University of New England

ABN: 75 792 454 315
Financial Report
for the year ended
31 December 2014

INDEPENDENT AUDITOR'S REPORT

The University of New England

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the University of New England (the University), which comprise the statements of financial position as at 31 December 2014, the income statements, statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

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 2014, 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 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

University Council's Responsibility for the Financial Statements

The Council of the University is responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity
- that they carried out their activities effectively, efficiently and economically
- about the effectiveness of the internal control
- 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.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor

Karen Taylor
Director, Financial Audit Services

23 March 2014
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 2014.

Members

The following persons were members of the Council of the University of New England during the whole of the year and up to the date of this report:

Mr James Harris - appointed Chancellor 20/11/2014
Mr Robert Finch
Dr Geoffrey Fox
Dr Jack Hobbs
Professor Margaret Sims
Professor Nick Reid
Dr Jeannet van der Lee

The following persons were appointed members in 2014 and continue in office at the date of this report:

Professor Annabelle Duncan - Vice Chancellor - appointed 23/03/2014
Professor Donald Hine - appointed 20/08/2014
Mr Michael Kirk - appointed 12/10/2014
Ms Rosemary Leamon - appointed 17/08/2014
Dr Robyn Muldoon - appointed 18/08/2014
Mr Les Ridgeway - appointed 17/08/2014
Mr Stuart Robertson - appointed 05/10/2014
Ms Meredith Symons - appointed 17/08/2014
Ms Anne Myers - appointed 01/12/2014
Ms Jan McClelland - appointed 2/10/2014 (Deputy-Chancellor - 20/11/2014)

The following persons were members in 2014:

The Hon. John Watkins - Chancellor - resigned 20/06/2014
Professor James Barber - Vice-Chancellor - resigned 22/03/2014
Mr Archie Campbell - term expired 17/08/2014
Mr Ben Crough - term expired 11/10/2014
Dr Brian Denman - term expired 19/08/2014
Mr Kevin Dupe' - term expired 16/08/2014
Ms Catherine Millis - term expired 04/10/2014
Ms Gae Raby - term expired 16/08/2014
Ms Jan McClelland - until 16/08/2014

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 2014, 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 nature of the activities of the consolidated entity occurred during the year.

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

During 2015 work will continue towards the final year of the UNE 2011-15 Strategic Plan: Learning without Limits.
The new integrated agricultural education precinct will continue to be constructed.
Changes as a result of the May 2014 Australian Government budget will be made final as soon as the legislative framework is clear.

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:

COMMONWEALTH
Aboriginal and Torres Strait Islander Heritage Protection Act 1984
Australian Heritage Council Act 2003
Environment Protection and Biodiversity Conservation Act 1999
National Environment Protection Council Act 1994
National Greenhouse and Energy Reporting Act 2007
- National Greenhouse and Energy Reporting Amendment Act 2008
- National Greenhouse and Energy Reporting Amendment Act 2009
- Acts Interpretation Amendment Act 2011
- Carbon Credits (Carbon Farming Initiative) Act 2011
- Clean Energy Act 2011 (amended July 2012)
- Clean Energy Amendment Regulation 2012
- Climate Change Authority Act 2011

Natural Heritage Trust of Australia Act 1997
Renewable Energy (Electricity) Act 2000
- Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000
- Renewable Energy (Electricity) (Charge) Act 2000
- Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010

Water Act 2007

STATE – New South Wales
Animal Research Act 1985
Catchment Management Authorities Act 2003
Contaminated Land Management Act 1997 (some amendments made in 2008)
Crown Lands Act 1989
Energy and Utilities Administration Act 1987
Environmental Planning and Assessment Act 1979
- Environmental Planning and Assessment Amendment Act 2008
- Environmental Planning and Assessment Amendment Act 2012

Environmental Trust Act 1998 No 82
Environmentally Hazardous Chemicals Act 1985
- Environmentally Hazardous Chemicals Amendment Act 1996 No 16

Forestry Act 2012
Heritage Act 1977
- Heritage Amendment Act 2011 No 71
- Heritage Regulation 2012

Local Government Act 1993
- Local Government Amendment (Environmental Upgrade Agreements) Act 2010

Local Land Services Act 2013
Nature Conservation Trust Act 2001
National Parks and Wildlife Act 1974
- National Parks and Wildlife Amendment (Adjustment of Areas) Act 2010

National Trust of Australia (New South Wales) Act 1990
Native Vegetation Regulation 2013

Environmental Regulation (continued)

Noxious Weeds Act 1993
Noxious Weeds Amendment Act 2012
Pesticides Act 1999
Protection of the Environment Operations Act 1997
Protection of the Environment Operations (Waste) Regulation 2005
Protection of the Environment Operations (General) Regulation 2009
Protection of the Environment Operations (Clean Air) Regulation 2010
Protection of the Environment Operations (Clean Air) Amendment (Emissions Standards) Regulation 2010
Protection of the Environment Operations Amendment (Environmental Monitoring) Act 2010
Protection of the Environment Operations (Waste) Amendment (Australian Packaging Covenant) Regulation 2011
Protection of the Environment Operations Amendment (Miscellaneous) Regulation 2011
Rural Fires Act 1997
Rural Fires Amendment Act 2013
Rural Lands Protection Act 1998
Soil Conservation Act 1938
Soil Conservation Amendment Act 1989
Threatened Species Conservation Act 1995
Threatened Species Conservation Regulation 2010
Waste Avoidance and Resource Recovery Act 2001
Water Management Act 2000
Water Management Amendment Act 2010
Water Management (General) Regulation 2011
Wilderness Act 1987

LOCAL – Armidale Dumaresq Council
Armidale Dumaresq Local Environmental Plan 2012
Armidale Dumaresq DRAFT Liquid Trade Waste 2009
The Community Strategic Plan (CSP) 2013-2028
Lifestyle 2350
State of the Environment 2013/2014

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 $34,600 for Directors and Officers Insurance covered the period 1 November 2013 to 31 October 2014. Insurance has been renewed for the period 1 November 2014 to 31 October 2015 at a cost of $34,600. 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
19 March 2015

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committee held during the year ended 31 December 2014, and the numbers of meetings attended by each Council member were:

Council Member	Meetings of committees																					
	Council		Infrastructure		Finance		Audit & Risk		* Standing		HDTT		Remuneratio		Tender		Nominations		Convocation		Nomination VC	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
The Chancellor																						
Mr James Harris (from 20/11/14)	1	1			1	1					1	1	3	3	1	1						
The Hon John Watkins (to 20/06/14)	2	2	1	1			1	1			1	1			1	1	4	4			5	5
The Deputy-Chancellor																						
Ms Jan McClelland (from 20/11/14)	1	1	1	1	1	1	1	1			0	1			1	1						
Dr Geoffrey Fox (to 19/11/14)	5	5	5	5	5	5	5	6			1	1	5	5	1	1	1	1			8	8
Official Members									Flying										Attendance			
Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14)	4	5	5	6	5	6	4	5	Minutes		2	2	4	4	5	5	5	5	not			
Professor James Barber, Vice-Chancellor (to 22/03/14)	1	1	1	1	1	1	1	1	Only				1	1	1	1			required			
Professor Nick Reid, Chair Academic Board	6	6	5	5	5	5					2	2					5	5	at		8	8
Professor Trevor Brown, Deputy Chair Academic Board			1	1	1	1													these			
Members appointed by the Minister																			meetings			
Ms Anne Myers (01/12/14)	0	0																				
Ms Meredith Symons (17/08/14)	3	3			2	2																
Ms Rosemary Leamon (17/08/14)	3	3	2	2	2	2																
Mr Les Ridgeway (from 17/08/14)	2	3	1	2																		
Dr Geoffrey Fox (from 17/08/14)	1	1			1	1																
Ms Jan McClelland (to 16/08/14)	3	3					3	3					3	4	4	5					7	8
Mr James Harris (to 20/11/14)	5	5			4	4	5	5			1	1			1	1						
Mr Kevin Dupé (to 16/08/14)	2	3																				
Ms Gae Raby (to 16/08/14)	3	3	3	3			3	3					4	4	4	4						
Members elected by academic staff																						
Professor Donald Hine (from 20/08/14)	2	2																				
Dr Brian Denman (to 19/08/14)	3	4			2	2																
Professor Margaret Sims (from 20/08/14)	6	6	5	6																		
Members elected by the graduates																						
Professor Robyn Muldoon (from 18/08/14)	3	3									1	1	1	1					1	1		
Mr Archie Campbell (to 17/08/14)	3	3	3	3															1	3		
Dr Jack Hobbs (from 18/08/14)	6	6					6	6			1	1							4	4		
Member elected by non-academic staff																						
Dr Jeannet van der Lee	5	6																			8	8
Member elected by the post graduate students																						
Mr Stuart Robertson (from 05/10/14)	1	1																				
Ms Catherine Millis (to 04/10/14)	4	5																				
Member elected by the undergraduate students																						
Mr Michael Kirk (from12/10/14)	4	5																				
Mr Ben Crough (to 31/03/14)	0	1																				
Additional external members																						
Mr Robert Finch	6	6			6	6	6	6					4	5	6	6						
External member present where appropriate- Prof. Gerald Sutton																					4	4

A = Number of meetings attended
B = Number of meetings held during the time the member held office or was a member of the committee during the year.
* Standing Committee of Council - Issues were dealt with via flying minutes.

