	**$000**	**$000**	**$000**	**$000**
Other financial assets at fair value through other comprehensive income	40,860	1,137	39,723	-
Other financial assets at fair value through profit or loss	69,637	69,637	-	-
Other financial assets				
Held-to-maturity - current	19,000	19,000	-	-
Total financial assets	**129,497**	**89,774**	**39,723**	**-**
Non-financial assets				
Land	21,422	-	13,227	8,195
Buildings	219,331	-	30,116	189,215
Infrastructure	27,327	-	2,150	25,177
Total non-financial assets	**268,080**	**-**	**45,493**	**222,587**
Financial liabilities				
Payables	7,911	-	7,911	-
Borrowings	5,369	-	5,369	-
Total financial liabilities	**13,280**	**-**	**13,280**	**-**
Total fair value measurements at 31 December 2019	**410,857**	**89,774**	**98,496**	**222,587**

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 2020, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes are recorded as level 2 and level 3 assets.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 37. Fair Value Measurements (continued)

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

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market 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.

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

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

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

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 2020 and 2019:

	Land $000	Buildings $000	Infrastructure $000	Total $000
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**

	Land $000	Buildings $000	Infrastructure $000	Total $000
Level 3 fair value measurements 2019				
Opening balance	7,845	187,916	22,284	218,045
Acquisitions	-	7,774	3,222	10,996
Revaluation surplus	350	5,119	2,203	7,672
Total gains / (losses)	**8,195**	**200,809**	**27,709**	**236,713**
Recognised in other comprehensive income	-	(11,594)	(2,532)	(14,126)
Closing balance	**8,195**	**189,215**	**25,177**	**222,587**

(i) Transfers between levels 2 and 3 and changes in valuation techniques
There were transfers of $30.166 million from Buildings and $2.150 million from Infrastructure following independent valuation.

Note 37. Fair Value Measurements (continued)

(ii) Valuation inputs and relationships to fair value

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

Description	Fair value at 31 Dec 2020 $000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Land	21,097	Global Valuations	+-5%	Increase in value of land by 5% would increase value by $1.1 million.
Buildings	230,053	Global Valuations	+-5%	
Infrastructure	36,404	Global Valuations	+-5%	Decrease in value of land by 5% would decrease value by $1.1 million.
Buildings	-	Value of transfers from WIP	n/a	Increase in replacement cost of buildings by 5% would increase value by $11.5 million.
Infrastructure	-	Value of additions from WIP	n/a	Decrease in replacement cost of buildings by 5% would decrease value by $11.5 million.
				Increase in replacement cost of infrastructure by 5% would increase value by $1.8 million.
				Decrease in replacement cost of infrastructure by 5% would decrease value by $1.8 million.
Total	**287,554**			

*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. 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*, *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 2018. The next actuarial investigation will be performed at 30 June 2021.

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.

Note 38. Defined Benefit Plans (continued)

a) Fund specific disclosure (continued)

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.

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. In September 2020, the Trustee of the fund was changed from Equity Trustees Superannuation Limited to Diversa Trustees Limited.

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 $0.323 million in 2020, (2019: $0.317 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 2020	20,103	19,803	57,734	246,554	344,194
Defined benefit obligation - 31 Dec 2019	20,336	20,146	58,467	265,016	363,965

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.

Note 38. Defined Benefit Plans (continued)

As at 30 November 2020	Total (A$'000)	Quoted prices in active markets for identical assets Level 1 (A$'000)	Significant observable inputs Level 2 (A$'000)	Unobservable inputs Level 3 (A$'000)
Short term securities	3,863	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**

As at 30 November 2019	Total (A$'000)	Quoted prices in active markets for identical assets Level 1 (A$'000)	Significant observable inputs Level 2 (A$'000)	Unobservable inputs Level 3 (A$'000)
Short term securities	3,761	1,821	1,940	-
Australian fixed interest	1,474	-	1,474	-
International fixed interest	2,055	18	2,033	4
Australian equities	8,165	7,603	561	-
International equities	13,273	11,376	1,897	-
Property	3,690	748	831	2,111
Alternatives	9,980	21	5,412	4,547
Total	**42,399**	**21,588**	**14,150**	**6,661**

* Actual asset allocation as at 31 December 2020 is not yet available: the latest allocation available as at 30 November 2020 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):

	2020 (%)	2019 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	7.0	7.4
Expected rate(s) of salary increase	1.7	3.2
Expected return on reimbursement rights	6.0	6.4
Rate of CPI Increase	2.0	2.2
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	0.3	1.0
Expected rate(s) of salary increase	1.5	1.5

(1) 1.7% for 2020/2021; 2.2% pa for 2021/2022 to 2023/2024; 3.2% pa thereafter

Note 38. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity

The entity's total defined benefit obligation as at 31 December 2020 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 2020.

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

	Base case $000	Scenario A -0.5% discount rate $000	Scenario B +0.5% discount rate $000
Discount rate	as above	as above -0.5% pa	as above +0.5% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	343,606	362,321	326,460

	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above +0.5% pa	as above -0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A$)	343,606	362,802	325,875

	Base case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above +0.5% pa	as above -0.5% pa
Defined benefit obligation (A$)	343,606	344,099	343,131

		Scenario G Lower Mortality*	Scenario H Higher Mortality**
Defined benefit obligation (A$)	343,606	347,541	339,576

* 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.

Note 38. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity

	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.

	31 December 2019
Discount rate	1.37%
Salary increase (exclude promotional increases)	3.2%p.a.
Rate of CPI increase	1.75% for 2019/20 and 2020/21; 2.00% for 2021/22 and 2022/23; 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 - 2020

	$'000 SASS	$'000 SANCS	$'000 SSS	$'000 PSF	$'000 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 contribution 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	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
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**

Note 38. Defined Benefit Plans (continued)

d) Statement of financial position amounts (continued)

Reimbursement rights - 2020	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
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**

	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of obligations - 2020	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	22,389	3,581	340,666	5,786	372,422
Current service cost	470	109	-	252	831
Interest expense	290	46	4,530	42	4,908
Remeasurement					
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	41	41
Actuarial losses/(gains) arising from changes in financial assumptions	(238)	(58)	2,437	276	2,417
Actuarial losses/(gains) arising from liability experience	(40)	(344)	(9,608)	312	(9,680)
Contributions					
Plan participants	234	-	19	-	253
Payments from plan					
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	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
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 asset, excluding amounts included in net interest expense	66	(6)	(156)	-	(96)
Actuarial (loss)/gain on fund assets	-	-	-	288	288
Contributions					
Employers	66	602	19,521	323	20,512
Plan participants	234	-	19	-	253
Payments from plan					
Benefits paid	(2,187)	(296)	(16,255)	(1,060)	(19,798)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(72)	163	(2,230)	-	(2,139)
Closing fair value of plan assets	**11,096**	**1,045**	**18,863**	**5,377**	**36,381**

Amounts recognised in the statement of financial position - 2019

	$'000	**$'000**	**$'000**	**$'000**	**$'000**
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Liabilities					
Provision for deferred government benefits for superannuation	22,389	3,581	340,666	5,786	372,422
Total liabilities	22,389	3,581	340,666	5,786	372,422
Total liabilities recognised in statement of financial position	**22,389**	**3,581**	**340,666**	**5,786**	**372,422**
Assets					
Receivable for deferred government contribution for superannuation	12,830	573	17,724	5,772	36,899
Total assets recognised in statement of financial position	12,830	573	17,724	5,772	36,899
Net liability recognised in the statement of financial position	**(9,559)**	**(3,008)**	**(322,942)**	**(14)**	**(335,523)**

	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Net liability reconciliation - 2019	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	22,389	3,581	340,666	5,786	372,422
Fair value of plan assets	12,830	573	17,724	5,772	36,899
Net liability	9,559	3,008	322,942	14	335,523
Total net liability /(asset)	**9,559**	**3,008**	**322,942**	**14**	**335,523**

Reimbursement rights - 2019	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	6,733	3,019	308,023	-	317,775
Return on reimbursement rights	5	(236)	(4,156)	-	(4,387)
Closing value of reimbursement right	**6,738**	**2,783**	**303,867**	**-**	**313,388**

Note 38. Defined Benefit Plans (continued)

d) Statement of financial position amounts (continued)

Present value of obligations - 2019	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	23,093	3,841	325,622	5,470	358,026
Current service cost	606	122	-	209	937
Interest expense	511	84	7,458	84	8,137
Remeasurement	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	552	552
Actuarial losses/(gains) arising from liability experience	1,135	31	(1,371)	(118)	(323)
Actuarial losses/(gains) arising from changes in financial assumptions	754	181	26,305	399	27,639
Contributions					
Plan participants	271	-	36	-	307
Payments from plan					
Benefits paid	(3,931)	(586)	(16,822)	(810)	(22,149)
Taxes, premiums & expenses paid	(50)	(92)	(562)	-	(704)
Closing defined benefit obligation	**22,389**	**3,581**	**340,666**	**5,786**	**372,422**

Present value of plan assets - 2019	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	15,307	528	17,391	5,382	38,608
Interest (income)	330	14	479	103	926
Remeasurement					
Return on plan assets, excluding amounts included in net interest expense	902	(8)	(133)	-	761
Actuarial losses/(gains) on fund assets	-	-	-	780	780
Contributions					
Employers	-	717	17,336	317	18,370
Plan participants	271	-	36	-	307
Payments from plan					
Benefits paid	(3,930)	(586)	(16,822)	(810)	(22,148)
Taxes, premiums & expenses paid	(50)	(92)	(563)	-	(705)
Closing fair value of plan assets	**12,830**	**573**	**17,724**	**5,772**	**36,899**

e) Amounts recognised in other statements

Amounts recognised in other statements

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Amounts recognised in the Income Statement – 2020					
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	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**

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Amounts recognised in the Statement of Comprehensive Income - 2020					
The amounts recognised in the Statement of Comprehensive Income are restricted to the 1 schemes and pension in accordance with note 25. The amounts are included in reserves [note 27(b)].					
Remeasurement					
Actuarial losses (gains) arising from changes in financial assumptions	(80)	(20)	(7)	341	234
Total remeasurement in other comprehensive income	(80)	(20)	(7)	341	234
Total remeasurement recognised in the Statement of Comprehensive Income	-	-	-	-	-

Amounts recognised in the Income Statement – 2019	SASS	SANCS	SSS	PSF	Total
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v).					
The amounts are included in employee related expenses (note 5).					
Current service cost	605	122	-	209	936
Net interest	181	69	6,980	(19)	7,211
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	**786**	**191**	**6,980**	**190**	**8,147**

Amounts recognised in the Statement of Comprehensive Income - 2019	SASS	SANCS	SSS	PSF	Total
The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 23).					
Remeasurement					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	53	53
Actuarial losses (gains) arising from experience adjustments	-	-	-	-	-
Actual return on plan assets less interest income	-	-	-	-	-
Total remeasurement in other comprehensive income	-	-	-	53	53
Total amounts recognised in the Statement of Comprehensive Income	**-**	**-**	**-**	**53**	**53**

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 2020, the assets of the DBD in aggregate were estimated to be $3,276 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 114.1%. 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 2020, the assets of the DBD in aggregate were estimated to be $5,267 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 124.7%. 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 2020. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	4.8% p.a.	6.1% 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	4.3% p.a.	5.5% p.a.
Consumer Price Index		
- For the next 3 years	0.5% p.a.	0.5% p.a.
- Beyond 3 years	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.

Note 38. Defined Benefit Plans (continued)

Deferred government benefit for superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education and Training (Education), the effects of the unfunded superannuation liabilities of the University and its controlled entities were recorded in the Income Statement and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by Pillar Administration and relate to the defined benefit superannuation plans of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund.

Note 39. Acquittal of Australian Government financial assistance

				Parent			
39a Education - CGS and Other Education Grants		**Commonwealth Grant Scheme #1**		**Indigenous Student Success Program #2**		**Access and Participation Fund**	
	Note	**2020**	2019	**2020**	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**116,046**	112,997	**2,303**	2,425	**3,629**	3,771
Net adjustments		**(5,557)**	2,820	**-**	-	**-**	-
Revenue and income for the period	**3.1(a)**	**110,488**	115,817	**2,303**	2,425	**3,629**	3,771
Surplus / (deficit) from the previous year		**(2,850)**	(29)	**247**	136	**-**	-
Total revenue and income including accrued revenue		**107,638**	115,789	**2,550**	2,561	**3,629**	3,771
Less expenses including accrued expenses		**107,638**	118,638	**2,550**	2,313	**3,629**	3,771
Surplus / (deficit) for reporting period		**-**	(2,850)	**-**	247	**-**	-

1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Medical Student Loading, Allocated Places, Non Designated Courses and CGS – Special Advances from Future Years.
2 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

				Parent			
		Disability Performance Funding #3		**Promotion of Excellence in Learning and Teaching**		**Total**	
	Note	**2020**	2019	**2020**	2019	**2020**	2019
		$'000	$'000	**$000**	$000	**$000**	$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**158**	155	**-**	-	**122,135**	119,348
Net adjustments		**-**	-	**-**	-	**(5,557)**	2,820
Revenue and income for the period	**3.1(a)**	**158**	155	**-**	-	**116,578**	122,168
Surplus / (deficit) from the previous year		**-**	-	**-**	-	**(2,603)**	107
Total revenue and income including accrued revenue		**158**	155	**-**	-	**113,975**	122,275
Less expenses including accrued expenses		**158**	155	**-**	-	**113,975**	124,877
Surplus / (deficit) for reporting period		**-**	-	**-**	-	**-**	(2,603)

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

				Parent					
39b Higher Education Loan Programs (excluding OS-HELP)		**HECS-HELP (Australian Government payments only)**		**FEE-HELP**		**SA-HELP**		**Total**	
	Note	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Cash Payable / (Receivable) at beginning of year		**789**	(878)	**1,441**	1,978	**(595)**	51	**1,635**	1,151
Financial assistance received in Cash during the reporting period		**76,851**	80,853	**9,963**	6,484	**2,373**	-	**89,187**	89,012
Cash available for the period		**77,640**	79,975	**11,404**	8,461	**1,778**	51	**90,822**	90,163
Revenue and income earned	**3.1(b)**	**81,507**	79,187	13,589	7,021	**2,523**	2,319	**97,618**	88,529
Cash Payable / (Receivable) at end of year		**(3,867)**	789	**(2,184)**	1,440	**(745)**	(2,267)	**(6,796)**	1,634

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

39c Department of Education and Research

	Note	Research Training Program 2020 $'000	Research Training Program 2019 $'000	Research Support Program 2020 $'000	Research Support Program 2019 $'000	Total 2020 $'000	Total 2019 $'000
		Parent					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**9,114**	9,094	**7,547**	7,365	**16,662**	16,458
Net adjustments		**-**	-	**-**	-	**-**	-
Revenue for the period	**3.1(c)**	**9,114**	9,094	**7,547**	7,365	**16,662**	16,458
Surplus / (deficit) from the previous year		-	-	**-**	-	-	-
Total revenue including accrued revenue		**9,114**	9,094	**7,547**	7,365	**16,662**	16,458
Less expenses including accrued expenses		**9,114**	9,094	**7,547**	7,365	**16,662**	16,458
Surplus / (deficit) for reporting period		**-**	**-**	**-**	-	-	**-**

39d Total Higher Education Provider Research Training Program expenditure [#4]

	Parent Total Domestic Students $'000	Parent Total Overseas Students $'000
Research Training Program Fees offsets	5,484	-
Research Training Program Stipends	2,715	909
Research Training Program Allowances	4	2
Total for all types of support [#5]	**8,203**	**911**

#4 Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program
#5 The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses, at row F of note 39c in respect to the 2020 year.