University of New England

FINANCIAL STATEMENT

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

1 The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2014 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 Regulations 2010 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2014 reporting period" issued by the Australian Government Department of Education;

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

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

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

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

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

Mr James Harris
Chancellor

Professor Annabelle Duncan
Vice-Chancellor

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

University of New England
Armidale, NSW
19 March 2015

Income Statement

for the year ended 31 December 2014

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	**3**	154,772	154,092	154,772	154,092
HELP - Australian Government Payments	**3**	71,641	67,262	71,641	67,262
State and local Government financial assistance	**4**	3,043	3,799	3,043	3,799
HECS-HELP - Student Payments		8,886	10,381	8,886	10,381
Fees and charges	**5**	44,274	44,287	39,531	39,614
Investment revenue	**6**	4,750	5,430	3,744	4,529
Royalties, trademarks and licences	**7**	99	176	110	186
Consultancy and contracts	**8**	620	541	704	541
Other Revenue	**9**	20,568	23,650	6,360	9,964
Total revenue from continuing operations		308,653	309,618	288,791	290,368
Gains on disposal of assets		271	56	271	-
Share of profit on investments accounted for using the equity method	**22**	-	-	-	-
Other investment income	**6**	-	286	-	-
Other Income	**9**	78	182	2,386	2,452
Total income from continuing operations		309,002	310,142	291,448	292,820
Expenses from continuing operations					
Employee related expenses	**10**	179,270	163,919	168,994	153,611
Depreciation and amortisation	**11**	21,265	19,129	20,219	18,207
Repairs and maintenance	**12**	6,450	8,097	6,143	7,755
Borrowing costs	**13**	523	7	523	1
Impairment of assets	**14**	294	1,288	281	1,273
Losses on disposal of assets		-	712	-	712
Investment losses	**6**	48	-	-	-
Deferred Super expense	**10, 41**	371	341	371	341
Other expenses	**15**	96,071	103,430	94,041	97,996
Total expenses from continuing operations		304,292	296,923	290,572	279,896
Net result before income tax		4,710	13,219	876	12,924
Income Tax expense		-	-	-	-
Net result after income tax for the period attributable to members of the University of New England	**30(b)**	4,710	13,219	876	12,924

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

Statement of Comprehensive Income

for the year ended 31 December 2014

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Net result after income tax for the period		4,709	13,219	876	12,924
Items that may be reclassified to profit or loss					
Gain (loss) on value of available-for-sale financial assets		3,392	159	2,645	(1,020)
Total		3,392	159	2,645	(1,020)
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of land and buildings		17,226	(86)	17,521	(86)
Net Actuarial losses (gains) recognised in respect of Defined Benefit Plans		(573)	2,684	(573)	2,684
Transfer from reserves		835	(22)	811	-
Total		17,488	2,576	17,759	2,598
Total other comprehensive income		20,880	2,735	20,404	1,578
Total comprehensive income attributable to members of the University of New England		25,589	15,954	21,280	14,502

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

Statement of Financial Position
as at 31 December 2014

	Notes	Consolidated		Parent entity	
		2014	2013	**2014**	2013
		$'000	$'000	**$'000**	$'000
Assets					
Current assets					
Cash and cash equivalents	**16**	115,204	107,872	100,264	93,008
Receivables	**17**	11,137	11,478	9,306	9,778
Inventories	**18**	403	392	143	113
Other financial assets	**19**	-	-	-	50
Non current assets classified as held for sale	**20**	-	1,113	-	1,113
Other non-financial assets	**21**	7,230	8,741	6,830	8,357
Biological assets	**23**	605	625	605	625
Total current assets		134,579	130,221	117,148	113,044
Non-current assets					
Receivables	**17**	328,597	221,724	328,656	221,761
Other financial assets	**19**	13,487	5,590	6,086	3,540
Investments accounted for using the equity method	**22**	-	-	-	-
Property, plant and equipment	**24**	306,335	276,068	302,217	270,942
Intangible assets	**25**	1,967	3,114	980	1,678
Total non-current assets		650,386	506,496	637,939	497,921
Total assets		784,965	636,717	755,087	610,965
Liabilities					
Current liabilities					
Trade and other payables	**26**	2,021	4,484	1,072	3,490
Borrowings	**27**	-	-	-	-
Provisions	**28**	33,046	30,947	31,453	29,171
Other liabilities	**29**	21,341	22,865	19,996	21,500
Total current liabilities		56,408	58,296	52,521	54,161
Non-current liabilities					
Borrowings	**27**	20,000	-	20,000	-
Provisions	**28**	336,463	231,159	336,268	230,974
Other liabilities	**29**	-	-	-	-
Total non-current liabilities		356,463	231,159	356,268	230,974
Total liabilities		412,871	289,455	408,789	285,135
Net assets		372,094	347,262	346,298	325,830
Equity					
Reserves	**30(a)**	72,393	52,610	71,444	52,089
Retained earnings	**30(b)**	299,701	294,652	274,854	273,741
Parent entity interest		372,094	347,262	346,298	325,830
Total equity		372,094	347,262	346,298	325,830

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 2014

	Consolidated			Parent entity		
	Reserves $'000	Retained earnings $'000	Total $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2013	52,559	278,865	331,424	53,195	258,132	311,327
Retrospective changes	-	(117)	(117)	-	-	-
Balance as restated	52,559	278,748	331,307	53,195	258,132	311,327
Net operating result	-	13,219	13,219	-	12,924	12,924
Gain / (loss) on revaluation of land and buildings	(86)	-	(86)	(86)	-	(86)
Gain / (loss) on revaluation of available-for-sale financial assets	159	-	159	(1,020)	-	(1,020)
Remeasurements of Defined Benefit Plans	-	2,684	2,684	-	2,684	2,684
Transfer from revaluation reserves to retained surplus for asset sales	(22)	-	(22)	-	-	-
Total comprehensive income	51	15,903	15,954	(1,106)	15,608	14,502
Balance at 31 December 2013	52,610	294,651	347,261	52,089	273,740	325,829
Balance at 1 January 2014	52,610	294,651	347,261	52,089	273,740	325,829
Retrospective changes	-	-	-	-	-	-
Net operating result	-	4,709	4,709	-	876	876
Gain / (loss) on revaluation of land and buildings	17,226	-	17,226	17,521	-	17,521
Gain / (loss) on revaluation of available-for-sale financial assets	3,392	-	3,392	2,645	-	2,645
Net gain / (loss) on defined benefit superannuation plans	-	(573)	(573)	-	(573)	(573)
Transfers to / (from) reserves	(835)	814	(21)	(811)	811	-
Total comprehensive income	19,783	4,950	24,733	19,355	1,114	20,469
Transfer to / (from) retained earnings						
Distributions to owners	-	100	100	-	-	-
Balance at 31 December 2014	72,393	299,701	372,094	71,444	274,854	346,298

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

Statement of Cash Flows

for the year ended 31 December 2014

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Cash flows from operating activities					
Australian Government Grants	3(g)	228,754	224,815	228,754	224,815
OS-Help (net)	3(g)	388	33	388	33
State Government Grants		3,043	3,799	3,043	3,799
HECS-HELP - Student payments		8,296	8,556	8,296	8,556
Receipts from student fees and other customers		65,933	67,073	48,409	49,709
Dividends received		246	174	39	34
Interest received		4,361	5,518	3,935	4,839
Payments to suppliers and employees (inclusive of GST)		(293,773)	(291,737)	(279,761)	(274,131)
Interest and other costs of finance		(523)	(36)	(523)	(1)
GST recovered		6,441	7,232	6,398	7,166
Net cash provided by / (used in) operating activities	37	23,166	25,427	18,978	24,819
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		2,377	843	2,377	835
Payments for property, plant and equipment		(34,022)	(32,163)	(33,949)	(31,213)
Proceeds from sale of financial assets		332	389	-	-
Payments for financial assets		(4,521)	(495)	-	-
Loans to related parties		-	-	(150)	(55)
Repayment of loans by related parties		-	-	-	42
Net cash provided by / (used in) investing activities		(35,834)	(31,426)	(31,722)	(30,391)
Cash flows from financing activities					
Proceeds from borrowings		20,000	-	20,000	-
Repayment of borrowings		-	-	-	-
Repayment of finance leases		-	(46)	-	(46)
Issued capital		-	-	-	-
Net cash provided by / (used in) financing activities		20,000	(46)	20,000	(46)
Net increase / (decrease) in cash and cash equivalents		7,332	(6,045)	7,256	(5,618)
Cash and cash equivalents at the beginning of the financial year		107,872	113,917	93,008	98,626
Cash and cash equivalents at the end of the financial year		115,204	107,872	100,264	93,008

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

Notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

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

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University and its subsidiaries. They have been prepared on an accrual basis and comply with Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:
- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010

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 2015.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2014 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

(ii) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

Note 1. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(iii) Joint Arrangements
Joint Venture Operation
The Group has interests in Cooperative Research Centres (CRC) which requires the Group to contribute in cash and in-kind based on the proportion of the interest the Group has in the CRC.

Contributions in cash and in-kind are expensed and included in the income statement. The Group's share of contributions are not included in the statement of financial position.

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operations ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

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

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government grants
Grants from the government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

(ii) HELP payments
Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

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

(iv) Royalties, trademarks and licences
Revenue from royalties, trademarks and licences is recognised as income when earned.

Note 1. Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(v) Investment income
Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(vi) Other revenue
Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(e) Income tax

The University of New England and its controlled entities have received an endorsement by the Australian Taxation Office to access the income tax exemption from 1st July 2000 under the Income Tax Assessment Act 1997.

(f) Leases

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 34). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

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

(g) Impairment of assets

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

(h) Cash and cash equivalents

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

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1. Summary of significant accounting policies (continued)

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

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(l) Investments and other financial assets

Classification
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At balance date, the Group held no assets in this category.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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

Subsequent measurement
Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Fair Value
The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

Note 1. Summary of significant accounting policies (continued)

(l) Investments and other financial assets (continued)

Impairment
The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(m) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

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

(n) Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Cost to sell includes all cost that would be necessary to sell the assets.

(o) Property, infrastructure, plant and equipment

Land and buildings and Infrastructure are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, including Works of Art and Museum assets are stated at historical cost less depreciation. A policy change in 2014 saw all Works of Art and Museum assets restated at cost and not valuation. The impact of this change was not considered to be material. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The University holds assets for scientific or research purposes that are not recognised in the statement of financial position because the University is unable to reliably measure the value for these assets. The Herbarium, Zoological and Geological collections have nil balance recorded in the University's asset register. The changing scientific value over time, the uniqueness of the time of collection and the changing nature of the physical characteristics of the original collection sites (for example changes due to climate change or habitat destruction) result in these collections not being capable of a reliable valuation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are firstly recognised in other comprehensive income before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Note 1. Summary of significant accounting policies (continued)

(o) Property, infrastructure, plant and equipment (continued)

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

Buildings 2 - 40 yrs,
Infrastructure 5 - 20 yrs,
Computing Implementation Costs & Software - 10 yrs,
Motor Vehicles - 5 yrs,
Library Collection - 10 yrs,
Furniture and Fittings - 7-20 yrs,
Other Plant and Equipment - 5 - 15 yrs,
Computing Equipment / Software - 5 - 15 yrs,

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land controlled by the University was revalued as at 31 December 2014 by Global Valuation Services Pty Ltd

Buildings controlled by the University were revalued as at 31 December 2014, by Global Valuation Services Pty Ltd.

Infrastructure assets, existing at 31 December 2014, were revalued by Global Valuation Services Pty Ltd.

The University's rare books collection were revalued based on current market values at 31 December 2010 by Burnet's Books.

(p) Intangible assets

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

(ii) Goodwill
Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquire, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

(q) Unfunded 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, 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 relates to the defined benefit superannuation plan's of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund. For details relating to methodology of measurement by the actuary and treatment of actuarial gains and losses, refer note 41.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme, SSS, SASS and SANCS, on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability for these schemes consequently does not affect the year end net asset position of the University and its controlled entities. However , the Australian Government arrangement previously excludes SANCS, however a recent Memorandum of Understanding was agreed and this scheme is now recognised as a liability and with a corresponding receivable.

(r) Trade and other payables

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

Note 1. Summary of significant accounting policies (continued)

(s) Borrowings

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

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

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

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(u) Provisions

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(v) Employee benefits

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

(ii) Other long-term obligations
Employee benefits are long term if they are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

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

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

(iii) Retirement benefit obligations
All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all 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 and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Note 1. Summary of significant accounting policies (continued)

(v) Employee benefits (continued)

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 income immediately.

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

(w) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

(x) 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.

(y) Key Management Personnel

For the Group, key management personnel are members of the University Council and persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

(z) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 as amended by Class Order 04/667 issued by the Australian Securities and Investment Commission, relating to the ‘rounding off’ of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(aa) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(ab) New accounting standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The University has elected not to early adopt any of these standards. The University has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2014	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	307,801	309,110	4,619	13,145	784,965	636,717
Asia	-	-	-	-	-	-
US/Canada	582	481	44	50	-	-
Unallocated	619	551	47	24	-	-
	309,002	310,142	4,710	13,219	784,965	636,717

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

	Notes	Consolidated		Parent entity	
		2014	2013	**2014**	2013
		$'000	$'000	**$'000**	$'000
(a) Commonwealth Grant Scheme and Other Grants	**42.1**				
Commonwealth Grant Scheme #1		100,321	99,604	100,321	99,604
Indigenous Support Program		1,219	1,137	1,219	1,137
Partnership & Participation Program # 2		2,799	3,651	2,799	3,651
Disability Support Program		145	92	145	92
Diversity and Structural Adjustment Fund #3		-	6,000	-	6,000
Promotion of Excellence in Learning and Teaching		153	47	153	47
Reward Funding		-	448	-	448
Total Commonwealth Grant Scheme and Other Grants		104,637	110,979	104,637	110,979
(b) Higher Education Loan Programs	**42.2**				
HECS-HELP		62,671	58,627	62,671	58,627
FEE-HELP #4		8,611	7,608	8,611	7,608
SA-HELP		359	1,027	359	1,027
Total Higher Education Loan Programs		71,641	67,262	71,641	67,262
(c) Scholarships	**42.3**				
Australian Postgraduate Awards		2,563	2,558	2,563	2,557
International Postgraduate Research Scholarship		201	213	201	214
Commonwealth Education Cost Scholarships #5		(69)	(507)	(69)	(507)
Commonwealth Accommodation Scholarships #5		45	(29)	45	(29)
Indigenous Access Scholarships		78	(45)	78	(45)
Total Scholarships		2,818	2,190	2,818	2,190
(d) EDUCATION Research	**42.4**				
Joint Research Engagement Program		3,134	2,885	3,134	2,885
Research Training Scheme		6,604	6,887	6,604	6,887
Research Infrastructure Block Grants		1,092	809	1,092	809
Sustainable Research Excellence in Universities		993	877	993	877
Total EDUCATION Research Grants		11,823	11,458	11,823	11,458

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

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
(e) Australian Research Council	**42.6**				
***(i)* Discovery**	**42.6(a)**				
Project		1,788	1,363	1,788	1,363
Fellowships #6		270	266	270	266
Total Discovery		2,058	1,629	2,058	1,629
***(ii)* Linkages**	**42.6(b)**				
Projects		295	357	295	357
Future fellowships		670	193	670	193
rounding adjustment		-	(1)	-	(1)
Total linkages		965	549	965	549
Total ARC		3,023	2,178	3,023	2,178
(f) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		4,691	4,567	4,691	4,567
Other Research Financial Assistance		23,729	18,157	23,729	18,157
Non-Research Financial Assistance		4,051	4,563	4,051	4,563
Total		32,471	27,287	32,471	27,287
Capital					
Non-Research Financial Assistance		-	-	-	-
Total		-	-	-	-
Total other Australian Government financial assistance		32,471	27,287	32,471	27,287
Total Australian Government financial assistance		226,413	221,354	226,413	221,354

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading , Maths and Science Transition Loading and Full Fee Places Transition Loading.
#2 Includes Equity Support Program.
#3 Includes Collaboration & Structural Adjustment Program.
#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.
#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.
#6 Includes Early Career Researcher Award.

Reconciliation

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Australian Government grants	154,772	154,092	154,772	154,092
HECS-HELP payments	62,671	58,627	62,671	58,627
FEE-HELP payments	8,611	7,608	8,611	7,608
SA-HELP payments	359	1,027	359	1,027
Total Australian Government financial assistance	226,413	221,354	226,413	221,354

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

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
(g) Australian Government Grants received - cash					
CGS and other EDUCATION grants		105,411	109,669	105,411	109,669
Higher Education Loan Programs		72,259	68,995	72,259	68,995
Scholarships		2,819	2,190	2,819	2,190
EDUCATION research		11,822	11,458	11,822	11,458
ARC grants - Discovery		2,058	1,629	2,058	1,629
ARC grants - Linkages		965	550	965	550
Other Australian Government grants		33,420	30,324	33,420	30,324
Total Australian Government grants received - cash basis		228,754	224,815	228,754	224,815
OS-HELP (Net)		388	33	388	33
Total Australian Government funding received - cash basis		229,142	224,848	229,142	224,848

Note 4. State and Local Government financial assistance

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Non-capital	3,043	3,799	3,043	3,799
Capital	-	-	-	-
Total State and Local Government financial assistance	3,043	3,799	3,043	3,799

Note 5. Fees and charges

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Course fees and charges				
Fee-paying overseas students	12,992	13,457	12,992	13,457
Fee-paying domestic postgraduate students	3,442	3,700	3,442	3,715
Fee-paying domestic undergraduate students	151	207	151	207
Fee-paying domestic non-award students	201	241	201	241
Other domestic course fees and charges	6,501	5,964	1,440	886
Total course fees and charges	23,287	23,569	18,226	18,506
Other non-course fees and charges				
Amenities and service fees	68	341	192	502
Student service fees from students	43	38	43	38
Parking fees	370	392	373	394
Conference income	72	227	72	227
College residential rental	13,107	13,212	13,170	13,267
Other fees and charges	7,327	6,508	7,455	6,680
Total other fees and charges	20,987	20,718	21,305	21,108
Total fees and charges	44,274	44,287	39,531	39,614

Note 6. Investment revenue and income

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Interest income:				
Interest	4,177	5,110	3,705	4,495
Dividend from equity investments	573	320	39	34
Total investment revenue	4,750	5,430	3,744	4,529
Other investment gains and losses				
Net gain/(loss) arising on financial assets designated at fair value through profit or loss	(48)	286	-	-
Total other investment income/(loss)	(48)	286	-	-
Net investment income	4,702	5,716	3,744	4,529

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Note 7. Royalties, trademarks and licences					
Royalties		59	125	70	135
Licences		3	-	3	-
Commission fees		37	51	37	51
Total royalties, trademarks and licences		99	176	110	186
Note 8. Consultancy and contracts					
Consultancy		449	313	533	313
Contract research		171	228	171	228
Total consultancy and contracts		620	541	704	541
Note 9. Other revenue and income					
Other revenue					
Donations and bequests		781	890	108	50
Scholarships and prizes		18	18	18	18
Non-government grants		2,349	7,149	2,349	7,149
Sundry trading income		17,420	15,593	3,885	2,747
Total other revenue		20,568	23,650	6,360	9,964
Other income					
Other income *		78	182	2,386	2,451
Total other income		78	182	2,386	2,451
Total other revenue and income		20,646	23,832	8,746	12,415

* Other income includes the reimbursement of employee related expenses from Sport UNE to the University and forgiveness of debts from the University to UNE Health Pty Ltd and UNE Open Pty Ltd which are eliminated on consolidation.

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Note 10. Employee related expenses					
Academic					
Salaries		60,027	57,752	59,782	57,752
Contribution to superannuation and pension schemes					
Contributions to funded schemes		8,337	9,206	8,337	9,206
Contributions to unfunded schemes		96	11	96	11
Payroll tax		4,227	3,980	4,227	3,980
Worker's compensation		410	259	410	259
Long service leave expense		3,116	986	3,116	986
Annual leave		5,166	4,619	5,166	4,619
Total academic		81,379	76,813	81,134	76,813
Non-academic					
Salaries		73,805	66,482	65,316	57,756
Contribution to superannuation and pension schemes					
Contributions to funded schemes		8,580	554	8,580	9,044
Contributions to unfunded schemes		1,043	9,314	254	8
Payroll tax		4,894	4,462	4,425	3,988
Worker's compensation		434	286	422	255
Long service leave expense		3,107	871	3,098	932
Annual leave		5,821	4,966	5,598	4,674
Other (allowances, penalties and fringe benefits tax)		207	171	167	141
Total non-academic		97,891	87,106	87,860	76,798
Total employee related expenses		179,270	163,919	168,994	153,611
Deferred superannuation expense	41	371	341	371	341
Total employee related expenses, including deferred government employee benefits for superannuation		179,641	164,260	169,365	153,952

Employees working at Sport UNE are employees of the University and are reported in the employee related expenses of the University from 2013.