39e Australian Research Council Grants

	Note	Discovery 2020 $'000	Discovery 2019 $'000	Linkages 2020 $'000	Linkages 2019 $'000	Total 2020 $'000	Total 2019 $'000
		Parent					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		**1,383**	1,306	314	81	**1,697**	1,387
Revenue for the period	**3.1(d)**	**1,383**	1,306	**314**	81	**1,697**	1,387
Surplus / (deficit) from the previous year		**1,122**	863	**-**	-	**1,122**	863
Total revenue including accrued revenue		**2,505**	2,169	**314**	81	**2,819**	2,251
Less expenses including accrued expenses		**1,242**	1,047	**28**	81	**1,271**	1,128
Surplus / (deficit) for reporting period		**1,263**	1,122	**286**	-	**1,548**	1,122

39f Other Australian Government Financial Assistance

	Parent 2020 $'000	Parent 2019 $'000
Cash Received during the reporting period	**21,923**	20,290
Cash Spent during the reporting period	**(21,923)**	(20,290)
Net Cash received	**-**	-
Cash Surplus / (deficit) from the previous period	**-**	-
Cash Surplus / (deficit) for the reporting period	**-**	-

39g OS-HELP

	Parent 2020 $'000	Parent 2019 $'000
Cash Received during the reporting period	**2,256**	1,510
Cash Spent during the reporting period	**(376)**	(1,637)
Net Cash received	**1,880**	(127)
Cash Surplus / (deficit) from the previous period	**525**	652
Cash Surplus / (deficit) for the reporting period	**2,405**	525

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

39h Higher Education Superannuation Program

	Parent	
	2020	2019
	$'000	$'000
Cash Received during the reporting period	**19,476**	17,039
University contribution in respect of current employees	**-**	-
Cash available	**19,476**	17,039
Cash Surplus / (deficit) from the previous period	**-**	-
Cash available for current period	**19,476**	17,039
Contributions to specified defined benefit funds	**(19,476)**	(17,039)
Cash Surplus / (deficit) this period	-	-

39i Student Services and Amenities Fee

		Parent	
	Note	**2020**	2019
		$'000	$'000
Unspent / (overspent) revenue from previous period		**-**	-
SA-HELP Revenue Earned	**3.1(b)**	**2,523**	2,319
Student Services and Amenities Fees direct from Students	**3.3**	**1,124**	612
Total revenue expendable in period		**3,647**	2,931
Student Services expenses during period		**3,647**	2,931
Unspent / (overspent) Student Services Revenue		-	-

End of Audited Financial Statements

Ag360

ABN: 59 639 263 899
Annual Financial Report
for the year ended
31 December 2020

INDEPENDENT AUDITOR'S REPORT

Ag360 Pty Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Ag360 Pty Limited (the Company), which comprises the Income Statement and Statement of Comprehensive Income for the period 20 February 2020 to 31 December 2020 the Statement of Financial Position as at 31 December 2020 the Statement of Changes in Equity and the Statement of Cash Flows for the period 20 February to 31 December 2020, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the period 20 February 2020 to 31 December 2020 in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (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 and the PF&A Act, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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: 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

6 April 2021
SYDNEY

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

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company for the period 20 February to 31 December 2020;

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

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

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

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

Signed in accordance with a resolution of the Directors.

………………………………..
Lewis Kahn - Director / Chair
31 March 2021

……………………………
John Gibson - Director

Income Statement

for the period 20 February 2020 to 31 December 2020

	Notes	**2020** ($'000)
Revenues from continuing operations		
Licences	2	7
Total revenue from continuing operations		7
Expenses from continuing operations		
Employee related	3	172
Other expenses	4	71
Total expenses from continuing operations		243
Net result before income tax		(236)
Income tax expense	5	(67)
Net result attributable to Ag360 Pty Ltd		**(169)**

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

Statement of Comprehensive Income

for the period 20 February 2020 to 31 December 2020

	2020
	($'000)
Net result for the period	(169)
Other comprehensive income items	-
Other comprehensive income	-
Total comprehensive income for the period	(169)

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

Statement of Financial Position
as at 31 December 2020

	Notes	2020
Assets		($'000)
Current assets		
Cash and cash equivalents	6	172
Total current assets		172
Non-current assets		
Intangible assets	7	7
Deferred Tax Asset	5	67
Total non-current asset		74
Total assets		246
Current liabilities		
Trade and other payables	8	59
Contract liabilities		8
Provisions		6
Total liabilities		73
Net assets		**173**
Equity		
Contributed equity	16	342
Retained earnings	9	(169)
Total equity		**173**

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

Statement of Changes in Equity

for the period 20 February 2020 to 31 December 2020

	Retained earnings ($'000)	Total ($'000)
Balance at 1 January 2020	-	-
Issue of share capital	342	342
Net result attributable to Ag360 Pty Ltd	(169)	(169)
Other comprehensive income	-	-
Total comprehensive income	173	173
Balance at 31 December 2020	173	173

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

Statement of Cash Flows

for the period 20 February to 31 December 2020

	Notes	**2020 ($'000)**
Cash flows from operating activities		
Receipts from customers		17
Payments to suppliers and employees		(216)
GST Payable/Receipts		2
Net cash provided by / (used in) operating activities		(197)
Cash flows from investing activities		
Payments for property plant and equipment		(7)
Net cash provided by / (used in) investing activities		(7)
Cash flows from financing activities		
Proceeds from issue of capital		376
Net cash provided by / (used in) financing activities		376
Net increase / (decrease) in cash and cash equivalents		172
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at end of the financial year	6	172

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Statement of significant accounting policies

Ag360 is a for profit Pty Company limited by shares incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of New England (UNE).

The Company's principal business activity is to commercialise the Ag360® farm management and decision support product through the sale of annual subscriptions.

The financial report was authorised for issue by the Directors on 31 March 2021, with the principal accounting policies adopted in the preparation of these financial statements set out below.

(a) Basis of accounting

The annual financial statements represent the audited general purpose financial statements of Ag360 Pty Ltd. They have been prepared on an accrual 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 *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2015.*

The Financial Statements have been prepared under the historical cost convention except for financial assets which are at fair value through the income statement. All amounts are expressed in Australian dollars.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the Financial Report.

(b) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(c) Valuation of non-current assets

Plant and Equipment

Plant and equipment are measured at cost which is a surrogate for fair value for short lived assets. Plant and equipment is capitalised and recognised in the balance sheet at cost (being purchase price plus incidental costs directly attributable to acquisition).

(d) Depreciation

Depreciation is calculated on a straight line basis to write off the net cost of each item of plant and equipment over its expected useful life.

The following rates of depreciation have been applied :	
Computer Equipment	33.33%
Furniture & Fittings	10.00%
Plant & Equipment	15.00%

(e) Maintenance and repairs

Maintenance, repair costs and minor renewals are charged to the Income Statement in the period in which the expenses are incurred.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Notes to and forming part of the Financial Statements (continued)

Note 1. Statement of significant accounting policies (continued)

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Licence Fees

Revenue from fees and charges, which is predominantly the sale of licence fees, is recognised over the life of the licence provided under the sales contract.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

(g) Trade receivables

Receivables are recognised and carried at the original invoice amount less any provision for doubtful debts.

Impairment

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The Company applies a simplified approach in calculating expected credit losses with the loss allowance based on estimated lifetime expected credit losses at each reporting date. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (debt remains unpaid 90 days after invoice date) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows. The amount of the allowance is recognised in the income statement.

(h) Trade and other payables

Represent liabilities for goods and services provided to the Company prior to balance date which are unpaid. The amounts are unsecured and are usually settled on the creditors trading terms.

Notes to and forming part of the Financial Statements (continued)

Note 1. Statement of significant accounting policies (continued)

(i) 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 such case, it is recognised as part of the cost of 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, ATO is included with other receivables or payables in the balance sheet.

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 ATO are presented as operating cash flows.

(j) Income tax

Ag360 Pty Limited is subject to income tax.

The tax expense recognised in the Statement of profit or loss comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the financial statements. Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised as income or an expense and included in the Income Statement for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively

(k) New Australian accounting standards issued but not effective

The Company did not early adopt any new accounting standards that are not yet effective.

New Accounting Standards that have not been adopted and are not yet effective are as set out in the schedule under note 22.

(l) Going concern

The financial statements have been prepared on a going concern basis. On this basis, the Company is expected to be able to pay its debts as and when they become due and payable. The Board believe the going concern basis of accounting is appropriate as the University of New England has undertaken to support the Company to ensure it can operation as a going concern.

Notes to and forming part of the Financial Statements (continued)

Note 2. Revenue

	2020 ($'000)
Licensing income	7
Total licensing income	**7**

Resources received free of charge

The University of New England have provided a number of resources and services to the Company in an in-kind capacity including:

- Office space;
- IT Support; and
- Ag360 Program maintenance and development

Insufficient information is available to reliably determine the fair value of these resources and services at the time of preparing these statements.

Note 3. Employee related expenses

	2020 ($'000)
Salaries	131
Directors fees	14
Leave Provisions	6
Contribution to funded superannuation and pension schemes	13
Payroll tax	8
Total employee related expenses	**172**

Note 4. Other expenses

	2020 ($'000)
Accounting fees	7
Audit fees	10
Board Expenses	1
Formation Costs	10
Legal expenses	9
Server hosting	32
Subscriptions	1
Travel and accommodation	1
Total other expenses	**71**

Note 5. Income tax

	2020 ($'000)
Current tax	-
Deferred tax	67
Total	**67**
Decrease / (increase) in deferred tax assets	(67)
Total	**(67)**

Notes to and forming part of the Financial Statements (continued)

Note 5. Income tax (continued)

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

	2020
Net result before income tax:	($'000)
From continuing operations	(236)
Tax at the Australian tax rate of 30% (2019 - 30%)	(71)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:	
Amortisation of intangibles	(1)
Other non allowable items	5
Sub total	4
Adjustment for current tax of prior periods	-
Income tax attributable to the entity from continuing operations	(67)

(b) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net result but directly debited or credited to equity:

	2020
	($'000)
Current tax credited directly to equity	-
Net deferred tax - debited / (credited) directly to equity	-
Total	-

(c) Tax losses

	2020
	($'000)
Unused tax losses for which no deferred tax asset has been recognised	-
Potential tax benefit @ 30%	-

Note 6. Cash and cash equivalents

	2020
	($'000)
Cash at bank	172
Total cash and cash equivalents	**172**

(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:

	2020
	($'000)
Balances as above	172
Less: Bank Overdrafts	-
Balance per cash flow statement	172

Accounting Policy

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

Notes to and forming part of the Financial Statements (continued)

Note 7. Intangible assets

	2020
Intangible Asset - Licence & Trademark	($'000)
As at 1 January 2020	-
Additions of intangible assets	7
Amortisation charge	-
At 31 December 2020	**7**

Accounting Policy

Amortisation

Amortisation is recognised in profit & loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 8. Trade and other Payables

	2020
Current	($'000)
Trade Payables	22
Other Payables	37
Total current trade and other payables	**59**

Accounting Policy

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

Note 9. Retained earnings

	2020
	($'000)
Balance at the beginning of the period	-
Net operating result for the period	(169)
Balance at the end of the period	**(169)**

Note 10. Remuneration of auditors

	2020
	($'000)
Fee payable to the Audit Office of New South Wales	
Audit of financial report	**10**

Notes to and forming part of the Financial Statements (continued)

Note 11. Commitments

(a) Capital expenditure commitments

There were no commitments for capital expenditure as at 31 December 2020.

(b) Other expenditure commitments

There were no expenditure commitments contracted as at 31 December 2020.

Note 12. Contingent liabilities and contingent assets

Ag360 Pty Ltd currently has no legal matters outstanding or other contingent liabilities which are expected to result in material claims against it.

Note 13. Segment reporting

Geographic segments

The Company operates solely within Australia.

Note 14. Responsible persons and executive officers

Directors

The names of directors who have held office during the financial period are:

- Lewis Kahn (UNE)
- John Gibson (UNE)
- Margaret Thomson (Independent)

Note 15. Subsequent events

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

Note 16. Contributed equity

	2020 ($'000)
Opening balance	-
Shares issued during the financial year	
342,000 ordinary shares of $1.00 each fully paid issued on 20 February 2020 to UNE	342
Closing balance	**342**

Notes to and forming part of the Financial Statements (continued)

Note 17. Reconciliation of net operating result for the year after income tax to net cash flows from operations

	2020 ($'000)
Net operating result for the period	(169)
Add Depreciation	-
Change in operating assets and liabilities	
Increase in Deferred Tax Asset	(67)
Increase in trade payables	25
Increase in Contract Liabilities	8
Increase in Provisions	6
Net cash provided by/used in operating activities	(197)

Note 18. Income tax

	2020
Income tax expense	($'000)
Income tax on loss from continuing operations at 30%	(70)
Add back non deductible expenses	3
Write-off deferred income tax as it is not probable that it will be recovered by future operations	-
Income tax attributable to the entity	(67)

Note 19. Related party information

Related parties

University of New England owns 100% interest in the entity.

Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Resources received free of charge have been disclosed at note 2.

University of New England

On 20 February 2020, the University of New England was issued 342,000 ordinary shares of $1.00 per share.

University of New England is the ultimate parent entity.

The University of New England have provided confirmation of financial support to Ag360 if necessary for Ag360 to meet its debts as and when payable.

Notes to and forming part of the Financial Statements (continued)

Note 20. Financial instruments

(a) Market risk

i) Foreign exchange risk

The Company has no exposure to foreign exchange risk.

ii) Price risk

The Company has no exposure to commodity price risk.

iii) Summarised sensitivity analysis

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

31 December 2020	Carrying amount	Interest rate risk	
		-1%	+1%
		Result	Equity
Financial Assets	$	$	$
Cash	172	N/A	N/A
Receivables	-	-	-
	172	-	-
Financial liabilities			
Trade Creditors	59	N/A	N/A
Total Increase / (decrease)	113	-	-

(b) Credit risk exposures

The maximum exposure to credit risk at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

(c) Liquidity risk

Management closely monitors cash flow on a regular basis to ensure the Company retains at all times sufficient cash reserves to fund the continuing operations of the business and meet all obligations as they fall due.

(d) Net fair values of financial assets and liabilities

The Company has no derivative financial instruments.

The Company's financial assets and liabilities included in current and non-current assets and liabilities in the balance sheet are considered to be carried at amounts that approximate net fair value.

The carrying value less impairment provisions of trade receivables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. All other items are stated at cost that being fair value.

The carrying value of trade payables is a reasonable approximation of their fair values due to the short-term nature of trade payables.

Notes to and forming part of the Financial Statements (continued)

Note 21. Company details

Ag360 Pty Limited is a proprietary Company limited by shares which is incorporated and operates in Australia.