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Note 11. Depreciation and amortisation					
Depreciation					
Buildings		9,002	8,419	8,915	8,340
Infrastructure		773	732	762	718
Plant and equipment		6,485	4,675	6,218	4,372
Leasehold improvements		74	111	0	0
Leased plant and equipment		24	47	24	47
Library collection		3,589	3,803	3,589	3,803
Total depreciation		19,947	17,787	19,508	17,280
Amortisation					
Intangibles		1,318	1,342	711	927
Total amortisation		1,318	1,342	711	927
Total depreciation and amortisation		21,265	19,129	20,219	18,207
Note 12. Repairs and maintenance					
Buildings		1,125	2,049	1,125	2,049
Heritage assets		9	39	9	39
Infrastructure		883	1,004	883	1,004
Library collection		83	1	0	1
Plant/furniture/equipment		1,499	1,573	1,339	1,317
Contracts		2,052	2,005	2,052	2,005
Grounds		215	407	151	321
Computer service costs		584	1,019	584	1,019
Total repairs and maintenance		6,450	8,097	6,143	7,755
Note 13. Borrowing costs					
Interest expense		523	7	523	1
Total borrowing costs expensed		523	7	523	1
Note 14. Impairment of assets					
Bad debts		1,515	97	1,505	67
Doubtful debts		(1,221)	1,017	(1,224)	1,032
Impairment of investments		-	-	-	-
Impairment of assets		-	174	-	174
Total impairment of assets		294	1,288	281	1,273

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000

Note 15. Other expenses

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Scholarships, grants and prizes		11,283	10,929	11,174	10,872
Non-capitalised equipment		3,529	4,001	3,434	3,939
Advertising, marketing and promotional expenses		6,257	6,761	5,988	6,326
Utilities		7,221	8,030	6,667	7,411
Inventory used		7,177	5,951	5,283	4,065
Postal and telecommunications		2,356	2,340	1,806	1,787
Travel and entertainment		8,432	7,923	8,106	7,502
Books, serials and other library media		7,060	4,507	6,969	4,450
Operating lease rental charges		148	169	4	38
Consultants		11,711	16,849	10,716	16,165
External contributions		7,105	4,845	9,103	6,845
Catering services		3,115	3,027	3,158	3,084
Fees for services		11,486	11,365	9,754	9,665
Asset derecognition		-	49	-	-
Loss on derecognition of assets		436	-	-	-
Computer licensing		4,311	12,124	4,311	12,124
Inter entity transfer		-	-	4,289	-
Other expenditure		4,444	4,560	3,279	3,723
Total other expenses		96,071	103,430	94,041	97,996

Note 16. Cash and cash equivalents 1(h)

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Cash at bank and on hand		5,209	9,650	3,264	5,008
Deposits at call	1(l)	109,995	98,222	97,000	88,000
Total cash and cash equivalents		115,204	107,872	100,264	93,008

(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 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Balances as above	115,204	107,872	100,264	93,008
Less: bank overdrafts	-	-	-	-
Balance per statement of cash flows	115,204	107,872	100,264	93,008

(b) Cash at bank and on hand

Cash at bank is interest bearing with the floating rates being determined by the daily balance of funds held in the account.
Cash on hand are non-interest bearing.

(c) Deposits at call

The current level of deposits are bearing floating interest rates between 3.50% and 3.65%. These deposits have an average maturity of 183 days.

Deposits throughout the year were bearing floating interest rates between 3.50% and 4.30% (2013 - 3.65% and 5.23%) with an average maturity of 173 days (2013: 169 days).

Note 17. Receivables

Current	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Trade and other debtors	1(i)	12,631	13,806	10,667	11,974
Less: provision for impaired receivables		(1,062)	(2,284)	(1,039)	(2,264)
Subtotal		11,569	11,522	9,628	9,710
OS-HELP asset from Australian Government		(432)	(44)	(432)	(44)
Other receivables		-	-	110	112
Total current receivables		11,137	11,478	9,306	9,778

Note 17. Receivables (continued)

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Non-current					
Other receivables		-	-	59	37
Deferred government contribution for superannuation *defined benefit plan	**41**	328,597	221,724	328,597	221,724
Total non-current receivables		328,597	221,724	328,656	221,761
Total receivables		339,734	233,202	337,962	231,539

* The Commonwealth Government has a commitment to fund superannuation obligations, relating to past service by university employees in the state superannuation schemes, based on the fact that since 1987 the Commonwealth has met this commitment and at this point of time there is no reason to suggest that it will not continue to do so.

The amount payable by the Commonwealth Government are in respect of:
- State Superannuation Scheme for consolidated and parent in 2014 was $319.819 million (2013: $258.249 million)
- State Authorities Superannuation Scheme for consolidated and parent in 2014 was $3.195 million (2013: $1.950 million)
- State Authorities Non-contributory Superannuation Scheme for consolidated and parent in 2014 was $5.582 million (2013: $Nil)

(a) Impaired receivables

As at 31 December 2014 current receivables of the group with a nominal value of $1.300m (2013: $3.359m) were impaired. The amount of the provision was $1.062m (2013: $2.284m). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The impaired receivables for the parent in 2014 was $1.295m (2013:$1.072m).

The ageing of these receivables is as follows:

	Consolidated 2014	Consolidated 2013	Parent entity 2014	Parent entity 2013
3 to 6 months	939	2,623	939	2,619
Over 6 months	375	736	356	716
Total current impaired receivables	1,314	3,359	1,295	3,335

As of 31 December 2014, trade receivables of $0.265m (2013: $1.1m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated 2014	Consolidated 2013	Parent entity 2014	Parent entity 2013
3 to 6 months	693	1,411	256	1,072
Over 6 months	101	149	-	-
Total past due but not impaired trade receivables	794	1,560	256	1,072

Movements in the provision for impaired receivables are as follows:

	Consolidated 2014	Consolidated 2013	Parent entity 2014	Parent entity 2013
As at 1 January	(2,320)	(1,270)	(2,264)	(1,232)
Provision for impairment recognised during the year	(1,028)	(2,279)	(1,039)	(2,264)
Receivables written off during the year as uncollectible	1,496	(3)	1,505	-
Unused amount reversed	759	1,232	759	1,232
At 31 December	(1,093)	(2,320)	(1,039)	(2,264)

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Note 18. Inventories	1(j)				
Current					
Petrol and oils		3	8	3	8
Motor pool		7	7	7	7
College larder		3	7	3	7
Fodder and produce		130	91	130	91
Other stocks		260	279	-	-
Total current inventories		403	392	143	113
Note 19. Other financial assets	1(l)				
Current					
Loans and receivables		-	-	-	50
Total current other financial assets		-	-	-	50
Non-current					
Investments in subsidiaries		-	-	1,569	2,477
Shares in private companies		3,685	11	3,686	11
Available for sale		9,802	5,579	831	1,052
Total non-current other financial assets		13,487	5,590	6,086	3,540
Note 20. Non current assets classified as held for sale					
Land & buildings classified as held for sale		-	1,113	-	1,113
Total non-current assets classified as held for sale		-	1,113	-	1,113
Note 21. Other non-financial assets					
Current					
Accrued income		2,422	3,854	2,094	3,573
Prepaid expenses		4,808	4,887	4,736	4,784
Total current other non-financial assets		7,230	8,741	6,830	8,357

Note 22. Investments accounted for using the equity method

Name of associated entity	Place of business Country of Incorporation	Measurement method	Ownership Interest % 2014	Ownership Interest % 2013
Remarkspdf Pty Ltd	Australia	Cost	30	30

The investments in Remarkspdf Pty Ltd accounted for using the equity method was immaterial and it was considerd that no value will be taken up in 2014.

Note 23. Biological assets

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Trees	5	5	5	5
Livestock	600	620	600	620
Total biological assets	605	625	605	625
Reconciliation of changes in the carrying amount of biological assets				
Trees - Balance at 31 December	5	5	5	5
Livestock - Balance as at 1 January	620	552	620	552
Purchases	8	126	8	126
Natural increases	355	82	355	82
Sales	(362)	(208)	(362)	(208)
Increment/(decrement) in fair value of biological assets	(21)	68	(21)	68
Balance as at 31 December	600	620	600	620
Total biological assets	605	625	605	625

At 31 December 2014 livestock held for sale comprised 137 cattle and 6,954 sheep (2013: 215 cattle and 12,472 sheep).

Note 24. Property, plant and equipment

Consolidated	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment * $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Library Collections $'000	Library rare books $'000	Other plant and equipment ** $'000	Total $'000
At 1 January 2013											
- Cost	498	-	14,938	8,384	45,163	738	2,861	34,014	-	1,285	**107,881**
- Valuation	22,217	21,816	169,995	-	-	-	-	-	1,769	2,945	**218,742**
Accumulated depreciation and impairment	(740)	-	(8,015)	-	(29,407)	(274)	(2,790)	(20,623)	-	-	**(61,849)**
Net book amount	**21,975**	**21,816**	**176,918**	**8,384**	**15,756**	**464**	**71**	**13,391**	**1,769**	**4,230**	**264,774**
Year ended 31 December 2013											
Opening net book amount	21,975	21,816	176,918	8,384	15,756	464	71	13,391	1,769	4,230	**264,774**
Depreciation written back on disposal	4	-	49	-	4,290	19	-	704	-	-	**5,066**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	-	-	-	-	**-**
Derecognition	(2)	-	(56)	-	(4,424)	(31)	-	-	-	(1,567)	**(6,080)**
Land and buildings held for sale	(46)	(910)	(100)	-	(57)	-	-	-	-	-	**(1,113)**
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	**-**
Additions	416	-	3,968	12,727	13,329	40	-	898	-	95	**31,473**
Impairment	-	-	(244)	-	-	-	-	-	-	-	**(244)**
Depreciation charge	(732)	-	(8,440)	-	(4,675)	(111)	(47)	(3,803)	-	-	**(17,808)**
Closing net book amount	**21,615**	**20,906**	**172,094**	**21,111**	**24,219**	**381**	**24**	**11,190**	**1,769**	**2,758**	**276,068**
At 31 December 2013											
- Cost	866	-	18,748	21,111	54,310	760	2,756	35,892	-	1,111	**135,554**
- Valuation	22,217	20,906	169,995	-	-	-	-	-	1,769	1,647	**216,534**
Accumulated depreciationand impairment	(1,468)	-	(16,649)	-	(30,091)	(378)	(2,732)	(24,702)	-	-	**(76,020)**
Net book amount	**21,615**	**20,906**	**172,094**	**21,111**	**24,219**	**382**	**24**	**11,190**	**1,769**	**2,758**	**276,068**

Note 24. Property, plant and equipment (continued)

Consolidated	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment * $'000	Leasehold improvements $'000	Leased plant & equipment $'000	Library Collections $'000	Library rare books $'000	Other plant and equipment ** $'000	Total $'000
Year ended 31 December 2014											
Opening net book amount	21,615	20,906	172,094	21,111	24,219	382	24	11,190	1,769	2,758	**276,068**
Depreciation written back on disposal	-	-	147	-	2,741	-	-	-	-	-	**2,888**
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	**-**
Impaired assets disposed	-	-	244	-	-	-	-	-	-	-	**244**
Transfers	-	-	9,653	(9,653)	-	82	-	-	-	-	**82**
Derecognition	-	-	(566)	-	(3,508)	(77)	-	-	-	(93)	**(4,244)**
Assets classified as held for sale and other disposals	-	-	-	-	(14)	-	-	-	-	-	**(14)**
Revaluation surplus	596	(894)	17,922	-	-	-	-	-	-	(398)	**17,226**
Additions	681	-	22,212	203	10,707	-	-	-	-	218	**34,021**
Impairment	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(773)	-	(9,002)	-	(6,460)	(87)	(24)	(3,589)	-	-	**(19,935)**
Closing net book amount	**22,119**	**20,012**	**212,703**	**11,661**	**27,685**	**300**	**-**	**7,601**	**1,769**	**2,485**	**306,335**
At 31 December 2014											
- Cost	1,239	-	30,563	11,661	63,318	786	2,756	35,892	-	2,485	**148,700**
- Valuation	21,135	20,012	182,625	-	-	-	-	-	1,769	-	**225,541**
Accumulated depreciation and impairment	(255)	-	(485)	-	(35,633)	(486)	(2,756)	(28,291)	-	-	**(67,906)**
Net book amount	**22,119**	**20,012**	**212,703**	**11,661**	**27,685**	**300**	**-**	**7,601**	**1,769**	**2,485**	**306,335**

Note 24. Property, plant and equipment (continued)

	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment * $'000	Leased plant & equipment $'000	Library collections $'000	Library rare books $'000	Other plant & equipment ** $'000	Total $'000
Parent entity										
At 1 January 2013										
- Cost	498	-	14,848	8,384	40,892	2,861	34,014	-	1,285	**102,782**
- Valuation	22,147	21,416	167,202	-	-	-	-	1,769	2,945	**215,479**
Accumulated depreciation and impairment	(736)	-	(7,936)	-	(26,178)	(2,789)	(20,623)	-	-	**(58,262)**
Net book amount	**21,909**	**21,416**	**174,114**	**8,384**	**14,714**	**72**	**13,391**	**1,769**	**4,230**	**259,999**
Year ended 31 December 2013										
Opening net book amount	21,909	21,416	174,114	8,384	14,716	71	13,391	1,769	4,230	**259,999**
Depreciation written back on disposal	4	-	49	-	3,960	-	704	-	-	**4,717**
Transfers	-	-	-	-	-	-	-	-	-	**-**
Derecognition	(2)	-	(57)	-	(4,037)	-	-	-	(1,567)	**(5,663)**
Land and buildings held for sale	(46)	(910)	(100)	-	(57)	-	-	-	-	**(1,113)**
Revaluation surplus	-	-	-	-	-	-	-	-	-	**-**
Additions	336	-	3,966	12,727	12,618	-	898	-	-	**30,545**
Impairment	-	-	(244)	-	-	-	-	-	-	**(244)**
Depreciation charge	(718)	-	(8,361)	-	(4,372)	(47)	(3,803)	-	-	**(17,301)**
Closing net book amount	**21,483**	**20,506**	**169,367**	**21,111**	**22,829**	**24**	**11,190**	**1,769**	**2,664**	**270,942**
At 31 December 2013										
- Cost	786	-	18,657	21,111	49,729	2,756	35,892	-	1,017	**129,948**
- Valuation	22,147	20,506	167,202	-	-	-	-	1,769	1,647	**213,270**
Accumulated depreciation and impairment	(1,450)	-	(16,492)	-	(26,900)	(2,732)	(24,702)	-	-	**(72,276)**
Net book amount	**21,483**	**20,506**	**169,367**	**21,111**	**22,829**	**24**	**11,190**	**1,769**	**2,664**	**270,942**

Note 24. Property, plant and equipment (continued)

	Infrastructure $'000	Freehold land $'000	Freehold buildings $'000	Buildings & Infrastructure under construction $'000	Plant and equipment * $'000	Leased plant & equipment $'000	Library collections $'000	Library rare books $'000	Other plant & equipment ** $'000	Total $'000
Parent entity										
Year ended 31 December 2014										
Opening net book amount	21,483	20,506	169,367	21,111	22,829	24	11,190	1,769	2,664	**270,942**
Depreciation written back on disposal	-	-	147	-	2,741	-	-	-	-	**2,888**
revaluation	-	-	-	-	-	-	-	-	-	**-**
Impaired assets disposed	-	-	244	-	-	-	-	-	-	**244**
Transfers	-	-	9,653	(9,653)	-	-	-	-	-	**-**
Derecognition	-	-	(566)	-	(3,149)	-	-	-	-	**(3,715)**
Land and buildings held for sale	-	-	-	-	-	-	-	-	-	**-**
Revaluation surplus	637	(894)	18,175	-	-	-	-	-	(398)	**17,520**
Additions	682	-	22,178	203	10,563	-	-	-	218	**33,844**
Impairment	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge	(763)	-	(8,915)	-	(6,217)	(24)	(3,589)	-	-	**(19,508)**
Closing net book amount	**22,039**	**19,612**	**210,283**	**11,661**	**26,768**	**-**	**7,601**	**1,769**	**2,485**	**302,217**
At 31 December 2014										
- Cost	1,239	-	30,563	11,661	57,144	2,756	35,892	-	2,485	**141,740**
- Valuation	21,055	19,612	180,205	-	-	-	-	1,769	-	**222,640**
Accumulated depreciation and impairment	(255)	-	(485)	-	(30,376)	(2,756)	(28,291)	-	-	**(62,163)**
Net book amount	**22,039**	**19,612**	**210,283**	**11,661**	**26,768**	**-**	**7,601**	**1,769**	**2,485**	**302,217**

* Plant & equipment includes all operational assets and $611k of plant and equipment work in progress ($4.2m 2013).

** Other plant & equipment includes non-operational assets such as Museum & Collections, Artworks & Work in progress. A change in policy in 2014 has seen Museums and Artwork restated at cost and not valuation

Note 25. Intangible assets

	Notes	Software Development	License	Goodwill	Course Development	Total
	1(p)	$'000	$'000	$'000	$'000	$'000
Consolidated						
At 1 January 2013						
Cost		15,694	525	1,269	417	17,905
Accumulated amortisation and impairment		(12,999)	-	(364)	(207)	(13,570)
Net book amount		2,695	525	905	210	4,335
Year ended 31 December 2013						
Opening net book amount		2,695	525	905	210	4,335
Additions - internal development		121	-	-	109	230
Impairment		(109)	-	-	-	(109)
Amortisation charge		(1,133)	-	(112)	(97)	(1,342)
Closing net book amount		1,574	525	793	222	3,114
At 31 December 2013						
Cost		15,264	525	1,269	526	17,583
Accumulated amortisation and impairment		(13,689)	-	(476)	(304)	(14,469)
Net book amount		1,575	525	793	222	3,114
Year ended 31 December 2014						
Opening net book amount		1,575	525	793	222	3,114
Additions - internal development		91	-	-	65	156
Additions - separately acquired		40	-	-	-	40
Disposals		(50)	-	-	-	(50)
Impairment		-	-	(223)	-	(222)
Amortisation charge		(892)	-	(93)	(86)	(1,071)
Closing net book amount		764	525	477	201	1,967
At 31 December 2014						
Cost		14,269	525	1,047	479	16,320
Accumulated amortisation and impairment		(13,505)	-	(570)	(278)	(14,353)
Net book amount		764	525	477	201	1,967

Intangible assets

	Notes	Software Development	Water Licence	Total
	1(p)	$'000	$'000	$'000
Parent				
At 1 January 2013				
Cost		13,400	500	13,900
Accumulated amortisation and impairment		(11,196)	-	(11,196)
Net book amount		2,204	500	2,704
Year ended 31 December 2013				
Opening net book amount		2,204	500	2,704
Additions - internal development		11	-	11
Disposals		(238)	-	(238)
Transfers		(315)	-	(315)
Revaluation increment		443	-	443
Amortisation charge		(927)	-	(927)
Closing net book amount		1,178	500	1,678
At 31 December 2013				
Cost		12,858	500	13,358
Accumulated amortisation and impairment		(11,680)	-	(11,680)
Net book amount		1,178	500	1,678

Note 25. Intangible assets (continued)

	Notes	Software Development	Water Licence	Total
Parent	**1(p)**	$'000	$'000	$'000
Year ended 31 December 2014				
Opening net book amount		1,178	500	1,678
Additions - internal development		63	-	63
Disposals		(50)	-	(50)
Amortisation charge		(711)	-	(711)
Closing net book amount		480	500	980
At 31 December 2014				
Cost		11,795	500	12,295
Accumulated amortisation and impairment		(11,315)	-	(11,315)
Net book amount		480	500	980

Note 26. Trade and other payables

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Current					
Trade payables	**1(r)**	2,015	4,484	1,066	3,490
Refundable receipts		6	-	6	-
Total current trade and other payables		2,021	4,484	1,072	3,490

a) Foreign currency risk

The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
US dollar	-	-	-	-
Australian dollars	2,021	4,484	1,072	3,490
Total current trade and other payables	2,021	4,484	1,072	3,490

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

Note 27. Borrowings

	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Non-current				
Secured bank loans	20,000	-	20,000	-
Total non-current borrowings	20,000	-	20,000	-
Total borrowings	20,000	-	20,000	-

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2014 and 2013.

(b) Financing arrangements

In October 2013, the University received approval from the Treasurer of New South Wales to borrow a maximum of $20 million by way of bank facilities in the capital market.

The University entered into bank facilities of $20 million with National Australia Bank with a maximum term of 5 years.

(c) Specify class of borrowings

In October 2013 the University received approval from the Treasurer of New South Wales to borrow funds to the maximum of $20 million towards the construction of student accommodation. Such approval is required under Section 61 (1)(d) of the University of New England Act 1993.
In 2014, the University drew down the $20 million.

The balance of the loan outstanding as at 31 December 2014 was $20 million (2013: $20 million).

Refer to note 39 for details regarding credit, liquidity and market risk arising from financial instruments.

(d) Fair value

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

(e) Risk exposure

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 39.

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
Note 28. Provisions	1(u)				
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual eave		9,778	8,919	9,226	8,313
Long service leave		3,039	3,357	2,857	3,073
Staffing		18	1,249	18	1,249
Other		4	103	-	100
Subtotal		12,839	13,628	12,101	12,735
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		4,750	4,382	4,430	3,991
Long service leave		15,457	12,937	14,922	12,445
Other		-	-	-	-
Subtotal		20,207	17,319	19,352	16,436
Total current provisions		33,046	30,947	31,453	29,171
Non-current provisions					
Employee benefits					
Long service leave		5,167	4,061	4,972	3,876
Deferred government benefits for superannuation		328,597	225,676	328,597	225,676
Professorial superannuation		2,699	1,422	2,699	1,422
Total non-current provisions		336,463	231,159	336,268	230,974
Total provisions		369,509	262,106	367,721	260,145
Note 29. Other liabilities					
Current					
(i) **Accrued liabilities**					
Salary related		2,995	2,121	2,928	2,058
Other accrued expenditure		8,090	9,788	8,058	9,651
		11,085	11,909	10,986	11,709
(ii) **Monies received in advance**					
Australian Government unspent financial assistance		-	-	-	-
Financial assistance in advance		1,365	748	1,365	748
Fees in advance		7,555	7,359	6,458	6,307
		8,920	8,107	7,823	7,055
(iii) **Trust funds**					
Security deposits		16	20	16	20
Employee deduction clearing accounts		735	1,900	735	1,900
Associated entities		11	13	11	13
Other		574	916	425	803
		1,336	2,849	1,187	2,736
Total current other liabilities		21,341	22,865	19,996	21,500
Non Current					
Fees in advance		-	-	-	-
Total other liabilities		21,341	22,865	19,996	21,500