The registered office of the Company is:

Moin Morris Schaefer

Pastoral Chambers

111 Faulkner Street

Armidale NSW 2350

The principal place of business is:

University of New England

Elm Avenue

Armidale NSW 2350

Note 22: Significant Accounting Policies

The Company did not early adopt any Accounting Standards that are not yet effective.

The Company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

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 2020

INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

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

Opinion

I have audited the accompanying financial statements of Agricultural Business Research Institute (the Company), which comprise the Directors' Declaration, the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, 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:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (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 confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 29 March 2021, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

30 March 2021
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 2020 and the Auditors Report thereon.

Director details

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

Qualifications and Experience

Name and Occupation:	**Ian Michael LOCKE**
Qualifications:	B. Agric. Econ.
Experience:	Mr Locke worked as a agricultural business consultant in Poolmans Pty Ltd and in the Centre for Agricultural Risk Management Pty Ltd before returning to the family property in Holbrook in 1994. Is a principal of the Wirruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards.
Special Responsibilities	Chairman, IBRS Sub-Committee, Finance Committee Non-executive director since June 2002.
Name and Occupation:	**Hugh Peter NIVISON**
Qualifications:	B.V.Sc. MAICD FARL
Experience:	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.
Special Responsibilities	Managing Director Board member since October 2015.
Name and Occupation:	**Peter Brett COOMBE**
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Mr Coombe is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Brett has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Association's Technical Committee.
Special Responsibilities	Deputy Chairman, IBRS Sub-Committee Non-executive director since July 2014.
Name and Occupation:	**Professor Heiko DANIEL**
Experience:	Professor Daniel is the Deputy Vice-Chancellor (Research) (DVCR). In this role, Professor Daniel provides strategic leadership for all aspects of the University's research activities, oversight of the UNE Research Strategic Plan and oversees the strategies and operations of the Research Services Directorate. Non-executive director since June 2015.
Name and Occupation:	**Kris KAUFFMANN**
Experience:	Kris is the former Chief Financial Officer of UNE and previously held the role of Executive Director Policy, Planning and External Relations at UNE. Kris has extensive experience in strategic planning and resource management in public institutions both in Australia and abroad. Mr Kauffmann has completed a Masters of Public Policy and Management (London), a Graduate Diploma in Applied Finance and a Bachelor of Business (Economic Hons). He is a member of the Australian Institute of Company Directors and is a Certified Finance and Treasury Professional.
Special Responsibilities	Finance Committee Non-executive director since May 2017.
Name and Occupation:	**Karen DADO**
Qualifications:	BSc (UNSW), MBA (London), Certificate Governance & Risk Management
Experience:	Ms Dado is an experienced management consultant and company director. Former Director at PricewaterhouseCoopers in their London and Sydney offices. Advises on governance and risk matters, strategy, financial and operational performance improvement. Provides corporate advisory assistance to technology start-ups including in the agricultural sector and to organisations commercialising internet of things business solutions and data-analytics software.
Special Responsibilities:	Finance Sub-Committee Non-executive director since November 2017. Resigned November 2020
Name and Occupation:	**James Sebastian NEAL**
Qualifications:	B.V. Sc (Hon 1) PhD MAICD
Experience:	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.
Special Responsibilities	Dairy Express Advisory Committee Non-executive director since May 2017.
Name and Occupation:	**Sarah NOLET**
Qualifications:	B.S. Computer Science; B.S. Human Factors Engineering; M.S. Systems Engineering and Management
Experience:	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. Non-executive director since October 2019

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 irregated 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.
	Non-executive director since November 2020.

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

Name and Occupation:	Coenraad Hendrik Mouton (Manager/Accountant)
Qualifications:	B Econ(Accounting), BS (Computer Science)

Principal Activities
The principal activities of the company in the course of the year were to provide data processing services, computer software products and educational services to improve productivity and efficiency of Australian and overseas agribusiness and rural-based industries.

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

Company Objectives
The ABRI's Constitution records the objects for which the company was established as follows:

(a) To promote Australian primary production industries.
(b) To conduct research into Australian primary production industries.
(c) To provide genetic evaluation services aimed at improving the productivity of Australian livestock industries.
(d) To develop software beneficial to members of Australian primary production industries.
(e) To provide seminars, workshops and field days beneficial to members of Australian primary production industries.

Strategy for achieving these objectives

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

Object (b) – ABRI provides research, particularly in beef cattle breeding, that assists beef cattle breeders increase the rate of genetic progress in their herds.

Object (c) - ABRI provides the BREEDPLAN® genetic evaluation service to the beef cattle industry nationally. The average weighted production index of cows recorded by ABRI in southern Australia has improved from an index of \$10/cow to \$62/cow in the time ABRI has been offering a selection system.

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

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

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

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

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

Directors' meetings

During the financial year ended 31, December 2020 four 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	3
Kris KAUFFMANN	4	3
Karen DADO	4	4
James Sebastian NEAL	4	4
Sarah NOLET	4	3
Justin BOSHAMMER	4	3
Angela Maree SCHUSTER	0	0

Contribution in winding up
The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has a $100 liability should the company be wound up. At 31 December 2020, 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 $677,756 (2019 = $501,916) and the deficit after fair value adjustments on the financial assets and gains/loss on sale of assets was $745,874 (2019 = $250,457). 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 $60,244 for Directors and Officers Insurance covered the period 1 November 2019 to 31 October 2020. Insurance has been renewed for the Group for the period 1 November 2020 to 31 October 2021 at a cost of $61,784 Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31, December 2020.

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

H P Nivison
Managing Director

Date: 29/3/21

H DANIEL
Director

Date: 29/3/21

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 2020, 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

29 March 2021
SYDNEY

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

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 2020;

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: 29/3/21

....
H DANIEL
Director

Date: 29/3/21

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

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983, we state that:*

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2020 and the results of its operations and transactions of the Company for the year then ended;

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

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

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

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

Signed in accordance with a resolution of the Directors.

....
H P Nivison
Managing Director

Date: 29/3/21

....
H DANIEL
Director

Date: 29/3/21

Income Statement

For the year ended 31 December 2020

	Notes	2020 $	2019 $
Revenue and income from continuing operations			
Investment income	**2**	207,845	275,875
Trading revenue	**4**	7,227,527	7,477,142
Total revenue and income from continuing operations		7,435,372	7,753,017
Expenses from continuing operations			
Employee related expenses	**5**	5,512,850	5,390,510
Depreciation and amortisation	**6**	256,214	256,453
Repairs and maintenance	**7**	45,176	41,673
Borrowing costs	**9**	8,049	12,857
Impairment of assets	**8**	5,714	16,367
Other expenses	**9**	2,285,125	2,537,072
Total expenses from continuing operations		8,113,128	8,254,932
Net result from continuing operations		**(677,756)**	**(501,915)**
Other Gains/(Losses)			
Other investment gain/(loss)	**3**	(68,118)	253,970
Gain/(Loss) on sale of assets	**3**	-	(2,512)
Net result attributable to the ABRI	**20(b)**	**(745,874)**	**(250,457)**

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

Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 $	2019 $
Net result for the year		(745,874)	(250,457)
Items that will not be reclassified to profit or loss			
Gain/(loss) on revaluation of land, buildings and infrastructure	**14**	306,853	-
Total other comprehensive income		306,853	-
Total comprehensive income for the year		(439,021)	(250,457)

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

Statement of Financial Position

As at 31 December 2020

	Notes	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	3,492,267	4,048,202
Receivables	**11**	1,056,462	1,646,615
Other assets	**13**	470,390	303,704
Total current assets		5,019,119	5,998,521
Non-current assets			
Other financial assets	**12**	4,667,207	4,571,929
Property, plant and equipment	**14**	3,756,609	3,510,753
Intangible assets	**15**	-	-
Total non-current assets		8,423,816	8,082,682
Total assets		13,442,935	14,081,203
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	631,142	603,946
Borrowings	**17**	42,047	60,348
Provisions	**18**	1,099,406	1,091,119
Other liabilities	**19**	504,244	687,528
Total current liabilities		2,276,839	2,442,941
Non-current liabilities			
Borrowings	**17**	6,499	58,644
Provisions	**18**	116,000	97,000
Total non-current liabilities		122,499	155,644
Total liabilities		2,399,338	2,598,585
Net assets		11,043,597	11,482,618
EQUITY			
Asset revaluation reserve	**20(a)**	1,918,798	1,611,945
Retained earnings	**20(b)**	9,124,799	9,870,673
Total equity attributable to equity holders of the company		11,043,597	11,482,618

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 2020

	Notes	Reserves	Retained Earnings	Total
Balance at 1 January 2019		1,611,945	10,121,130	11,733,075
Net result		-	(250,457)	(250,457)
Total comprehensive income		-	(250,457)	(250,457)
Balance at 31 December 2019	20	1,611,945	9,870,673	11,482,618
Balance at 1 January 2020		1,611,945	9,870,673	11,482,618
Net result		-	(745,874)	(745,874)
Gain/(loss) on revaluation of Land, Buildings and Infrastructure		306,853	-	306,853
Total comprehensive income		306,853	(745,874)	(439,021)
Balance at 31 December 2020	20	1,918,798	9,124,799	11,043,597

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 2020

	Notes	**2020** **$**	2019 $
Cash flows from operating activities			
Receipts from customers		8,096,641	8,113,348
Interest received		260,237	275,875
Payments to suppliers and employees (inclusive of GST)		(8,238,725)	(8,392,112)
GST recovered/paid		(236,977)	(480,967)
Net cash provided by / (used in) operating activities	26	(118,824)	(483,856)
Cash flows from investing activities			
Payments for property, plant and equipment		(195,218)	(46,763)
Payments for financial assets		(163,397)	(178,015)
Net cash provided by / (used in) investing activities		(358,615)	(224,778)
Cash flows from financing activities			
Repayment of lease liabilities		(78,496)	(24,728)
Net cash provided by / (used in) financing activities		(78,496)	(24,728)
Net increase / (decrease) in cash and cash equivalents		(555,935)	(733,362)
Cash and cash equivalents at the beginning of the financial year		4,048,202	4,781,564
Cash and cash equivalents at the end of the financial year	10	3,492,267	4,048,202

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Agricultural Business Research Institute, an income tax exempt entity, was incorporated in Australia on 11 January 1993 as a company limited by guarantee and is domiciled in Australia. The amount of the guarantee is limited to $100 per member, which can be called upon in the event of winding up. At December 31, 2020 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 2020 was authorised for issue in accordance with a resolution of the Board on 9th February 2021.

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.
- *Public Finance and Audit Act 1983,*
- *Public Finance and Audit Regulations 2015.*
- *Corporations Act 2001.*

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

(b) Foreign currency translation

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

(ii) Transactions and balances
Foreign currency transactions 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) and valuation of equity instruments (note 29).

(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 2020 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 2023
AASB2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1 January 2022
AASB2020-4[1]	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions	1 January 2021
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

(g) Initial application of AAS.

The following interpretations and amending standards have also been adopted:

Standard/Amendment		Implication
AASB2018-6	Amendments to Australian Accounting Standards: Definition of a Business	No material impact
AASB2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	No material impact
AASB2018-7	Amendments to Australian Accounting Standards – Definition of Material	No material impact

AASB 1059
Australian Accounting Standard AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. The standard applies to annual reporting periods beginning on or after 1 January 2020.
There was no impact on the financial statements of ABRI in relation to AASB 1059 for the year ending 31 December 2020

(h) Covod-19

COVID-19 has not significantly impacted the Company's financial performance.

Note 2. Investment income

	Notes	2020 $	2019 $
Investment Income		207,845	275,875
Total investment income		207,845	275,875

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

Other investment gains/(losses)	(68,118)	253,970
Gain on sale of assets	-	(2,512)
Total gains and losses	(68,118)	251,458

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

Fees and charges	7,227,527	7,477,142
Total trading revenue	7,227,527	7,477,142

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 rates per agreement and the related level of service provided.

Retainer fees for Breed plan 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

Salaries	4,703,647	4,639,900
Contribution to funded superannuation and pension schemes	453,329	428,816
Payroll tax	284,089	296,941
Worker's compensation	38,391	29,708
Leave accrual expense	27,287	(18,579)
Other (Allowances, penalties and fringe benefits tax)	6,107	13,724
Total employee related expenses	5,512,850	5,390,510

Refer to note 18 for accounting policies on employee benefits.

Note 6. Depreciation and amortisation

Depreciation		
Buildings	95,973	95,972
Infrastructure	4,500	4,500
Furniture and Fittings	13,537	13,702
Plant and Equipment	85,279	80,919
Motor Vehicles	-	3,044
Leased assets	28,658	26,081
Right-of-use assets - leasing assets	28,267	23,144
Total depreciation	256,214	247,362
Amortisation		
Intangibles	-	9,091
Total amortisation	-	9,091
Total depreciation and amortisation	256,214	256,453

Land is not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 3 - 60 yrs,
Computing Equipment 4 - 15 yrs,
Motor Vehicles - 5 yrs,
Infrastructure - 10 yrs.
Leased Assets- Life of Lease -3 years
Furniture and Fittings - 7-20 yrs,
Other Plant and Equipment - 4 - 15 yrs,
Intangible - 5-20 yrs
Right-Of-Use Assets - Life of assets - 3 years

Note 7. Repairs and maintenance

	Notes	2020 $	2019 $
Plant/furniture/equipment		45,176	41,673
Total repairs and maintenance		45,176	41,673

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

Impairment of receivables	11	5,714	16,367
Total impairment of assets		5,714	16,367

Refer to note 11 for policy on receivable impairment

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

Note 9. Other expenses

Non-capitalised equipment	8,825	11,397
Advertising, marketing and promotional expenses	28,878	57,507
Utilities	27,808	31,543
Postal and Telecommunications	361,908	458,380
Travel and Entertainment	50,120	169,195
Operating Lease (Short-term leases)	15,723	24,307
Consultants	814,752	801,058
Royalties	238,465	177,699
Computer and Office Supplies	266,650	286,262
Other Expenditure	471,996	519,724
Total other expenses	2,285,125	2,537,072

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.

Interest expense on financial liability	8,049	10,154
Interest expense for long-term lease ROU assets	-	2,702
Borrowing costs	8,049	12,857
Reconciliation of Finance costs		
Finance lease interest	8,049	12,857
Less : amount capitalised	-	-
Total borrowing costs expensed	8,049	12,857

Note 10. Cash and cash equivalents

	Notes	2020	2019
		$	$
Cash at bank		279,037	631,682
At call investments		3,213,230	3,416,520
Total cash and cash equivalents		3,492,267	4,048,202

(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	3,492,267	4,048,202
Less: Bank Overdrafts	-	-
Balance per cash flow statement	3,492,267	4,048,202

(b) Deposits at call
The deposits are bearing floating interest rates between 0.4% and 0.7% (2019: 2.5% and 2.68%). These deposits have an average maturity of 230 days, however can be withdrawn within a 30 day notice without penelties.

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.However can be drawn with 30 notice without penalties.