Note 30. Reserves and retained earnings

	Notes	Consolidated 2014 $'000	Consolidated 2013 $'000	Parent entity 2014 $'000	Parent entity 2013 $'000
(a) Reserves					
Revaluation reserve - investments		4,612	1,243	4,828	2,183
Revaluation reserve - buildings		45,040	27,517	44,275	26,447
Revaluation reserve - land		11,661	13,019	11,342	12,699
Revaluation reserve - infrastructure		11,080	10,433	10,999	10,362
Revaluation reserve - works of art		-	398	-	398
Total reserves		72,393	52,610	71,444	52,089
Movements					
Asset revaluation reserve - investments					
Balance 1 January		1,244	1,106	2,183	3,203
Prior year adjustment		-	117	-	-
Transfer from reserves		(24)	(22)	-	-
Increment/(decrement) on revaluation		3,392	42	2,645	(1,020)
Balance 31 December		4,612	1,243	4,828	2,183
Asset revaluation reserve - buildings					
Balance 1 January		27,517	27,587	26,447	26,517
Increment/(decrement) on revaluation		17,870	(70)	18,175	(70)
Transfer to/(from) retained surplus on disposal		(347)	-	(347)	-
Balance 31 December		45,040	27,517	44,275	26,447
Asset revaluation reserve - land					
Balance 1 January		13,019	13,035	12,699	12,715
Increment/(decrement) on revaluation		(894)	(16)	(893)	(16)
Transfer to/(from) retained surplus on disposal		(464)	-	(464)	-
Balance 31 December		11,661	13,019	11,342	12,699
Movements					
Asset revaluation reserve - infrastructure					
Balance 1 January		10,433	10,433	10,362	10,362
Increment/(decrement) on revaluation		647	-	637	-
Balance 31 December		11,080	10,433	10,999	10,362
Asset revaluation reserve - works of art					
Balance 1 January		398	398	398	398
Decrement on transfer to cost		(398)	-	(398)	-
Balance 31 December		-	398	-	398
(b) Retained earnings					
Movements in retained surplus were as follows:					
Retained earnings at 1 January		294,652	278,865	273,741	258,132
Actuarial gain/(loss) on defined benefit superannuation plans		(573)	2,684	(573)	2,684
Other		100	(117)	-	-
Transfer to/(from) retained surplus on disposal or revalued assets		813	-	810	-
Net operating result for the year		4,709	13,219	876	12,924
Rounding adjustment		-		-	1
Retained earnings at 31 December		299,701	294,652	274,854	273,741

(c) Nature and purpose of reserves

(i) Asset revaluation reserve - land, buildings, infrastructure and works of art

The reserve reflects the difference between the valuation assessment amount and the carrying cost. It records increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(o).

(ii) Asset revaluation reserve - investments

The reserve reflects the difference between the carrying cost and market value of available for sale investments.

Note 31. Key management personnel disclosures

(a) Responsible persons and executive officers

A list of the Members of the University Council are included in the University's Annual Report.

Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the University of New England during the financial year.

Professor Annabelle Duncan
Professor James Barber - (until September 2014)
Professor Faith Trent - (from April 2014)
Professor Alison Sheridan
Professor Heiko Daniel
Ms Gabrieli Rolan - (from April 2014)
Mr Robert Irving - (from April 2014)
Ms Michelle Clarke
Mr Brendan Peet
Mr David Cushway - (until April 2014)
Professor Michael Crock - (until March 2014)
Mr James Bell - (until September 2014)

(b) Remuneration of council members and executive officers

	Consolidated		Parent entity	
	2014	2013	**2014**	2013
i) Remuneration of council members	**No.**	**No.**	**No.**	**No.**
Nil to $9,999	37	41	9	5
$10,000 to $19,999	5	9	5	9
$20,000 to $29,999	3	2	3	2
	45	52	17	16

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

	$'000	$'000	**$'000**	$'000
Aggregate remuneration of Council Members				
Total Aggregate Remuneration	236	165	187	158

ii) Remuneration of executive officers	**No.**	**No.**	**No.**	**No.**
$130,000 to $139,999	1	-	-	-
$140,000 to $149,999	-	1	-	-
$150,000 to $159,999	-	2	-	1
$160,000 to $169,999	1	2	-	2
$180,000 to $189,999	1	2	-	-
$200,000 to $209,999	2	-	1	-
$210,000 to $219,999	1	1	1	1
$220,000 to $229,999	1	-	1	-
$230,000 to $239,999	-	1	-	1
$240,000 to $249,999	-	1	-	1
$260,000 to $269,999	-	1	-	1
$270,000 to $279,999	2	-	2	-
$280,000 to $289,999	-	1	-	1
$290,000 to $299,999	3	-	3	-
$300,000 to $309,999	1	-	1	-
$310,000 to $319,999	-	1	-	1
$320,000 to $329,999	1	-	1	-
$400,000 to $409,999	-	2	-	2
$470,000 to $479,999	1	-	1	-
$630,000 to $639,999	1	-	1	-
$780,000 to $789,999	-	1	-	1
	16	16	12	12

(c) Key management personnel compensation

Key management personnel compensation	**$'000**	$'000	**$'000**	$'000
Short-term employee benefits	4,067	4,278	2,930	3,037
Post-employment benefits	446	378	447	378
Termination benefits	538	222	446	222
Total key management personnel compensation	5,051	4,878	3,823	3,637

(d) Loans to key management personnel

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

Note 32. 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	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Audit and review of the financial statements				
Fees paid to the Audit Office of NSW	384	390	265	274
Total remuneration for audit services	384	390	265	274
Other audit and assurance services				
WHK Camerons Audit Services	-	-	-	-
Other audit firms	-	32	-	27
Total remuneration for audit-related services	-	32	-	27
Total audit fees	384	422	265	301

Note 33. Contingencies

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

At balance date, no contingent liabilities or contingent assets of a material nature to the university or its controlled entities had been identified.

Note 34. Commitments

(a) Capital commitments

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

Property, plant and equipment payable:				
Within one year	9,886	17,155	9,886	17,111
Between one and five years	924	-	924	-
Later than five years	-	-	-	-
Total PPE Commitments	10,810	17,155	10,810	17,111

(b) Lease commitments

(i) Operating leases				
Within one year	998	752	769	519
Between one and five years	3,151	2,168	2,586	2,060
Later than five years	98	517	98	517
Total operating leases	4,247	3,437	3,453	3,096
Total lease commitments	4,247	3,437	3,453	3,096

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 35. Related parties

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

(b) Subsidiaries
Interest in subsidiaries are set out in note 36.

(c) Key management personnel
Disclosures relating to directors and specified executives are set out in note 31.

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

The following transactions occurred with related parties:	Consolidated	
	2014	2013
	$'000	$'000
Issued capital	-	100
Sale of goods and services	1,753	2,195
Purchase of goods and services	6,556	3,326
Total Transactions with Related Parties	8,309	5,621

(e) Loans to/from related parties

Loans to subsidiaries		
Beginning of the year	50	37
Loans advanced	175	55
Loan repayment recevied	-	(42)
Loan forgiven	(225)	-
Interest charged	-	1
Interest received	-	(1)
End of year	-	50

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

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

Receivables (sale of goods and services)	271	300
Payables	91	28

(g) Guarantees
There have been no guarantees given.

(h) Terms and conditions
Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 36. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding 2014 %	Equity Holding 2013 %
UNE Partnerships Pty Ltd	Australia	Limited by shares	100	100
Agricultural Business Research Institute	Australia	Limited by guarantee	100	100
UNE Life Pty Ltd	Australia	Limited by shares	100	100
Sport UNE Pty Ltd	Australia	Limited by shares	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Australia	Limited by guarantee	100	100
UNE Open Pty Ltd	Australia	Limited by shares	100	100
UNE Health Pty Ltd	Australia	Limited by shares	100	100

UNE Open Pty Ltd and UNE Health Pty Ltd ceased operations on 18 November 2014 and 31 December 2014 respectively.

All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment between each entity and the University of New England. Outstanding loans to the two entities were forgiven by the University of New England.

The University lodged a request to voluntary deregister the companies with ASIC.

Note 37. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	Consolidated		Parent entity	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Net result for the period	4,709	13,219	876	12,924
Depreciation and amortisation	20,885	19,129	20,219	18,207
Purchase of issued capital	-	-	-	-
Asset capitalisation	(292)	-	-	-
Impairment of investment	-	173	-	173
Provision for impaired receivables	(1,224)	1,029	(1,224)	1,032
Actuarial gain / (loss) on deferred superannuation	(574)	2,684	(574)	2,684
Capitalisation and reinvestment of dividend	-	(129)	-	-
Net transfer of assets from/to controlled entity	(382)	-	-	-
Loss / (gain) on revaluation/derecognition	484	(286)	-	-
Net (gain) / loss on sale of non-current assets	(276)	694	(270)	712
Increase / (decrease) in payables and prepaid income	(2,106)	(439)	(2,373)	(207)
Increase / (decrease) in provision for employee entitlements	107,402	(31,694)	107,553	(31,608)
Increase / (decrease) in provision for annual/long service leave	1,351	332	1,351	290
Increase / (decrease) in other provisions	(1,294)	(1,844)	(1,330)	(1,926)
Increase / (decrease) in trust funds	(1,548)	(161)	(1,548)	(161)
(Increase) / decrease in receivables and prepaid expenses	(103,959)	22,732	(103,672)	22,731
(Increase) / decrease in inventories	(10)	(12)	(30)	(32)
Net cash provided by / (used in) operating activities	23,166	25,427	18,978	24,819

Note 38. Events occurring after the balance date

There are no reportable events occurring after balance date.

Note 39. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

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

Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial assets			
Receivables	17	Receivables are carried at nominal amounts due less any provision for impairment.	Accounts receivable credit terms are 30 days.
Deposits at call	16	Term deposits are stated at cost.	Bank call deposit interest rate is determined by the official money market.
Term deposits	16	Term deposits are stated at cost.	Term deposits are for a period of up to one year. Interest rates are between 3.50 % and 3.65%. Average maturity of 183 days.
Listed shares	19	Listed shares are carried at bid price.	
Unlisted shares	19	These are available-for-sale financial assets carried at fair value.	
Financial liabilities			
Borrowings	27	Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.	
Finance leasing	27	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	26 & 29(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(a) Market risk

(i) Foreign exchange risk

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

The Group undertakes certain transactions denominated in foreign currencies. These transactions expose the Group to exchange rate fluctuations. To minimise the risk, the Group recognises all transactions, assets and liabilities in Australian dollars only. Foreign currency deposits are recorded at cost and revalued at balance date. The parent entity (University) also managed exposure to foreign currency with derivative financial instruments such as foreign exchange contracts.