Note 11. Receivables

Current		
Trade and Other Debtors	1,080,071	1,717,361
Less: Allowance for expected credit losses	(23,609)	(70,746)
Total current receivables	1,056,462	1,646,615
Non-current		
Trade and Other Debtors	-	-
Total non-current receivables	-	-
Total receivables	1,056,462	1,646,615

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:

As at 1 January	70,746	65,966
Receivables written off during the year as uncollectible	(52,852)	(11,587)
Provision for expected credit losses during the year	5,715	16,367
At 31 December	23,609	70,746

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.

Ageing was not disclosed for amounts past due but not impaired. Around 20% to 25% of the debtors are more than 90 days old.

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.

Note 12. Other financial assets

	2020 $	2019 $
Non-current		
Summary of portfolio as at 31 December:		
Fair value through profit and loss	4,667,207	4,571,929
Total non-current other financial assets	4,667,207	4,571,929

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

(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

	2020 $	2019 $
Current		
Accrued Income	465,784	291,544
Prepaid Expenses	4,606	12,160
Total current other non-financial assets	470,390	303,704

Note 14. Property, plant and equipment

	Freehold land	Freehold buildings	Infrastructure	Plant and equipment	Motor vehicle	Leased assets	Furniture & fittings	Total	* Right of use assets	Total
At 1 January 2019										
- Cost	-	-	-	2,104,264	71,590	95,553	293,709	**2,565,116**	**-**	**2,565,116**
- Valuation	495,000	2,436,300	72,000	-	-	-	-	**3,003,300**		**3,003,300**
Accumulated depreciation and impairment	-	-	-	(1,604,460)	(61,442)	(23,503)	(250,749)	**(1,940,154)**	**-**	**(1,940,154)**
Net book amount	**495,000**	**2,436,300**	**72,000**	**499,804**	**10,148**	**72,050**	**42,960**	**3,628,262**	**-**	**3,628,262**
Year ended 31 December 2019										
Opening net book amount	495,000	2,436,300	72,000	499,804	10,148	72,050	42,960	**3,628,262**		**3,628,262**
Adoption of AASB16	-	-	-	-	-	-	-	**-**	**83,090**	**83,090**
Additions	-	-	-	18,715	-	25,777	9,375	**53,867**		**53,867**
Assets classified as held for sale and other disposals		-	-	-	(7,104)	-	-	**(7,104)**		**(7,104)**
Depreciation charge	-	(95,972)	(4,500)	(80,919)	(3,044)	(26,081)	(13,702)	**(224,218)**	**(23,144)**	**(247,362)**
Closing net book amount	**495,000**	**2,340,328**	**67,500**	**437,600**	**-**	**71,746**	**38,633**	**3,450,807**	**59,946**	**3,510,753**
At 31 December 2019										
- Cost	-	-	-	2,122,979	45,465	97,827	303,084	**2,569,355**	**83,090**	**2,652,445**
- Valuation	495,000	2,436,300	72,000	-	-	-	-	**3,003,300**		**3,003,300**
Accumulated depreciation	-	(95,972)	(4,500)	(1,685,379)	(45,465)	(26,081)	(264,451)	**(2,121,848)**	**(23,144)**	**(2,144,992)**
Net book amount	**495,000**	**2,340,328**	**67,500**	**437,600**	**-**	**71,746**	**38,633**	**3,450,807**	**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	3,450,807	59,946	3,510,753
Additions	-	63,992	-	122,535	-	-	7,211	**193,738**	**1,478**	195,217
Revaluation increment	-	302,353	4,500	-		-	-	**306,853**		306,853
Depreciation charge	-	(95,973)	(4,500)	(85,279)	-	(28,658)	(13,537)	(227,947)	(28,267)	(256,214)
Closing net book amount	**495,000**	**2,610,700**	**67,500**	**474,856**	**-**	**43,088**	**32,307**	**3,723,451**	**33,158**	**3,756,609**
At 31 December 2020										
- Cost	-	-	-	2,245,514	45,465	97,827	310,295	**2,699,101**	84,568	2,783,669
- Valuation	495,000	2,610,700	67,500	-	-	-	-	**3,173,200**		3,173,200
Accumulated depreciation	-			(1,770,658)	(45,465)	(54,739)	(277,988)	**(2,148,850)**	***(51,410)***	(2,200,260)
Net book amount	**495,000**	**2,610,700**	**67,500**	**474,856**	**-**	**43,088**	**32,307**	**3,723,451**	**33,158**	**3,756,609**

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 2020 by Global Valuation Services.

Note 14.1 Right-of-use-assets

Right-of-use assets - Property	2020	2019
	$	$
As at 1 January	59,946	-
Additions of right-of-use assets	1,478	83,090
Depreciation charge	(28,267)	(23,144)
At 31 December	**33,158**	**59,946**

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.

Note 15. Intangible assets

	2020	2019
	$	$
At 1 January		
Cost	2,474,137	2,474,137
Accumulated amortisation and impairment	(2,474,137)	(2,474,137)
Net book amount	-	-
Year ended 31 December		
Opening net book amount	-	9,091
Amortisation charge	-	(9,091)
Closing net book amount	-	-

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

Note 16. Trade and other payables	2020	2019
	$	$
Current		
Trade Payables	319,364	344,004
Other Payables	311,778	259,942
Total current trade and other payables	631,142	603,946

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

	2020 $	2019 $
Current		
Finance lease liabilities	33,231	27,833
Finance lease liabilities	8,816	32,515
Total current borrowings	42,047	60,348
Non-current		
Finance lease liabilities	932	33,231
ALP Automotive	5,567	25,413
Total non-current borrowings	6,499	58,644

Credit Card facility

ABRI have a $40,000 credit card facility with $14,500 available at 31 December 2020

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

Note 18. Provisions

	2020 $	2019 $
Current provisions expected to be settled within 12 months		
Annual leave	400,400	303,430
Long service leave	112,000	116,000
Make good provision	3,600	3,600
Total Current Provision	516,000	423,030
Current provisions expected to be settled wholly after more than 12 Months		
Employee benefits		
Annual leave	245,406	280,089
Long service leave	338,000	388,000
Subtotal	583,406	668,089
Total Current Provision	1,099,406	1,091,119
Non-current provisions		
Employee benefits		
Long service leave	116,000	97,000
Total non-current provision	116,000	97,000
Total provisions	1,215,406	1,188,119

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.

(ii) Retirement benefit obligations

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

Note 19. Other Liabilities	**2020**	2019
Current	**$**	$
Accrued Liabilities		
Accrued Expenses	219,829	409,270
Fees in Advance	164,120	203,130
GST Payable	120,295	75,128
Total current other liabilities	504,244	687,528

Note 20. Reserves and retained earnings

a) Reserves

Revaluation Reserve		
- Land	415,000	415,000
- Buildings	1,462,794	1,160,441
- Infrastructure	41,004	36,504
	1,918,798	1,611,945

	2020	2019
	$	$
Movements in reserves were as follows:		
Reserves at 1 January - Land	415,000	415,000
Increment/(decrement) on revaluation	-	-
Reserves at 31 December	415,000	415,000
Reserves at 1 January - Buildings	1,160,441	1,160,441
Increment/(decrement) on revaluation	302,353	-
Reserves at 31 December	1,462,794	1,160,441
Reserves at 1 January - Infrastructure	36,504	36,504
Increment/(decrement) on revaluation	4,500	-
Reserves at 31 December	41,004	36,504
b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	9,870,673	10,121,130
Net result for the year	(745,874)	(250,457)
Retained Earnings at 31 December	9,124,799	9,870,673
Total Equity	11,043,597	11,482,618

Note 21. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receive only a nominal amount to cover costs for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for H.P. Nivison in his capacity as Managing Director of ABRI.

	No.	**No.**
Nil to $9,999	10	10
	10	10
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	$6,600	$7,000

Remuneration of executive officers (Managers)	**No.**	**No.**
$100,000 to $129,999	3	3
$130,000 to $159,999	2	3
$160,000 to 240,000	2	1
	7	7
Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	1,033,810	1,001,141

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:	28,200	30,500
Total remuneration for audit services	28,200	30,500

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	8,816	43,519
Between one and five years	5,567	14,409
Total future minimum lease payments	14,383	57,928

No lease arrangements, existing as at 31 December 2020, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 25. Related parties

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

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

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

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

The following transactions occurred with related parties:

Transactions during the period

	2020 $	2019 $
University of New England		
Purchases from	80,914	100,241
Net	80,914	100,241
With other related parties		
Payments made	12,000	12,100
Net	12,000	12,100

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

Receivables

	2020 $	2019 $
University of New England		
Payables to	20,981	206
Payables other related parties	12,000	12,100

(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	2020 $	2019 $
Operating result for the period	(745,874)	(250,457)
Depreciation and amortisation	256,214	256,453
Provision for impaired receivables	5,714	16,367
Lease interest payment for ROU liabilities	8,049	2,702
(Gain)/Loss on revaluation of investments	68,118	(251,458)
Increase/(Decrease) in Payables and Prepaid Income	(156,086)	(111,010)
Increase/(Decrease) in Provision for Employee Entitlements	(35,000)	28,000
Increase/(Decrease) in Provision for Annual Leave	62,287	(46,579)
(Increase)/Decrease in Receivables and Prepaid Expenses	417,754	(127,874)
Net cash provided by / (used in) operating activities	(118,824)	(483,856)

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

Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 13	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(b)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(b)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 0.45% and 0.75%. Average maturity of 228 days
Financial Liabilities			
Finance Leasing	17	The lease liability is accounted for in accordance with AASB 117.	Interest rates per market and schedules. Between 5.8% and 7.8%.
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

(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 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	0.10		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

Comparative figures for the previous year are as follows:

31 December 2019	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	0.50%		631,681				631,681
Investments - Term Deposits	2.59%		3,416,520				3,416,520
Receivables						1,646,615	1,646,615
Listed Shares						4,571,929	4,571,929
Accrued Income						291,545	291,545
Total Financial Assets		-	4,048,201	-	-	6,510,089	10,558,290
Financial Liabilities							
Borrowings	5.80%		60,348	58,644			118,992
Payables						753,274	753,274
Other payables						259,942	259,942
Total Financial Liabilities			60,348	58,644		1,013,216	1,132,208
Net Financial Assets(Liabilities)		-	3,987,853	(58,644)		5,496,873	9,426,082

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 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)	(34,923)	34,922	34,922	(46,672)	(46,672)	46,672	46,672
Financial Liabilities									
Borrowings	48,546	(485)	(485)	485	485				
Total Financial Liabilities	48,546	(485)	(485)	485	485				
Total increase / (decrease)	8,110,928	(34,437)	(34,438)	34,437	34,437	(46,672)	(46,672)	46,672	46,672

Comparative figures for the previous year are as follows:

31 December 2019	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	631,681	(6,317)	(6,317)	6,317	6,317	N/A	N/A	N/A	N/A
Investments-Term Deposits	3,416,520	(34,165)	(34,165)	34,165	34,165	N/A	N/A	N/A	N/A
Listed Shares	4,571,929					(45,719)	(45,719)	45,719	45,719
Total Financial Assets	8,620,130	(40,482)	(40,482)	40,482	40,482	(45,719)	(45,719)	45,719	45,719
Financial Liabilities									
Borrowings	118,992	(1,190)	(1,190)	1,190	1,190	N/A	N/A	N/A	N/A
Total Financial Liabilities	118,992	(1,190)	(1,190)	1,190	1,190				
Total increase / (decrease)	8,501,138	(39,292)	(39,292)	39,292	39,292	(45,719)	(45,719)	45,719	45,719

Note 29 Fair value measurements

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

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by 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 2020.

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 2020.

	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

	31 Dec 2019	Level 1	Level 2	Level 3
	$	$		
Financial assets				
Other financial assets	4,571,929	4,571,929	-	-
Total	4,571,929	4,571,929	-	-
Non financial assets				
Land	495,000	-	495,000	
Buildings	2,340,328	-	-	2,340,328
Infrastructure	67,500	-	-	67,500
Total	2,902,828	-	495,000	2,407,828

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

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Entity considers information from a variety of sources, including:
• current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
• discounted cash flow projections based on reliable estimates of future cash flows
• capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
All resulting fair value estimates for properties are included in level 3 except for vacant land.

Note 29 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3)

Level 3 Fair value measurements 2020	**Buildings**	**Infrastructure**	**Total**
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	**2,610,700**	**67,500**	**2,678,200**

Level 3 Fair value measurements 2019	**Buildings**	**Infrastructure**	**Total**
Opening balance	2,436,300	72,000	2,508,300
Depreciation	(95,972)	(4,500)	(100,472)
Closing balance	**2,340,328**	**67,500**	**2,407,828**

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	2,610,700	Value of transfers from WIP	+-5%	Increase in value of buildings by 5% would increase value by $130k. Decrease in value of buildings by 5% would decrease value by $130k. Increase in value of infrastructure by 5% would increase value by $3k. Decrease in value of infrastructure by 5% would decrease value by $3k.
Infrastructure	67,500	Value of additions from WIP	+-5%	

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report
for the year ended
31 December 2020

INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

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

Opinion

I have audited the accompanying financial report of the UNE Foundation Limited (the Company), which comprises the directors' declaration, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, 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 report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 30 March 2021 would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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 Reports'

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: 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 report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 April 2021
SYDNEY

UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report together with the financial statements of UNE Foundation Ltd (**the Company**) for the financial year ended 31 December 2020 and the Auditors Report thereon.

Director details

The following persons were Directors of the Company during the whole of the year and up to the date of this report:

Mr Martin Dolan – Chair
Mr Ross Beaney
Professor Brigid Heywood
Mr Bob McCarthy AM
Ms Chenelle McEnallay
Professor Bob Officer AM
Ms Nicole Patterson
Ms. Marea Salisbury
Mr David van Aanholt

Company Secretary

The position of Company Secretary is vacant. Recruitment is in progress, with the function being performed on an interim basis by the UNE Secretariat.

Principal Activities
The principal activity of the Company during the year was the provision of trustee services. There have been no significant changes in the nature of these activities during the year.

Short-term objectives

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

Long-term objectives

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

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

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

(a) the provision of scholarships;

(b) research;

(c) teaching and learning;

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

Strategies for achieving short and long-term objectives

To meet as a board of Directors to act as trustees of the UNE Foundation and, by a decision of quorum, administer or dispense of funds held in trust for particular donative purposes.

To achieve short and long-term objectives, an investment policy has been implemented. An external Fund Manager has been engaged to manage invested funds in two investment pools: “Immediate” and “Perpetual”. The Fund Manager presents their report on the performances of these funds at Board meetings.

Management reports are presented at Board meetings highlighting the income from investments and donations against expenditures for scholarships and prizes. These ensures funds for specific scholarship, prize or other purposes are expended according to the purpose for which they were donated.

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

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

Board of Directors	Meetings Attended	Eligible to Attend
Mr. Martin Dolan (Chair)	5	5
Mr. Ross Beaney	5	5
Professor Brigid Heywood	3	5
Mr. Bob McCarthy AM	5	5
Ms. Chanelle McEnallay	3	5
Professor Bob Officer AM	5	5
Ms. Nicole Patterson	5	5
Ms. Marea Salisbury	5	5
Mr. David van Aanholt	5	5

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has $100 liability should the Company be wound up. At 31 December 2020, the collective liability of members was $900 ($100 per member, maximum number of members is 9).