(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 its 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 Investment Committee.

(iii) Cash flow and fair value interest rate risk

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

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

Note 39. Financial risk management - (continued)

(iv) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets													
Cash and cash equivalents	5,209	(52)	(52)	52	52	-	-	-	-	-	-	-	-
Investments - term deposits	109,995	(1,100)	(1,100)	1,100	1,100	-	-	-	-	-	-	-	-
Receivables	13,559	-	-	-	-	-	-	-	-	-	-	-	-
Receivables - related entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Listed shares	9,802	-	-	-	-	-	-	-	-	(98)	(98)	98	98
Unlisted shares	3,685	-	-	-	-	-	-	-	-	(37)	(37)	37	37
Financial liabilities													
Borrowings	20,000	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,021	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	21,341	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,152)	(1,152)	1,152	1,152	-	-	-	-	(135)	(135)	135	135

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets													
Cash and cash equivalents	9,650	(97)	(97)	97	97	-	-	-	-	-	-	-	-
Investments - term deposits	98,222	(982)	(982)	982	982	-	-	-	-	-	-	-	-
Receivables	20,219	-	-	-	-	-	-	-	-	-	-	-	-
Listed shares	5,579	-	-	-	-	-	-	-	-	(56)	(56)	56	56
Unlisted shares	11	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	4,483	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	22,865	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,079)	(1,079)	1,079	1,079	-	-	-	-	(56)	(56)	56	56

Note 39. Financial risk management - continued

(b) Credit Risk

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

For the parent entity, the only material exposure exists in related entity debtors.

For UNE Partnerships Pty Ltd, Agricultural Business Research Institute, UNE Life Pty Ltd, Sport UNE Ltd, UNE Foundation and UNE Foundation Ltd, no material exposure exists to any individual creditor or class of financial asset.

(c) Liquidity risk

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

For the parent entity, the Finance Committee monitors the actual and forecast cash flow of the University on a regular basis ensuring sufficient cash reserves are held to meet the ongoing operations and obligations of the University as they fall due.

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

31 December 2014	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non interest	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	2.00%	5,209	-	-	-	-	5,209
Investments - term deposits	3.71%	-	109,995	-	-	-	109,995
Receivables	-	-	-	-	-	13,559	13,559
Listed shares	-	-	-	-	-	9,802	9,802
Unlisted shares	-	-	-	-	-	3,685	3,685
Total financial assets		5,209	109,995	-	-	27,046	142,250
Financial liabilities							
Borrowings		-	-	20,000	-	-	20,000
Payables		-	-	-	-	2,021	2,021
Other amounts owing		-	-	-	-	21,341	21,341
Total financial liabilities		-	-	20,000	-	23,362	43,362
Net financial assets / (liabilities)		5,209	109,995	(20,000)	-	3,684	98,888

Comparative figures for the previous year are as follows:

31 December 2013	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	5+ years	Non interest	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	2.30%	9,650	-	-	-	-	9,650
Investments - term deposits	4.38%	-	98,222	-	-	-	98,222
Receivables	-	-	-	-	-	20,219	20,219
Listed shares	-	-	-	-	-	5,579	5,579
Unlisted shares	-	-	-	-	-	11	11
Total financial assets		9,650	98,222	-	-	25,809	133,681
Financial liabilities							
Borrowings		-	-	-	-	-	-
Payables		-	-	-	-	4,483	4,483
Other amounts owing		-	-	-	-	22,865	22,865
Total financial liabilities		-	-	-	-	27,348	27,348
Net financial assets / (liabilities)		9,650	98,222	-	-	(1,539)	106,333

Note 40. 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.

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

	Carrying amount		Fair value	
Consolidated	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Financial assets				
Cash and cash equivalents	115,204	107,872	115,204	107,872
Receivables	328,597	233,202	328,597	233,202
Other financial assets	13,487	5,579	13,487	5,579
Total financial assets	457,288	346,653	457,288	346,653
Non-financial assets				
Land	20,012	20,906	20,012	20,906
Buildings	212,703	172,094	212,703	172,094
Infrastructure	22,119	21,615	22,119	21,615
Rare books	1,769	1,769	1,769	1,769
Works of art	1,452	1,216	-	1,216
Museums	645	431	-	431
Total non-financial assets	258,700	218,031	256,603	218,031
Financial liabilities				
Payables	2,020	4,484	2,020	4,484
Borrowings	20,000	-	20,000	-
Other financial liabilities	-	-	-	-
Total financial liabilities	22,020	4,484	22,020	4,484

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
• Derivative financial instruments
• Available-for-sale financial assets
• Land and buildings
• Infrastructure
• Rare books
A policy change in 2014 has seen works of art and museums restated at cost and not valuation.

Fair value measurement of non-financial assets is based on highest and best use of the asset. The Group considers market participants use of or purchase price of the asset to use it in a manner that would be highest and best use.

(b) Fair value hierarchy
The Group categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements
Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

Fair value measurements at 31 December 2014

Recurring fair value measurements		**2014**	Level 1	Level 2	Level 3
Financial assets	**Consolidated**	**$'000**	$'000	$'000	$'000
Financial assets at fair value through profit or loss					
Trading derivatives		-	-	-	-
Trading securities		-	-	-	-
Available-for-sale financial assets					
Equity securities		9,802	9,802	-	-
Debt securities		-	-	-	-
Other financial assets		-	-	-	-
Shares in private companies		3,685	-	-	3,685
Total financial assets		13,487	9,802	-	3,685
Non-financial assets					
Land		20,012	-	-	20,012
Buildings		212,703	-	-	212,703
Infrastructure		22,119	-	-	22,119
Rare books		1,769	-	-	1,769
Total non-financial assets		256,603	-	-	256,603
Financial liabilities					
Payables		13,487	-	13,487	-
Borrowings		20,000	-	20,000	-
Total liabilities		33,487	-	33,487	-
Total fair value measurements at 31 December 2014		303,577	9,802	33,487	260,288

Note 40. Fair Value Measurements (continued)

Fair value measurements at 31 December 2013

Recurring fair value measurements		**2013**	Level 1	Level 2	Level 3
Financial assets	**Consolidated**	**$'000**	$'000	$'000	$'000
Financial assets at fair value through profit or loss					
Available-for-sale financial assets					
Other financial assets		5,579	5,579	-	-
Total financial assets		5,579	5,579	-	-
Non-financial assets					
Land		20,906	-	-	20,906
Buildings		172,094	-	-	172,094
Infrastructure		21,615	-	-	21,615
Works of art		1,216	-	-	1,216
Museums		431	-	-	431
Total non-financial assets		216,262	-	-	216,262
Total fair value measurements at 31 December 2013		221,841	5,579	-	216,262

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

During 2014, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes will be recorded as level 3 assets and are shown in the level 3 reconciliation below.

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

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

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

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

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

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

(i) Recurring fair value measurements
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.
Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments
- fair value of land and buildings, infrastructure, are determined from independent valuation or the value of transfers of assets from work in progress and are classified as level 3

All of the resulting fair value estimates are included in level 3 except for listed shares.

Freehold land and buildings (classified as property, plant and equipment) are valued independetly at least every three years. At the end of each reporting period, the Group updates their assessments of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's values within a range of reasonable fair value estimates.

The best evidence of fair value is current prices is an active market for similar properties. Where such information is not available the Group 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.

(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 2014 and 2013:

Level 3 fair value measurements 2014	Unlisted equity secutiries $'000	Buildings $'000	Other financial assets $'000	Other $'000	Total $'000
Opening balance	-	172,095	-	45,279	217,375
Acquisitions	-	31,865	-	1,131	32,996
Impaired assets disposed	-	244	-	-	244
Assets restated at cost not valuation	-	-	-	(1,647)	(1,647)
Available for sale	-	-	-	-	-
Sales	-	(419)	-	-	(419)
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses) on revaluation	-	17,920	-	198	18,118
Recognised in profit or loss*	-	(9,002)	-	(1,061)	(10,063)
Recognised in other comprehensive income	-	-	-	0	(1)
Closing balance	-	212,703	-	43,900	256,603
Level 3 fair value measurements 2013					
Opening balance	-	176,918	-	48,021	224,940
Transfers from level 1	-	-	-	-	-
Available for sale	-	(100)	-	(956)	(1,056)
Sales	-	(56)	-	(1,569)	(1,625)
Acquisitions		3,968	-	511	4,479
Disposals	-	-	-	-	-
Total gains / (losses)	-	-	-	-	-
Recognised in profit or loss	-	(8,635)	-	(728)	(9,363)
Recognised in other comprehensive income*	-	-	-	-	-
Closing balance	-	172,095	-	45,279	217,375

(i) Transfers between levels 2 and 3 and changes in valuation techniques
There have been no transfers between level 2 and 3 during 2014. Works of art and museums have been restated at cost not valuation in 2014

(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 14 $'000	* Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	20,012	Global Valuations	+-5%	Increase in value of land by 5% per square metre would increase value by $1,000k. Decrease in value of land by 5% per square metre would decrease value by $1,000k. Increase in replacement cost of buildings would increase value by $9.1m. Decrease in replacement cost of buildings would decrease value by $9.1m.
Buildings	182,625	Global Valuations	+-5%	
Infrastructure	21,135	Global Valuations	n/a	
Buildings	30,078	Value of transfers from WIP	n/a	
Infrastructure	984	Value of additions from WIP	n/a	
Rare Books	1,769	Burnetts Books	n/a	
Total	**256,603**			

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

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

Note 41. Defined Benefit Plans

a) Fund specific disclosure

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

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

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

These schemes are all defined benefit schemes; at least a component of the final benefit is derived from a multiple of member salary and years of membership.

Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

All schemes are closed to new members.

Professorial superannuation scheme

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

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

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

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

The University made a contribution of $0.233 million in 2014, (2013: $0.608 million) to the defined benefit plan during the year.

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

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Defined benefit obligation - 31 Dec 2014	19,970	20,386	60,965	365,940	467,261
Defined benefit obligation - 31 Dec 2013	18,981	19,540	59,999	384,305	482,825

b) Categories of plan assets

All pooled fund assets are invested by SAS Trustee Corporation at arm's length through independent fund managers and assets are not separately invested for each entity. As such, the disclosures below relate to total assets of the pooled fund.