Review of Operations

During 2020, the Company continued to operate as trustee of UNE Foundation and had no financial results.

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Indemnification of Officers

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

Events after reporting date

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

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2020.

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

Mr Martin Dolan	Professor Brigid Heywood
Chair - Director	*Director*

30 March 2021

To the Directors

UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNE Foundation Limited for the year ended 31 December 2020, 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

30 March 2021
SYDNEY

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

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 2020;

(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.*

Martin Dolan
....

Mr Martin Dolan

Chair - Director

30 March 2021

Brigid Heywood
....

Professor Brigid Heywood

Director

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

In accordance with a resolution of the Directors of UNE Foundation Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 and the Corporations Act 2001, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2020 and the results of its operations and transactions of the Company for the year then ended;

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

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

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

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

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

Martin Dolan
....

Mr Martin Dolan

Chair - Director

30 March 2021

Brigid Heywood
....

Professor Brigid Heywood

Director

Income Statement

For the year ended 31 December 2020

	2020	2019
	$	$
Income from continuing operations	-	-
Expenses from continuing operations	-	-
Net result from continuing operations	-	-

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

Statement of Comprehensive Income

For the year ended 31 December 2020

	2020	2019
	$	$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position

As at 31 December 2020

	2020 $	2019 $
ASSETS		
Current assets	-	-
Non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
EQUITY	-	-
Total equity	-	-

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

Statement of Changes in Equity

For the year ended 31 December 2020

	Reserves	Retained Earnings	Total
Balance as 1 January 2019	-	-	-
Total comprehensive income			
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2019	-	-	-
Balance at 1 January 2020	-	-	-
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2020	-	-	-

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 2020

	2020	2019
	$	$
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	-	-

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

(a) Reporting Entity

UNE Foundation Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 23 October 2000 and is domiciled in Australia.

The Company is deemed to be a controlled entity of the University of New England for the purposes of meeting the requirements of the Australian Accounting Standards, *AASB 127 "Consolidated and Separate Financial Statements" and UIG 112 "Special Purpose Entities"*.

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

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board on 30 March 2021.

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.

(b) Basis of preparation

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

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*,
- *Corporations Act 2001*

The Financial Statements have been prepared under the historical cost convention except for financial assets which are at fair value through the income statement. All amounts are expressed in Australian dollars.

Note 2. Auditors' remuneration

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

Note 3. Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2020 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

Note 4. Directors' remuneration

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

Note 5. Employee benefits

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

Note 6. Related parties

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

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

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

Note 7. Commitments

The entity has not identified any material commitments at 31 December 2020 (2019: Nil).

Note 8. Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2020 (2019: Nil).

Note 9. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 10. New standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2020 reporting period.

The Company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

Note 11. Economic Dependency

The Company's operations are dependent upon the ongoing financial and other support of the University of New England.

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation

ABN: 42 536 278 085
Annual Financial Report for the year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial report of UNE Foundation (the Foundation), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, 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 report:

- gives a true and fair view of the financial position of the Foundation as at 31 December 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

I am independent of the 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.

The Trustees' Responsibilities for the Financial Report

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

In preparing the financial report, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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 report on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial report.

C.Kara

Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 April 2021
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.

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 2020 of $0.6 million was a deterioration from 2019 of $2.6 million. This was primarily caused by an unrealised adverse movement in investments of $2 million (market driven).

Investment income in 2020 was $1.3 million of which $0.8 million has been recognised as revenue in 2020. The remaining $0.5 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 increased by $0.48 million. Significant to the increase were contributions of $0.38 million from of a new bequest.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the UNE Foundation.

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 global 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.

Martin Dolan
....

Mr Martin Dolan
Chair - Director
30 March 2021

Brigid R Heywood
....

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 2020 and the results of its operations and transactions of the Trust for the year then ended;

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

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

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

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

This statement is in accordance with a resolution of the Trustee made on 30 March 2021.

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 2021

Professor Brigid Heywood

Director

30 March 2021

Income Statement

For the year ended 31 December 2020

Income Statement

for the year ended 31 December 2020

	Notes	2020	2019
		$	$
Revenue and income from continuing operations			
Donations and fundraising	**2**	**1,490,321**	1,050,853
Investment income	**3**	**790,270**	836,470
Other revenue	**4**	**122,379**	116,449
Investment gain	**3**	**-**	1,901,326
Total revenue and income from continuing operations		**2,402,970**	3,905,098
Expenses from continuing operations			
Administrative expenses	**5**	**117,904**	196,097
Investment loss	**3**	**139,303**	-
Total expenses from continuing operations		**257,207**	196,097
Net result from continuing operations before distributions to UNE		**2,145,763**	3,709,001
Distribution to UNE - reimbursement of expenses	**6**	**1,622,773**	1,142,731
Net result for the year after distribution to UNE		**522,990**	2,566,270

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

Statement of Comprehensive Income

For the year ended 31 December 2020

	2020	2019
	$	$
Net result for the year after distribution to UNE	**522,990**	2,566,270
Total comprehensive income for the period	**522,990**	2,566,270

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

Statement of Financial Position

As at 31 December 2020

	Notes	2020	2019
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	**7**	**299,721**	43,986
Trade and other receivables	**8**	**344,988**	245,329
Total current assets		**644,709**	289,315
Non-current assets			
Other financial assets	**9**	**26,242,221**	25,213,545
Total non-current assets		**26,242,221**	25,213,545
Total assets		**26,886,930**	25,502,860
LIABILITIES			
Current liabilities			
Trade and other payables	**10**	**1,633,324**	1,323,589
Total current liabilities		**1,633,324**	1,323,589
Non current liabilities			
Trade and other payables	**10**	**21,116,462**	20,255,978
Total non current liabilities		**21,116,462**	20,255,978
Total liabilities		**22,749,786**	21,579,567
Net assets		**4,137,144**	3,923,293
EQUITY			
Undistributed trust funds	**11**	**4,137,134**	3,923,293
Trust account settlement sum		**10**	-
Total Retained Funds		**4,137,144**	3,923,293

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 2020

Statement of Changes in Equity
for the year ended 31 December 2020

	Trust account settlement sum	Undistributed trust funds	Total
Balance at 1 January 2019	-	20,858,083	20,858,083
Transfer to financial liability	-	(19,501,060)	(19,501,060)
Balance as restated	-	1,357,023	1,357,023
Net result	-	2,566,270	2,566,270
Total comprehensive income	-	2,566,270	2,566,270
Balance at 31 December 2019	-	3,923,293	3,923,293
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	10	522,990	523,000
Balance at 31 December 2020	**10**	**4,137,134**	**4,137,144**

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 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Donations received		**1,784,740**	3,020,197
Transferred from UNE		**46,472**	48,867
Dividends received		**195,499**	182,216
Interest received		**6**	1,907
Other inflows		**22,645**	76,165
Payments to suppliers		**(196,120)**	(179,965)
Distribution to beneficiary		**(1,597,517)**	(1,327,875)
Net cash provided by / (used in) operating activities	**16**	**255,725**	1,821,512
Cash flows from investing activities			
Payments for financial assets		**(2,601,388)**	(3,450,322)
Proceeds from sale of financial assets		**2,601,398**	1,327,874
Net cash provided by / (used in) investing activities		**10**	(2,122,448)
Net increase / (decrease) in cash and cash equivalents		**255,735**	(300,936)
Cash and cash equivalents at the beginning of the financial year		**43,986**	344,922
Cash and cash equivalents at the end of the financial year	**7**	**299,721**	43,986

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE 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 2020 were authorised for issue by the Trustee on 30 March 2021.

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.

- *Public Finance and Audit Act 1983*,

- *Public Finance and Audit Regulations 2015*.

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

(b) 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 2020 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
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

(f) Initial application of AAS

The following interpretations and amending standards have also been adopted:

Standard/Amendment		Implication
AASB2018-6	Amendments to Australian Accounting Standards: Definition of a Business	No material impact
AASB2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	No material impact
AASB2018-7	Amendments to Australian Accounting Standards – Definition of Material	No material impact

Note 2. Donations and fundraising

	2020	2019
	$	$
Donations and fundraising	**1,490,321**	1,050,853
Total donations and fundraising	**1,490,321**	**1,050,853**

UNE Foundation receives all donations by way of cheques, direct deposits and electronic funds transfer.

Donations that meet the criteria in *AASB 9* are recorded as a liability on initial recognition and recognised as income when UNE Foundation performs the obligations tied to these funds. It is at this point that UNE Foundation transfers funds from the liability to income and an amount equal to the expenditure is paid out of these funds for scholarships or prizes.

Donations that meet the criteria of *AASB 1058* are recognised as income when received.

Note 3. Investment income

	2020	2019
	$	$
Bank interest	**3**	1,895
Interest - financial assets at fair value through income statement	**34,999**	30,567
Dividend - financial assets at fair value through income statement	**755,268**	804,008
Total investment income	**790,270**	**836,470**
Net gain/(loss) on financial assets at fair value through income statement	**(139,303)**	1,901,326
Net investment income	**650,967**	**2,737,796**

Note 3. Investment income (continued)

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

	2020 $	2019 $
Transferred from UNE	**46,398**	34,092
Franking credits	**57,629**	73,066
Other	**18,352**	9,291
Total other revenue	**122,379**	**116,449**

Note 5. Administrative expenses

	2020 $	2019 $
Consultancy fees	**114,127**	183,067
Doubtful debts	**3,220**	3,000
Bank fees	**57**	30
Bad Debts	**500**	10,000
Total administrative expenses	**117,904**	**196,097**

Note 6. Distribution to beneficiary

	2020 $	2019 $
University of New England - scholarships and prizes	**1,622,773**	1,142,731
Total distribution to beneficiary	**1,622,773**	**1,142,731**

In accordance with the Trust Deed, UNE Foundation fully distributes by cash or reinvests its distributable income. Any funds remaining on hand are held available for distribution to the University of New England.

Note 7. Cash and cash equivalents

	2020 $	2019 $
Cash at bank and on hand	**299,721**	43,986
Total cash and cash equivalents	**299,721**	**43,986**

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:

	2020 $	2019 $
Balances as above	**299,721**	43,986
Balance per statement of cash flows	**299,721**	**43,986**

Note 7. Cash and cash equivalents (continued)

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

	2020	2019
	$	$
Trade receivables	233,800	248,255
Less: Provision for expected credit losses	(6,220)	(3,000)
Total trade receivables	**227,580**	**245,255**
Other receivables		
Other accrued income	117,408	74
Total other receivables	**117,408**	**74**
Total trade and other receivables	**344,988**	**245,329**

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.

	2020	2019
	$	$
Set out below is the movements in the allowance for expected credit loss of trade receivables:		
As at 1 January	(3,000)	-
Allowance for expected credit loss recognised during the year	(6,220)	(3,000)
Receivables written off during the year as uncollectible	3,000	-
As at 31 December	(6,220)	(3,000)

Note 9. Other financial assets

	2020	2019
	$	$
Non-current		
Financial assets at fair value through income statement	26,242,221	25,213,545
Total non-current other financial assets	**26,242,221**	**25,213,545**

Financial assets are classified, at initial recognition and subsequent measurement at fair value through income statement.

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

	2020	2019
Current	**$**	$
Accrued expense for scholarships, prizes and consultancy fees	**137,269**	108,148
Financial liabilities	**1,496,055**	1,215,441
Current trade and other payables	**1,633,324**	**1,323,589**
Non-current		
Financial liabilities	**21,116,462**	20,255,978
Non-current trade and other payables	**21,116,462**	**20,255,978**
Total trade and other payables	**22,749,786**	**21,579,567**

Foreign currency risk

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

	2020	2019
	$	$
Australian Dollars	**22,749,786**	21,579,567
	22,749,786	**21,579,567**

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

Trade and other payables represent liabilities for goods and services provided to UNE Foundation prior to the end of financial year, which are unpaid. They also include contract liabilities for funds received where the obligations to perform the services will occur in the future.

Note 11. Retained Funds

	2020	2019
Movements in retained funds were as follows:	**$**	$
Undistributed trust funds at 1 January	**3,923,293**	20,858,083
Transfer tied net earnings to financial liability	**(309,149)**	(19,501,060)
Net result for the year	**522,990**	2,566,270
Undistributed trust funds at 31 December	**4,137,134**	**3,923,293**
Trust account settlement sum	**10**	-

Note 11. Retained Funds (continued)

With reference to the Deed of Trust dated 6 December 2000, in initial sum was paid on establishment of the UNE Foundation. This had not previously been recognised in the financial statements is included as a correction. The impact of this disclosure is immaterial.

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 2020 was $12,800 (2019: $17,500).

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 2020 (2019: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2019 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:

- 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.

Note 15. Related parties (continued)

The following transactions occurred with related parties:

	2020	2019
Transactions during the period	**$**	$
University of New England		
Income received - transferred prizes and scholarship funds	**46,398**	49,230
Expenditures incurred for scholarships and prizes	**(1,622,772)**	(1,142,731)
Net	**(1,576,374)**	**(1,093,501)**
With other related parties		
Income received - UNE Life Pty Ltd	**5,000**	1,145
Income received - Agricultural Business Research Institute	**12,000**	12,100
Payments made to UNE Life	**(50,000)**	-
Net	**(33,000)**	13,245

Outstanding balances

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

	2020	2019
University of New England	**$**	$
Receivables	**-**	11,300
Payables	**86,299**	60,974
With other related parties		
Receivables	**12,000**	12,100

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

	2020	2019
	$	$
Net result for the period	**522,990**	2,566,270
Less non cash revenue		
Capitalisation and reinvestment of dividend	**(1,167,978)**	(702,687)
Provision for impaired receivables	**3,220**	3,000
Fair value (gain)/loss - financial assets at fair value through profit and loss	**139,303**	(1,901,326)
Add non cash expenditures		
Decrease/(increase) in trade and other debtors	**(102,879)**	70,909
Increase/(decrease) in payables	**861,069**	1,785,346
Net cash provided by operating activities	**255,725**	**1,821,512**

Note 17. Events subsequent to reporting period

There are no reportable events occurring after balance date.

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 perpetual pool funds managed by the Fund Managers.
	9	Australian cash enhanced fund - stated at market value	Investment of immediate pool funds managed by the Fund Managers.
	9	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity. 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

(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.

(c) Liquidity Risk

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

- will not have sufficient funds to settle a transaction on the due date.

- will be forced to sell financial assets at a value which is less than their worth.

- may be unable to settle or recover a financial asset at all.

Note 18. Financial risk management (continued)
(c) Liquidity Risk (continued)

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 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	0.10%	-	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	-	-	-	-	-	1,633,324	1,633,324
Financial liabilities	-	-	-	-	-	21,116,462	21,116,462
Total Financial Liabilities	-	-	-	-	-	22,749,786	22,749,786
Net Financial Assets(Liabilities)	-	-	299,721	-	26,242,221	(22,404,798)	4,137,144

Comparative figures for the previous year are as follows:

31 December 2019	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	0.75%	-	43,986	-	-	-	43,986
Receivables		-	-	-	-	245,329	245,329
Financial assets at fair value through profit and loss		-	-	-	25,213,545	-	25,213,545
Total Financial Assets		-	43,986	-	25,213,545	245,329	25,502,860
Financial Liabilities							
Payables	-	-	-	-	-	1,323,589	1,323,589
Financial liabilities	-	-	-	-	-	20,255,978	20,255,978
Total Financial Liabilities	-	-	-	-	-	21,579,567	21,579,567
Net Financial Assets(Liabilities)	-	-	43,986	-	25,213,545	(21,334,238)	3,923,293

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 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 profit and loss	26,242,221	-	-	-	-	-	-	-	-	(262,422)	(262,422)	262,422	262,422
Total Financial Assets	26,886,930	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	1,633,324	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Financial liabilities	21,116,462	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Total Financial Liabilities	22,749,786	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	4,137,144	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2019	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result		Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	43,986	(440)	(440)	440	440	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	245,329	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit and loss	25,213,545	-	-	-	-	-	-	-	-	(252,135)	(252,135)	252,135	252,135
Total Financial Assets	25,502,860	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities													
Creditors	1,323,589	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-
Other Amounts Owing	20,255,978	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	21,579,567	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	3,923,293	-	-	-	-	-	-	-	-	-	-	-	-

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	
	2020	2019	2020	2019
	$	$	$	$
Financial assets				
Cash and cash equivalents	299,721	43,986	299,721	43,986
Financial assets at fair value through profit and loss	26,242,221	25,213,545	26,242,221	25,213,545
Total financial assets	26,541,942	25,257,531	26,541,942	25,257,531

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

	31 Dec 2020	Level 1	Level 2	Level 3
	$	$	$	$
Financial assets				
Financial assets at fair value through profit and loss	26,242,221	181,383	26,060,838	-
Receivables	344,988	-	344,988	-
Total	26,587,209	181,383	26,405,826	-

	31 Dec 2019	Level 1	Level 2	Level 3
	$	$	$	$
Financial assets				
Financial assets at fair value through profit and loss	25,213,545	199,424	25,014,121	-
Receivables	245,329	-	245,329	-
Total	25,458,874	199,424	25,259,450	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships Pty Ltd

ABN: 74 003 099 125 Annual Financial Report for the year ended 31 December 2020

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 2020, the Statement of Financial Position as at 31 December 2020, 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:

- give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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.

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 Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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

26 March 2021
SYDNEY

UNE Partnerships Pty Limited

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

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2020 and the results of its operations and transactions of the Company for the year then ended;

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

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

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable noting the factors outlined in Note 1(g) of the financial statements.

Signed in accordance with a resolution of the Directors.

....	....
Prof. Michael WILMORE	Dr. Jessie HARMAN
Director / Chairperson	Director

23 March 2021

Income Statement
for the year ended 31 December 2020

	Notes	2020	2019
			As restated
		$	$
Revenue and income from continuing operations			
Fees and charges	**2**	6,938,015	5,491,164
Investment income	**3**	716	6,697
Other income	**17(c)**	-	1,136,869
Total revenue and income from continuing operations		6,938,731	6,634,730
Expenses from continuing operations			
Employee related expenses	**4**	3,054,889	2,770,746
Depreciation and amortisation	**5**	385,229	360,993
Impairment of assets	**6**	3,924	73,220
Marketing and promotion		146,325	105,523
Travel and accommodation		55,028	148,504
Consultants and authors' fees		473,433	461,093
Course delivery expenses	**7**	801,186	984,361
Other expenses	**8**	276,414	431,494
Total expenses from continuing operations		5,196,428	5,335,934
Net result attributable to UNE Partnerships Pty Limited	**16(b)**	1,742,303	1,298,796

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

Statement of Comprehensive Income
for the year ended 31 December 2020

	Notes	2020	2019
			As restated
		$	$
Net result for the period		1,742,303	1,298,796
Other comprehensive income		**-**	-
Total comprehensive income for the period		**1,742,303**	1,298,796

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

Statement of Financial Position
as at 31 December 2020

	Note	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	9	2,575,168	1,818,621
Receivables	10	465,083	221,658
Other receivables & accrued income	11	222,899	28,865
Total current assets		3,263,150	2,069,144
Non-current assets			
Plant and equipment	12	30,727	45,934
Intangible assets	13	695,883	755,992
Total non-current assets		726,610	801,926
Total assets		3,989,760	2,871,070
LIABILITIES			
Current liabilities			
Trade and other payables	14	257,536	271,633
Contract liabilities	14	1,317,276	1,466,927
Provisions	15	420,636	331,487
Other liabilities	16	108,815	77,772
Borrowings	22	391,560	155,824
Total current liabilities		2,495,823	2,303,643
Non-current liabilities			
Contract liabilities	14	228,227	247,034
Provisions	15	38,814	41,624
Borrowings	22	-	794,176
Total non-current liabilities		267,041	1,082,834
Total liabilities		2,762,864	3,386,477
Net assets		**1,226,896**	(515,407)
EQUITY			
Issued capital	17(a)	1,198,937	1,198,937
Retained earnings / (Accumulated losses)	17(b)	27,959	(1,714,344)
Total equity attributable to equity holders of the company		**1,226,896**	(515,407)
Total equity		**1,226,896**	(515,407)

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 2020

	Note	Issued Capital	Retained Earnings / (Accumulated Losses)	Total
Balance at 1 January 2019		$1,198,937	($3,220,019)	($2,021,082)
Retrospective changes in revenue recognition AASB 15		-	$206,879	$206,879
Balance as restated		$1,198,937	($3,013,140)	($1,814,203)
Net result attributable to UNE Partnerships Pty Ltd		-	$161,927	$161,927
Correction of prior period error	**17(c)**		$1,136,869	$1,136,869
Restated Net Result attributable to UNE Partnerships Pty Ltd			$1,298,796	$1,298,796
Other comprehensive income		-	$1,136,869	$1,136,869
Correction of prior period error	**17(c)**	-	($1,136,869)	($1,136,869)
Restated other comprehensive income		-	-	-
Total comprehensive income		-	$1,298,796	$1,298,796
Balance at 31 December 2019		$1,198,937	($1,714,344)	($515,407)
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		$1,198,937	$27,959	$1,226,896
Balance at 31 December 2020		$1,198,937	$27,959	$1,226,896

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 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from student fees and other customers		5,582,198	5,846,592
Receipts from government funded students		844,248	801,751
Interest received		716	6,697
Payments to suppliers and employees		(4,762,481)	(5,137,230)
GST recovered/paid		(7,713)	11,829
Net cash provided by / (used in) operating activities	**23**	1,656,968	1,529,639
Cash flows from investing activities			
Payments for plant and equipment		(2,373)	(43,495)
Net cash outflow for intangibles purchased/created		(319,276)	(234,515)
Net cash provided by / (used in) investing activities		(321,649)	(278,010)
Cash flows from financing activities			
Repayment of borrowings		(578,772)	-
Net cash provided by / (used in) financing activities		(578,772)	-
Net increase / (decrease) in cash and cash equivalents		756,547	1,251,629
Cash and cash equivalents at the beginning of the financial year		1,818,621	566,992
Cash and cash equivalents at the end of the financial year	**9**	2,575,168	1,818,621

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Partnerships Pty Limited a not for profit entity delivering principally online education services and e-learning solutions 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 statements for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Board on 23 March 2021.

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

The Financial Statements have been prepared under the historical cost convention except for 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.

(ii) Transactions and balances

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

(c) Income tax

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

(d) 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 as the University of New England has undertaken to support the Entity to ensure it can operate as a going concern. The letter of support provided by the University of New England will remain in place from the date of these financial statements and for a period of 12months from the date of the audit report delivered by the Audit Office of New South Wales on the 2020 financial statements of the entity.

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

The following standards have been issued but are not mandatory for 31 December 2020 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
AASB2020-4[1]	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions	1/01/2021	No material impact
AASB2020-8	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	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
AASB2018-6	Amendments to Australian Accounting Standards: Definition of a Business	No material impact
AASB2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	No material impact
AASB2018-7	Amendments to Australian Accounting Standards – Definition of Material	No material impact
AASB1059	Service Concession Arrangements: Grantors	No material impact

(j) Critical Accounting Judgements & Estimates

The Entity has considered the following in determining the application of the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(a) The Entity will remain a wholly-owned subsidiary of the University of New England and have its on-going support to operations.

(b) The Entity will continue to conduct its operations and deliver on contractual arrangements in a COVID/post COVID restricted environment and amounts recognised as deferred revenue for services will be recoverable.

Nature of Estimation 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**

(k) 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 2021 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. COVID-19 restrictions have also impacted billing cycles with some revenues deferred into 2021 by way of contract extensions or deferrals. 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 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.

Note 2. Fees and charges

	Note	2020 $	2019 $
Education services - fee paying		2,990,830	3,114,152
Education services - government funded		884,746	801,751
Consultancy		1,956,743	1,176,399
Other revenue	**24**	977,140	130,635
Product sales		-	2,760
Workshops		128,556	265,467
Total fees and charges		6,938,015	5,491,164

Revenue from contracts with customers

a) Accounting policies and significant accounting judgements and estimates

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 advanced 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 and Jobkeeper are recognised at a point in time when the government requirements are met and claims have been made.

Of significance, the Entity received $819,300 in eligible funding under the Federal Government Jobkeeper Scheme during the reporting period. Refer Note 11 for amounts outstanding at Balance Date.

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

	2020 $	2019 $
Interest	716	6,697
Total investment income	716	6,697

Accounting Policy

Interest

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

	2020 $	2019 $
Salaries	2,347,452	2,143,474
Contribution to funded superannuation and pension schemes	242,812	226,195
Payroll tax	148,196	158,613
Worker's compensation	34,651	30,781
Long service leave expense	29,393	36,015
Annual leave	250,762	171,928
Other (allowances, penalties and fringe benefits tax)	1,623	3,740
Total employee related expenses	3,054,889	2,770,746

Refer to note 15 for accounting policies on employee benefits.

Note 5. Depreciation and amortisation

	2020 $	2019 $
Depreciation		
Plant & equipment	17,580	15,846
Total depreciation	17,580	15,846

	2020 $	2019 $
Amortisation		
Intellectual property & courseware	358,461	337,284
Software development	9,188	7,863
Total amortisation	367,649	345,147
Total depreciation and amortisation	385,229	360,993

Accounting Policy - Depreciation and amortisation

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

Note 6. Impairment of assets

	Note	2020 $	2019 $
Impairment of receivables	10	(8,448)	73,220
Impairment loss on derecognition of assets		12,372	-
Total impairment of assets		3,924	73,220

Accounting Policy - Impairment of assets

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.

Note 7. Course delivery expenses

	2020 $	2019 $
Assessment marking	530,755	539,123
Graduation expenses	-	755
Course materials	12,124	15,759
Registrations and memberships	9,704	22,664
Workshop expenses	248,603	406,060
Total course delivery expenses	801,186	984,361

Note 8. Other expenses

	2020 $	2019 $
Non-capitalised equipment	2,663	520
Consumables and materials	13,890	14,553
Donations	-	16,500
Telecommunications	14,136	12,234
Room hire and catering	25,247	184,424
Interest expense	20,332	-
Property and facilities	5,458	43,121
Other expenditure	194,688	160,142
Total other expenses	276,414	431,494

Note 9. Cash and cash equivalents

	Note	2020 $	2019 $
Cash on hand		-	163
Cash at bank		2,575,168	1,818,458
Total cash and cash equivalents		2,575,168	1,818,621

(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	2,575,168	1,818,621
Balance per cash flow statement	2,575,168	1,818,621

(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% (2019 - 1% and 2%).

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

Note 10. Receivables

	Note	2020 $	2019 $
Current			
Trade debtors		494,601	284,421
Less: allowance for expected credit losses		(29,518)	(62,763)
Total receivables		465,083	221,658

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

As at 1 January	62,763	1,327
(Recovery of) /Allowance for expected credit loss recognised during the year	(8,448)	73,220
Receivables written off during the year as uncollectible	(24,797)	(11,784)
As at 31 December	29,518	62,763

Accounting Policy - Receivables

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	2020 $	2019 $
Current			
Other Receivables	**2,24**	182,400	-
Accrued Income		40,499	28,865
Total current other receivables & accrued income		222,899	28,865

Accounting Policy - 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.

Note 12. Plant & equipment:

	2020 $	2019 $
Plant & equipment:		
At cost	14,342	14,342
Accumulated depreciation	(12,469)	(11,065)
	1,873	3,277
Computer equipment:		
At cost	120,316	117,943
Accumulated depreciation	(91,462)	(75,286)
	28,854	42,657
Total Plant & Equipment	30,727	45,934

Movements in Carrying Amounts

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

	Plant & Equipment	**Computer Equipment**	**Total**
Balance at 1 January 2019	5,107	24,360	29,467
Additions	-	32,313	32,313
Depreciation expense	(1,830)	(14,016)	(15,846)
Balance at 31 December 2019	3,277	42,657	45,934
Balance 1 January 2020	3,277	42,657	45,934
Additions	-	2,373	2,373
Depreciation expense	(1,404)	(16,176)	(17,580)
Carrying amount at 31 December 2020	1,873	28,854	30,727

Accounting Policy - Plant & equipment

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 $1000 or more are recognised as assets in the application of this policy.

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 amount is greater than its estimated recoverable amount.

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.

Note 13. Intangible assets

	2020	2019
	$	$
(a) Courseware		
Cost	1,308,635	1,318,089
Accumulated amortisation	(961,383)	(786,946)
Course materials - work in progress	327,183	201,308
Net carrying value	674,435	732,451
Reconciliation of courseware		
Balance at the beginning of year	732,451	841,790
Additions	186,942	340,172
Derecognition	(196,397)	-
Depreciation written back on derecognition	184,025	-
Amortisation charge	(358,461)	(337,284)
Work in progress movement	125,875	(112,227)
Closing carrying value at 31 December	674,435	732,451
(b) Software Development		
Cost	46,951	39,856
Accumulated amortisation	(25,503)	(16,315)
Net carrying value	21,448	23,541
Reconciliation of software development		
Balance as at the beginning of year	23,541	24,135
Additions	7,095	7,269
Amortisation	(9,188)	(7,863)
Closing carrying value at 31 December	21,448	23,541
Total net carrying value	695,883	755,992

Accounting Policy - Intangible assets

(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:
(a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
(b) Its intention to complete and its ability and intention to use or sell the asset
(c) How the asset will generate future economic benefits
(d) The availability of resources to complete the asset
(e) The ability to measure reliably the expenditure during development.

The expenditure capitalised comprises only directly attributable costs including costs of materials, services and direct labour. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

(ii) Licences

Licences have 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 asset 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.

Note 14. Trade and other payables and contract liabilities

(a) Trade and other payables

	2020 $	2019 $
Current		
Trade payables	259,095	280,938
GST payable	(1,559)	(9,305)
Total current trade and other payables	257,536	271,633

Accounting Policy - Trade and other payables

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

	2020 $	2019 $
Contract liabilities - current	1,317,276	1,466,927
Contract liabilities - non-current	228,227	247,034
	1,545,503	1,713,961

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $1,445,387.

Contract liabilities

The contract liabilities are associated with 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.

Accounting policy
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 commerical lenders at the end of the reporting period.

	2020 Used Balance $	2020 Total Facility $
Purchasing Card Facility	(6,732)	(40,000)

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

Note 15. Provisions

	2020 $	2019 $
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	145,907	102,694
Subtotal	145,907	102,694
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Annual leave	111,812	63,959
Long service leave	162,917	164,834
Subtotal	274,729	228,793
Total Current Provision	420,636	331,487
Non-current provisions		
Employee benefits		
Long service leave	38,814	41,624
Total non-current provision	38,814	41,624
Total provisions	459,450	373,111

Accounting Policy - Provisions

Provisions for legal claims and service warranties are recognised when UNE Partnerships 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.

Accounting Policy - 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 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.

Note 16. Other Liabilities

	2020 $	2019 $
Current		
Accrued Liabilities		
Salary Related	108,815	77,772
Total current other liabilities	108,815	77,772

Note 17. Issued Capital and Retained earnings

		2020	2019
(a)	**Issued Capital**	**$**	$
	1,198,937 ordinary shares @ $1.00 each fully paid	1,198,937	1,198,937
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	(1,714,344)	(3,220,019)
	Retrospective changes in revenue recognition AASB 15	-	206,879
	Net Operating Result for the year	1,742,303	1,298,796
	Retained earnings at 31 December	27,959	(1,714,344)

(c) Correction of error in previous reporting period accounting transaction

Nature of error

For the 2019 reporting period, the Entity accounted for forgiven debt amounting to a total of $1,136,869 as an item of Other Comprehensive Income in Equity instead of Other Income in the Income Statement. Paragraph 3.3.3 of AASB 9 `Financial Instruments' state that "The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss." As a result, the accounting treatment has been amended to restate the comparatives in the Income Statement and Statement of Comprehensive Income. There is no restatement required in the Statement of Financial Position.

The impact on each line item is shown in the tables below:

Changes to the Income Statement for the year ended 31 December 2019:

	Original Balance 31-Dec-19 $	Impact Increase/(Decrease) $	Restated Balance 31-Dec-19 $
Other Income	-	1,136,869	1,136,869
Total revenue and income from continuing operations	**5,497,861**	**1,136,869**	**6,634,730**
Net result attributable to UNE Partnerships Pty Limited	**161,927**	**1,136,869**	**1,298,796**

Changes to the Statement of Comprehensive Income for the year ended 31 December 2019:

	Original Balance 31-Dec-19 $	Impact Increase/(Decrease) $	Restated Balance 31-Dec-19 $
Net result for the period	**161,927**	**1,136,869**	**1,298,796**
Gain on loan forgiven	950,000	(950,000)	-
Reversal of interest expense in prior periods	186,869	(186,869)	-
Other comprehensive income	**1,136,869**	**(1,136,869)**	**-**
Total Comprehensive income for the period	**1,298,796**		**1,298,796**

Changes to the Statement of Changes in Equity for the year ended 31December 2019:

	Original Balance Retained Earnings column 31-Dec-19 $	Impact Increase/(Decrease) $	Restated Balance Retained Earnings Column 31-Dec-19 $
Net result attributable to UNE Partnerships Pty Limited	161,927	1,136,869	1,298,796
Other comprehensive income	1,136,869	(1,136,869)	-
Total comprehensive income	**1,298,796**	-	**1,298,796**

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

Prof. Todd WALKER - Chairperson (resigned 6/11/2020)
Dr Exmond DECRUZ (resigned 3/2/2020)
Prof. Aron MURPHY (resigned 6/11/2020)
Dr. Jessie HARMAN (interim Chairperson 7/11/2020)
Prof. Debra Dunstan (appointed 1/12/2020)
Prof. Michael Wilmore (appointed 1/12/2020)

Executive Officer

Mrs Meggan Michell (appointed acting CEO from 1 January 2020 - 28 August 2020)
Mr Benjamin GILMORE (appointed interim CEO 29 August 2020)

(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 2020 payments to non-executive directors have been included as paid/accrued.

	2020	2019
	No.	**No.**
Nil to $19,999	3	4
	3	4
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	12,000	24,000
Remuneration of Executive Officers	**No.**	**No.**
Nil to $150,000	2	-
$175,001 to $200,000	-	1
	2	1
Aggregate Remuneration of Executive Officers	**$**	$
Total Aggregate Remuneration	169,126	189,646

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:

	2020	2019
	$	$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	40,500	45,500
Total remuneration for audit services	40,500	45,500

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 2020 (2019: 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:

Transactions during the period	**2020** **$**	2019 $
University of New England		
Sales to University of New England	33,866	21,307
Purchases from the University of New England	340,583	150,589
Net	(306,717)	(129,282)
Loans from University of New England		
Beginning of the year	950,000	2,086,869
Loan forgiven	-	(950,000)
Interest charged	20,332	-
Interest written-back on forgiveness	-	(186,869)
Loan repayments	(578,772)	-
End of year	391,560	950,000

Outstanding balances

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

Receivables		
Current receivables (sale of goods and services)		
University of New England	29,636	3,850
Total current receivables	29,636	3,850
Current payables (purchases of goods and services)		
University of New England	45,197	14,800
Total current payables	45,197	14,800
Current payables (loans)		
University of New England	391,560	155,824
Total current payables	391,560	155,824
Non-current payables (loans)		
University of New England	-	794,176
Total non-current payables	-	794,176

(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

An amended loan agreement between UNE Partnerships and the University of New England was signed in March 2020. $950,000 of the principal and all interest to 31 December 2019 was forgiven. The amended loan principal is now $950,000 repayable over a nominal term of 7 years with interest calculated at the 6 month bank-bill swap rate plus a margin of 2.5%p.a. A special repayment clause is triggered if at each 31 December UNE Partnerships has cash at bank of greater than $1 million. The amount of the special repayment is calculated as 50% of the cash at bank in excess of $1 million.

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

	2020	2019
	$	$
Net result for the period	1,742,303	161,927
Depreciation and amortisation	385,229	360,993
Write-off of assets	12,372	-
(Recovery of) / Allowance for expected credit losses	(8,448)	61,436
Increase/(Decrease) in trade and other payables and contract liabilities	(131,820)	515,319
Increase/(Decrease) in provision for employee entitlements	86,339	47,699
(Increase)/Decrease in receivables and other financial assets	(420,007)	382,265
Net cash provided by / (used in) operating activities	1,665,968	1,529,639

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

Prof. Michael Wilmore was appointed Chairperson 3/3/2021.

Having assessed its eligibility under the Federal Government Jobkeeper Scheme as at 31 December 2020 the Entity will not receive supplement revenue in future reporting periods.

The ongoing impacts of COVID-19 have been disclosed at Note 1(k).

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 cost	Bank Call Deposits interest rate is determined by the official Money Market
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 received, or payable under contract, at year-end.	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.

(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.

Note 25. Financial risk management (continued)

(c) Liquidity Risk

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

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

Financial risk management

31 December 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, Other Receivables & Accrued Income	-	-	-	-	-	687,982	687,982
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	-		320,072	2,503,680

Comparative figures for the previous year are as follows:

31 December 2019	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	0.75	-	1,818,621	-	-	-	1,818,621
Receivables, Other Receivables & Accrued Income	-	-	-	-	-	250,526	250,526
Total Financial Assets		-	1,818,621	-	-	250,526	2,069,147
Financial Liabilities							
Borrowings	4.00	-	-	950,000	-	-	950,000
Payables	-	-	-	-	-	280,938	280,938
Other Amounts Owing	-	-	-	-	-	77,772	77,772
Total Financial Liabilities		-	-	950,000		358,710	1,308,710
Net Financial Assets(Liabilities)		-	1,818,621	(950,000)		(108,184)	760,437

(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, foreign exchange risk and other price risk.

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

Comparative figures for the previous year are as follows:

31 December 2019	Carrying amount	Interest rate risk			
		-1%		**+1%**	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	1,818,621	(18,186)	(18,186)	18,186	18,186
Total Financial Assets	1,818,621	(18,186)	(18,186)	18,186	18,186
Financial Liabilities					
Borrowings	950,000	9,500	9,500	(9,500)	(9,500)
Total Financial Liabilities	950,000	9,500	9,500	(9,500)	(9,500)
Total increase / (decrease)		(8,686)	(8,686)	8,686	8,686

END OF AUDITED FINANCIAL STATEMENTS

UNE Life
Pty Ltd

ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2020

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 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (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 Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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

12 March 2021
SYDNEY

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

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2020 and the results of its operations and transactions of the Company for the year then ended;

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

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

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

5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable noting the factors outlined in note 1(f) of the financial statements.

Signed in accordance with a resolution of the Directors.

Mr Kevin Dupe
Director

Mr David Schmude
Managing Director

10 March 2021

Income Statement
for the year ended 31 December 2020

	Note	2020 $	2019 $
Revenue and income from continuing operations			
Trading income	2	6,188,771	10,193,209
Investment income	3	9,722	13,487
Other revenue	4	4,738,387	2,816,063
Total revenue and income from continuing operations		10,936,880	13,022,759
Expenses from continuing operations			
Employee related expenses	5	4,764,074	5,634,347
Depreciation and amortisation	6	306,275	301,736
Repairs and maintenance	7	123,201	300,628
Other expenses	8	4,355,154	7,292,375
Total expenses from continuing operations		9,548,704	13,529,086
Net result attributable to the Entity	19	1,388,176	(506,327)

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

Statement of Comprehensive Income
for the year ended 31 December 2020

	2020 $	2019 $
Net result for the year	1,388,176	(506,327)
Other comprehensive income	-	-
Total comprehensive income for the year	1,388,176	(506,327)

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

Statement of Financial Position
as at 31 December 2020

	Note	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	9	2,442,027	1,717,521
Receivables	10	376,469	229,704
Inventories	11	1,010,321	1,081,134
Non-financial assets	12	8,117	58,218
Total current assets		3,836,934	3,086,577
Non-current assets			
Property, plant and equipment	13	920,882	1,022,368
Intangible assets	14	47,538	82,962
Total non-current assets		968,420	1,105,330
Total assets		4,805,354	4,191,907
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,129,982	1,818,706
Contract liabilities	16	112,903	125,338
Provisions	17	205,073	197,116
Borrowings	18	103,812	105,304
Total current liabilities		1,551,770	2,246,464
Non-current liabilities			
Provisions	17	104,000	97,000
Borrowings	18	333,856	420,891
Total non-current liabilities		437,856	517,891
Total liabilities		1,989,626	2,764,355
Net assets		2,815,728	1,427,552
EQUITY			
Retained earnings	19	2,815,608	1,427,432
Share Capital	19	120	120
Total equity		2,815,728	1,427,552

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 2020

	Share Capital	Retained earnings	Total
Balance at 1 January 2019	120	1,933,759	1,933,879
Net result	-	(506,327)	(506,327)
Total comprehensive income	-	(506,327)	(506,327)
Balance at 31 December 2019	120	1,427,432	1,427,552
Balance at 1 January 2020	120	1,427,432	1,427,552
Net result	-	1,388,176	1,388,176
Total comprehensive income	-	1,388,176	1,388,176
Balance at 31 December 2020	120	2,815,608	2,815,728

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

Statement of Cash Flows
for the period ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		4,278,334	7,665,385
Receipts from Federal Government Incentives		2,223,700	-
Receipts from University of New England		5,023,515	6,989,047
Interest received		9,722	13,487
Payments to suppliers and employees (inclusive of GST)		(10,583,027)	(13,903,278)
Interest and other costs of finance		(13,291)	(20,087)
Net cash provided by / (used in) operating activities	**26**	938,953	744,554
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		46,423	19,530
Payments for property, plant and equipment		(208,390)	(203,681)
Net cash provided by / (used in) investing activities		(161,967)	(184,151)
Cash flows from financing activities			
Repayment of lease liabilities		(52,480)	(111,957)
Net cash provided by / (used in) financing activities		(52,480)	(111,957)
Net increase / (decrease) in cash and cash equivalents		724,506	448,446
Cash and cash equivalents at the beginning of the financial year		1,717,521	1,269,075
Cash and cash equivalents at the end of the financial year		2,442,027	1,717,521

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

Notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

The principal 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 2020 were authorised for issue in accordance with a resolution on 10 March 2021.

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

(a) Basis of preparation

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

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

- *Public Finance and Audit Act 1983,*

- *Public Finance and Audit Regulations 2015.*

UNE Life Pty Ltd is a not-for-profit entity and these statements have been prepared on that basis.

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 13 – Property, plant & equipment, Note 14 - Intangibles and Note 17 - 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.

(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.

1. Summary of significant accounting policies (continued)

come tax

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

oods and Services Tax (GST)

ıues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not erable from the Australian Taxation Office. In this case, it is recognised as part of the cost acquisition of the asset or t of the expense.

vables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST erable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the nent of financial position.

flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities ı are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flows.

ɔmparative amounts

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

ɔing Concern

nancial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to s debts as and when they become due and payable and continue in operation without any intention or necessity to ate or otherwise wind up its operations.

oard believe the going concern basis of accounting is appropriate as:

Entity presently has no external borrowings;

iversity of New England has undertaken to support the Entity to ensure it can operate as a "going concern" through g a letter of support. The terms of the letter remain in place at the date of these financial statements and for a period months from the date of the audit report delivered but the Audit Office of New South Wales on the 2020 financial nents of the entity.

ıvid 19

lobal pandemic led to a 48% reduction in sale of goods across business operations. This led to staff reduction and tising online student activities to service the needs of our customers. Mandated closures for 3 months of fitness ies and cinema operations have now been lifted however the ongoing effect of reduced student numbers on the lale campus will adversely affect the entity.

ɔrt from Federal Government $2,223,700 through JobKeeper and the Australian Taxation Office Cash boost program : the financial impact of the reduction in trade without this Federal Government assistance the entity would incurred 5,524 loss for the 2020 financial year.

ew accounting standards and interpretations issued but not yet adopted

ɔllowing standards have been issued but are not mandatory for 31 December 2020 reporting periods. The Entity has ɛd not to early adopt any of these standards as they have an immaterial effect on the entity.

Note 1. Summary of significant accounting policies (continued)

(h) New accounting standards and interpretations issued but not yet adopted (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
AASB2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1 January 2022
AASB2020-4[1]	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions	1 January 2021
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

(i) Initial application of AAS

The following interpretations and amending standards have also been adopted:

Standard/Amendment		Implication
AASB2018-6	Amendments to Australian Accounting Standards: Definition of a Business	No material impact
AASB2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	No material impact
AASB2018-7	Amendments to Australian Accounting Standards – Definition of Material	No material impact
AASB1059	Amendments to Australian Accounting Standards – Service Concession Arrangement	No material impact

Note 2. Trading income

	2020 **$**	2019 $
Sale of goods	4,147,315	7,947,8
Rendering of services	2,041,456	2,245,3
Total trading income	6,188,771	10,193,2

Revenue recognition

Revenue is recognised for the major business activities as follows:

(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 the time of sale.

(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.

Note 3. Investment income

	2020 $	2019 $
Interest	9,722	13,487
Total investment income	9,722	13,487

Interest received

Interest income is recognised as it accrues using the effective interest rate method.

Note 4. Other revenue

	Note	2020 $	2019 $
UNE contribution	25(d)	1,428,000	1,583,911
UNE Student Services & Amenities contribution	25(d)	981,036	1,206,130
Rent		7,800	9,616
Federal Government rebates & Job Keeper		2,223,700	-
Forgone rent		44,094	-
Other revenue		53,757	16,406
Total other revenue		4,738,387	2,816,063

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.

Note 5. Employee related expenses

	2020 $	2019 $
Salaries	4,126,656	4,778,001
Contribution to funded superannuation and pension schemes	355,990	454,514
Payroll tax	201,382	283,550
Worker's compensation	56,714	27,151
Annual & long service leave	14,957	65,385
Other (Allowances, penalties and uniforms)	8,375	25,746
Total employee related expenses	4,764,074	5,634,347

Refer to note 17 for accounting policies on employee benefits.

Note 6. Depreciation and amortisation

	Note	2020 $	2019 $
Depreciation			
Plant and Equipment	**13**	114,722	97,359
Motor Vehicles	**13**	47,093	43,988
Right-of-use assets - leasing assets	**13**	103,329	100,174
Total depreciation		265,144	241,521
Amortisation			
Leasehold improvements	**13**	3,706	21,618
Intangibles	**14**	37,425	38,597
Total amortisation		41,131	60,215
Total depreciation and amortisation		306,275	301,736

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:

	2020	2019
Leasehold Improvements	5yrs	5yrs
Plant & Equipment	2-10yrs	2-10yrs
Motor Vehicle	3-7yrs	3-7yrs
Right of Use Assets	6yrs	6yrs

Note 7. Repairs and maintenance

	2020 $	2019 $
Plant/furniture/equipment/grounds	123,201	300,628
Total repairs and maintenance	123,201	300,628

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. Other expenses

	2020	2019
	$	$
Cost of Goods Sold	2,211,531	3,815,014
Advertising	18,916	40,674
Cleaning and materials	100,468	122,584
Computer Expenses	63,984	95,319
Insurance	11,840	10,379
Printing and Stationery	28,220	40,937
Legal	6,608	5,368
Minor Equipment Purchases	51,501	126,779
Security	18,258	48,774
Utilities	276,823	250,472
Merchant fees	42,334	81,311
Interest expense for long-term lease ROU assets	13,291	20,087
Personnel services paid*	692,362	1,476,150
Subscriptions and Membership	126,188	79,554
Student Programs and activities	227,867	499,541
Student Experience Expense	58,733	172,366
Other Expenditure	406,230	407,066
Total other expenses	4,355,154	7,292,375

**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.

Note 9. Cash and Cash Equivalents

	2020	2019
	$	$
Cash on hand and at bank	2,405,651	1,681,684
Short term deposits	36,376	35,837
Total cash and cash equivalents	2,442,027	1,717,521

The entity holds $148,818 (2019 - $140,944) 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 15).

(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:

	2020	2019
	$	$
Balances as above	2,442,027	1,717,521
Less: Bank Overdrafts	-	-
Balance per cash flow statement	2,442,027	1,717,521

(b) Cash on hand

These are non-interest bearing.	14,717	22,467

(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% (2019 - 0.75% and 1.50%). These deposits have an average maturity of 30 days.

Note 9. Cash and Cash Equivalents (continued)

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.

Note 10. Receivables

	2020	2019
	$	$
Current		
Trade and other receivables	378,824	231,705
Less: allowance for expected credit losses	(2,355)	(2,001)
Total receivables	376,469	229,704

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.

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 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.

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

	2020	2019
	$	$
As 1 January	2,001	-
Provision for expected credit losses	354	2,001
Write-off	-	-
Foreign exchange movement	-	-
At 31 December	2,355	2,001

Note 11. Inventories

	2020	2019
	$	$
Current		
Stock on hand	1,010,321	1,081,134
Total current inventories	1,010,321	1,081,134

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 12. Other non-financial assets

	2020	2019
	$	$
Current		
Prepaid Expenses	8,117	58,218
Total current other non-financial assets	8,117	58,218

Prepaid Expenses

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.

Note 13. Property, plant and equipment

	2020	2019
	$	$
Plant and equipment - At cost	1,113,560	1,066,386
Less: Accumulated depreciation	(739,191)	(756,211)
	374,369	310,175
Motor Vehicles – At cost	264,022	312,624
Less: Accumulated depreciation	(140,119)	(122,026)
	123,903	190,598
Right of use (ROU) assets - At cost	626,114	618,065
Less: Accumulated depreciation	(203,504)	(100,175)
	422,610	517,890
Leasehold improvements - At cost	672,527	672,527
Less: Accumulated Amortisation	(672,527)	(668,822)
	-	3,705
Total Property Plant & Equipment	920,882	1,022,368

Reconciliation

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

Plant and Equipment

	2020	2019
	$	$
Carrying amount at beginning of year	310,175	390,835
Additions	206,390	16,699
Disposals	(27,474)	-
Depreciation	(114,722)	(97,359)
Carrying amount at end of year	374,369	310,175

Note 13. Property, plant and equipment (continued)

	2020 **$**	2019 $
Motor Vehicles		
Carrying amount at beginning of year	190,598	120,071
Additions	-	132,778
Disposals	(19,602)	(18,263)
Depreciation	(47,093)	(43,988)
Carrying amount at end of year	123,903	190,598
Right of use (ROU) assets		
Carrying amount at beginning of year	517,890	-
AASB 16 Adjustment	8,048	618,065
Amortisation	(103,329)	(100,175)
Carrying amount at end of year	422,609	517,890
Leasehold improvements		
Carrying amount at beginning of year	3,706	25,324
Amortisation	(3,706)	(21,618)
Carrying amount at end of year	-	3,706

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.

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.

Note 13. Property, plant and equipment (continued)

Right-of -use assets (continued)

(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.

Note 14. Intangible assets

	2020	2019
	$	$
Computer Software	231,463	229,462
Less Accumulated Amortisation	(183,925)	(146,500)
Total Intangible assets	47,538	82,962

Reconciliation

Reconciliation of the carrying amounts for intangible assets are set out below:

	2020	2019
	$	$
Carrying amount at beginning of year	82,962	67,354
Additions	2,000	54,205
Disposals	-	-
Less Amortisation	(37,424)	(38,597)
Carrying amount at end of year	47,538	82,962

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.

Note 15. Trade and other payables

	2020	2019
Current payables	**$**	$
Trade Payables & Accruals	857,681	1,540,213
GST payable	24,195	10,368
Funds held in Trust	148,818	143,307
PAYG & Payroll Tax Payable	99,288	124,818
Total trade and other payables	1,129,982	1,818,706

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.

Note 16. Contract liabilities

	2020	2019
	$	$
Income in Advance	112,903	125,338
Total contract liabilities	112,903	125,338

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.

Note 17. Provisions

	2020	2019
Current provisions expected to be settled within 12 months	**2020**	2019
Employee benefits	**$**	$
Annual leave	133,073	136,116
Long service leave	13,000	14,000
Subtotal	146,073	150,116
Current provisions expected to be settled after more than 12 months	**2020**	2019
Employee benefits	**$**	$
Long service leave	59,000	47,000
Subtotal	59,000	47,000
Total Current Provision	205,073	197,116
Non-current provisions		
Employee benefits		
Long service leave	104,000	97,000
Total non-current provision	104,000	97,000
Total provisions	309,073	294,116
Summary movements employee benefits		
Carrying amount at start of year	294,116	228,731
Current year movement in provisions		
- Annual Leave	(3,043)	27,385
- Long Service Leave - current	11,000	12,000
- Long Service Leave - non current	7,000	26,000
Carrying amount at end of year	309,073	294,116

Note 17. Provisions (continued)

Provisions

Provisions for legal claims and service warranties are recognised when UNE Life 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, 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 benefits include 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

Note 18. Borrowings

	2020	2019
	$	$
Current		
Lease liabilities - ROU	103,812	105,304
	103,812	105,304
Non-current		
Lease liabilities - ROU	333,856	420,891
	333,856	420,891

Lease liabilities - ROU

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.

Note 18. Borrowings (continued)

The entity has the following financing facilities at balance date including total limits available:

	2020	2019
	$	$
Credit Cards	20,906	18,676
	20,906	18,676

Of the above amounts, the undrawn facilities at balance sheet date are:

	2020	2019
	$	$
Credit Cards	20,906	18,676
	20,906	18,676

The liability for credit cards at balance date is included in Note 15 – Trade and other payables with repayments made in full on the 15th of each calendar month.

Note 19. Share Capital and retained earnings

	2020	2019
	$	$
Retained Earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	1,427,432	1,933,759
Net result for the year	1,388,176	(506,327)
Retained earnings at 31 December	2,815,608	1,427,432
Share Capital		
Share Capital held - 120 at $1 owned by the University of New England	120	120

Note 20. Economic Dependency

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

Note 21. Key management personnel disclosures

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

Board Members in 2020
Prof Peter Creamer
Mr David Schmude

The following persons were appointed to the board in 2020:
Mr Kevin Dupe
Mrs Jessica Webb
Mr Isaac Wade
Ms Adelaide Galovic

Note 21. Key management personnel disclosures (continued)

The following persons resigned from the board in 2020:
Dr Kerry Hudson
Mrs Megan Donald
Ms Meg Rice

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.

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

Remuneration of Board Members	**2020**	2019
	No.	**No.**
Nil to $9,999	7	3
	$	$
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	18,833	20,000
Remuneration of executive officers		
$100,000 to $129,999	-	-
$130,000 to $159,999	-	-
$160,000 to 189,999	-	-
Total	-	-
Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	-	-

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 of the Financial Statements	**$**	$
Fees paid to The Audit Office of NSW:	48,500	44,500
Total paid for audit services	48,500	44,500

Note 23. Contingencies

At balance date, UNE Life has a contingent liability based on an initial assessment that the principles in the Rossato case may apply to its casual employees. While Rossato is currently binding authority in relation to what constitutes casual employment, two recent developments have the potential to change the legal position:

- the outcome of the High Court appeal of the Rossato decision
- if the Fair work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 passes into law.

The final legal position may result to changes in who can be considered permanent casuals, and as such, may affect the reliability of the Company’s current payout estimates.

The Company plans to obtain legal advice that involves a comprehensive review of the existing enterprise arrangements, work history and pattern of employment of the Company’s casual cohort to assist in providing a reasonable estimate of this obligation. Management will also continue to monitor the outcome of the appeal to determine changes in the estimated obligation.

Note 24. Commitments

(a) Capital Commitments

The entity had no commitments for Capital Expenditure at 31 December 2020 (2019: $206,919).

	2020	2019
	$	$
Within one year	-	227,611
Between one and five years		-
GST Recoverable	-	(20,692)
Later than five years	-	-
Total capital commitments	-	206,919

(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.

Note 25. 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 executive officers 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:

	2020	2019
Transactions during the period	**$**	$
University of New England		
UNE Commercial transactions	2,157,796	3,563,638
UNE Support	1,428,000	1,583,911
Student Amenities Contribution	981,036	1,206,130
Payments made for operational expenses such as utilities, Personel services etc	(1,816,002)	(1,855,582)
Net	2,750,830	4,498,097
With other related parties (UNEF, UNEP, ABRI, Ag360)		
Income received	50,000	763
Payments made	(5,000)	1,145
Net	45,000	1,908

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

	2020	2019
University of New England	**$**	$
Receivables	115,326	68,212
Payables	(75,069)	(677,479)

(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 net result to net cash provided by / (used in) operating activities

	2020	2019
	$	$
Net result for the year	1,388,176	(506,327)
Depreciation and amortisation	306,275	301,736
Forgone rent	(44,098)	-
Net (gain) / loss on sale of asset	653	(1,268)
Increase/(Decrease) in Borrowings	-	20,087
Increase/(Decrease) in Trade payables and other liabilities	(701,159)	470,927
Increase/(Decrease) in Provision for Employee Entitlements	14,957	65,386
(Increase)/Decrease in Receivables and Prepaid Expenses	(96,664)	351,967
(Increase)/Decrease in Inventories	70,813	42,046
Net cash provided by / (used in) operating activities	938,953	744,554

Note 27. Events occurring after the end of the reporting period

The ongoing level 3 water restrictions has caused substantial damage to our reputation to be able to prove high level sporting facilities on campus. This has led to the cancellation of major events and in turn reduced profitability for 2021. Negotiations will continue for water allocations for the top tier fields with Armidale Regional Council. Substantial investments have been made by University of New England for water security on campus with the utilisation of the irrigation license to obtain water from the creek flowing through campus.

COVID-19 has adversely impacted the 2021 student enrolment figures for on campus students. The reduction of the Entity's on campus activities will correlate to the reduced customer revenue. The reduction in activities will see a reduction in the associated expenses incurred from providing these events.

The University has relatively small exposure to travel restrictions having a low level of international student enrolments which in turn directly correlates to low exposure of the entity and our on campus operations.

The university will continue to provide financial support to the Entity in 2021 as disclosed in Note 1(f) to alleviate impacts of the above events.

Note 28. 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 provision 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 .60%. Average maturity of 330 days.
Financial Liabilities			
Borrowings	18	Measured at amortised cost	Non-cancellable lease in place until 17th Feb 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
The table on the last page summarises the sensitivity of the entity's financial assets and liabilities to interest rate risk.

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

(c) Liquidity Risk
Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity:
- will not have sufficient funds to settle a transaction on the due date;
- may be unable to settle or recover a financial asset at all.

Note 28. Financial risk management (continued)

(c) Liquidity Risk (continued)

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

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

31 December 2020	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	0.25%	2,390,934	36,376			14,717	2,442,027
Receivables & other non-financial assets						376,469	376,469
Total Financial Assets		2,390,934	36,376			391,186	2,818,496
Financial Liabilities							
Borrowings	3.25%		103,812	333,856	-	-	437,668
Payables						857,681	857,681
Total Financial Liabilities			103,812	333,856		857,681	1,295,349

31 December 2019	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	1.15%	1,659,217	35,837			22,467	1,717,521
Receivables & other non-financial assets						229,704	229,704
Total Financial Assets		1,659,217	35,837			252,171	1,947,225
Financial Liabilities							
Borrowings	3.25%		105,304	405,936	14,955	-	526,195
Payables	-					1,540,213	1,540,213
Total Financial Liabilities			105,304	405,936	14,955	1,540,213	2,066,408

Summarised sensitivity analysis

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

31 December 2020	**Carrying amount**	**Interest rate risk**			
		-1%		**+1%**	
		Result	**Equity**	**Result**	**Equity**
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	2,427,310	(24,273)	(24,273)	24,273	24,273

31 December 2019	**Carrying amount**	**Interest rate risk**			
		-1%		**+1%**	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	1,695,054	(16,951)	(16,951)	16,951	16,951

Note 29. Fair value measurements

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

Note 29. Fair value measurements (continued)

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

		Carrying Amount		Fair Value	
	Note	**2020**	2019	2020	2019
		$	$	$	$
Financial assets					
Cash and cash equivalents	***9***	2,442,027	1,717,521	2,442,027	1,717,521
Receivables	***10***	376,469	229,704	376,469	229,704
Total financial assets		2,818,496	1,947,225	2,818,496	1,947,225
Payables	***15***	857,681	1,540,213	857,681	1,540,213
Borrowings	***18***	437,668	526,195	437,668	526,195
Total financial liabilities		1,295,349	2,066,408	1,295,349	2,066,408

End of Audited Financial Statements

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

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