The analysis of the plan assets and the expected rate of return at balance date is as follows:

As at 30 November 2014*	Total $'000	Quoted price in active markets for identical assets Level 1 $'000	Significant observable inputs Level 2 $'000	Unobservable Level 3 $'000
Short term securities	2,800,451	60,035	2,740,416	-
Australian fixed interest	2,602,827	9,345	2,576,847	16,635
International fixed interest	935,087	(315)	935,402	-
Australian equities	10,448,731	9,989,280	454,401	5,050
International equities	11,841,044	8,954,886	2,885,762	396
Property	3,413,800	970,865	759,838	1,683,097
Alternatives	6,733,061	607,195	3,136,335	2,989,531
Total **	**38,775,001**	**20,591,291**	**13,489,001**	**4,694,709**

* Actual asset allocation as at 31 December 2014 is not yet available. The latest available as at 30 November 2014 has been used.

** Additional to the assets disclosed above, at 30 November 2014 the pooled fund has provisions for receivables / (payables) estimated to be around $2.1 around $2.1 billion, giving an estimated assets totalling around $40.9 billion.

Note 41. Defined Benefit Plans (continued)

As at 31 December 2013	Total $'000	Quoted price in active markets for identical assets Level 1 $'000	Significant observable inputs Level 2 $'000	Unobservable Level 3 $'000
Short Term Securities	3,099,598	1,984,408	1,115,190	-
Australian Fixed Interest	1,686,348	6,734	1,679,614	-
International Fixed Interest	835,280	-	835,280	-
Australian Equities	13,092,913	12,876,543	216,206	164
International Equities	10,944,453	8,307,700	2,636,045	708
Property	3,148,735	800,135	680,854	1,667,746
Alternatives	5,862,620	525,243	2,448,886	2,888,491
Total	**38,669,947**	**24,500,763**	**9,612,075**	**4,557,109**

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

State schemes (SASS, SANCS, SSS)	2014 **(%)**	**2013 (%)**
Discount rate(s)		
Expected return on plan assets	8.3	8.3
Expected rate(s) of salary increase	2.7	4.0
Expected return on reimbursement rights	7.3	7.3
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.5	3.9
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	3.9	3.1
Expected rate(s) of salary increase	4.0	4.0

c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

	Base case	**Impact on defined benefit obligation**	
		Increase in discount rate	**Decrease in discount rate**
Discount rate	2.83%	3.83%	1.83%
Rate if CPI increase	2.50% pa	2.50% pa	2.50% pa
Salary growth rate	2.25%	2.25%	2.25%
Defined benefit obligation ($'000)	374,920	337,830	419,435
		Increase in rate of CPI	**Decrease in rate of CPI**
Discount rate	2.83%	3.83%	1.83%
Rate if CPI increase	2.50% pa	3.0% pa	2.0% pa
Salary growth rate	2.25%	2.25%	2.25%
Defined benefit obligation ($'000)	374,920	356,925	394,433
		Increase in salary inflation rate	**Decrease in salary inflation rate**
Discount rate	2.83%	3.83%	1.83%
Rate if CPI increase	2.50% pa	3.0% pa	2.0% pa
Salary growth rate	2.25%	+ 0.5% pa	- 0.5% pa
Defined benefit obligation ($'000)	374,920	376,128	373,754
		Sensitivity to demographic assumptions	
		+ 5% pensioner mortality rate	- 5% pensioner mortality rate
Defined benefit obligation ($'000)	374,920	369,958	380,198

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.

Note 41. Defined Benefit Plans (continued)

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

	31 Decemer 2014	31 Decemer 2013
Discount rate	2.83% p.a.	4.27% p.a.
Salary increase rate (exclude promotional increases)	2.25% 2014/2015; 2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter	2.25% for 2013/2014 (2.95% for PSS); 2.50% pa for 2014/2015 and 2015/2016; 2.25% for 2016/2017 ; 2.00% for 2017/2018; 3.00% pa 2018/2019 to 2021/2022; 3.50% pa thereafter
Rate of CPI increase	2.5% p.a.	2.5% p.a.
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund	as per the 2012 Actuarial Investigation of the Pooled Fund

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2014

	$'000 SASS	$'000 SANCS	$'000 SSS	$'000 PSF	$'000 Total
Liabilities					
Provision for deferred government benenfits for superannuation	28,250	5,704	340,965	9,849	384,768
Provision for pension entitlements	-	-	-	-	-
Total liabilities	28,250	5,704	340,965	9,849	384,768
add: oncosts on pension entitlements	-	-	-	-	-
Total pension entitlements (including oncosts)	-	-	-	-	-
Total liabilities recognised in statement of financial position	28,250	5,704	340,965	9,849	384,768
Assets					
Receivable for deferred government contribution for superannuation	25,055	122	21,146	7,150	53,473
Total assets recognised in statement of financial position	25,055	122	21,146	7,150	53,473
Net liability recognised in the statement of financial position	(3,195)	(5,582)	(319,819)	(2,699)	(331,295)

Net liability - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	28,250	5,704	340,965	9,849	384,768
Fair value of plan assets	25,055	122	21,146	7,150	53,473
Net liability	3,195	5,582	319,819	2,699	331,295
Reimbursement right	-	-	-	-	-
Total net liability /(asset) in statement of financial position	**3,195**	**5,582**	**319,819**	**2,699**	**331,295**

Reimbursement rights - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	1,749	-	219,975	-	221,724
Expected return on reimbursement rights	1,446	5,582	99,844	-	106,872
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	**3,195**	**5,582**	**319,819**	**-**	**328,596**

Present value of obligations - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	24,813	4,451	254,631	9,414	293,309
Current service cost	924	200	404	314	1,842
Interest expense / (income)	1,018	210	12,168	344	13,740
Remeasurements					
Actuarial losses/(gains) arising from liability experience	854	277	1,916	31	3,078
Actuarial losses/(gains) arising from changes in financial assumptions	1,737	524	49,208	1,262	52,731
Restatement of prior period balances	201	666	38,273	0	39,140
Contributions					
Plan participants	381	-	271	-	652
Exchange differences on foreign plans	-	-	-	-	-
Payments from plan					
Benefits paid	(1,522)	(428)	(16,642)	(1,516)	(20,108)
Taxes, premiums & expenses paid	(156)	(196)	736		384
Closing defined benefit obligation	**28,250**	**5,704**	**340,965**	**9,849**	**384,768**

Note 41. Defined Benefit Plans (continued)

Present value of plan assets - 2014	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening fair value of plan assets	23,065	499	34,656	7,992	66,212
Interest expense / (income)	950	17	1,146	287	2,400
Remeasurements					
Return on plan assets, excluding amounts included in interest expense	1,575	18	755	-	2,348
Actuarial (loss)/gain on fund assets	-	-	-	154	154
Contributions					
Employers	762	212	225	233	1,432
Plan participants	381	-	270	-	651
Payments from plan					
Benefits paid	(1,522)	(428)	(16,642)	(1,516)	(20,108)
Taxes, premiums and expenses paid	(156)	(196)	736	-	384
Closing fair value of plan assets	**25,055**	**122**	**21,146**	**7,150**	**53,473**

d) Statement of Financial Position amounts

Amounts recognised in the statement of financial position - 2013

	$'000	$'000	$'000	$'000	$'000
	SASS	**SANCS**	**SSS**	**PSF**	**Total**
Liabilities					
Provision for deferred government benenfits for superannuation	24,813	4,451	254,631	9,414	**293,309**
Provision for pension entitlements	-	-	-	-	-
Total liabilities	24,813	4,451	254,631	9,414	293,309
add: On-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (incl on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	24,813	4,451	254,631	9,414	293,309
Assets					
Receivable for deferred government contribution for superannuation	23,064	499	34,656	7,992	66,211
Total assets recognised in statement of financial position	23,064	499	34,656	7,992	66,211
Net liability recognised in the statement of financial position	(1,749)	(3,952)	(219,975)	(1,422)	(227,098)

Net liability - 2013	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Defined benefit obligation	24,813	4,451	254,631	9,414	293,309
Fair value of plan assets	23,064	499	34,656	7,992	66,211
Net liability	1,749	3,952	219,975	1,422	227,098
Reimbursement right	-	-	-	-	-
Total net liability /(asset) in statement of financial position	**1,749**	**3,952**	**219,975**	**1,422**	**227,098**

Reimbursement rights - 2013	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening value of reimbursement right	3,499	-	245,279	-	248,778
Expected return on reimbursement rights					
Change in value	(1,750)	-	(25,304)	-	(27,054)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	**1,749**	**-**	**219,975**	**-**	**221,724**

Present value of obligations - 2013	**SASS**	**SANCS**	**SSS**	**PSF**	**Total**
Opening defined benefit obligation	26,930	5,195	286,861	11,491	330,477
Current service cost	892	206	559	90	1,747
Interest expense/(income)	855	165	9,212	246	10,478
Remeasurements					
Actuarial losses/(gains) arising from liability experience	882	138	(280)	(258)	482
Actuarial losses/(gains) arising from changes in financial assumptions	(813)	(233)	(28,226)	(965)	(30,237)
Contributions					
Plan participants	426	-	377	-	803
Exchange differences on foreign plans	-	-	-	-	-
Payments from plan					
Benefits paid	(4,207)	(1,019)	(15,791)	(1,190)	(22,207)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(152)	(1)	1,919	-	1,766
Liabilities from business combination	-	-	-	-	-
Closing defined benefit obligation	**24,813**	**4,451**	**254,631**	**9,414**	**293,309**

Note 41. Defined Benefit Plans (continued)

Present value of plan assets - 2013	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	23,431	1,134	41,582	6,999	73,146
Remeasurements					
Interest income	740	55	1,118	208	2,121
Return on plan assets excluding amounts included in interest expense	2,043	104	5,180	-	7,327
Actuarial losses/(gains)	-	-	-	1,367	1,367
Contributions					
Employers	783	226	271	608	1,888
Plan participants	426	-	377	-	803
Payments from plan					
Benefits paid	(4,207)	(1,019)	(15,791)	(1,190)	(22,207)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(152)	(1)	1,919	-	1,766
Closing fair value of plan assets	**23,064**	**499**	**34,656**	**7,992**	**66,211**

e) Amounts recognised in other statements

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

Amounts recognised in the income statement – 2014

The amounts recognised in the income statement are restricted to the 4 schemeS and pension in accordance with note 1(v). The amounts are included in employee related expenses (note 10).

	SASS	SANCS	SSS	PSF	Total
Current service cost	924	200	404	314	1,842
Net interest	67	193	11,022	57	11,339
Total expense recognised in the Income Statement	991	393	11,426	371	13,181

Amounts recognised in the statement of comprehensive income - 2014

The amounts recognised in the statement of comprehensive income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 30).

	SASS	SANCS	SSS	PSF	Total
Remeasurements					
Recognised actuarial (gain) / loss assumptions - 2014	-	-	-	1,139	1,139
Actual return on plan assets less interest income	-	(566)	-	-	(566)
Total remeasurements for 2014	-	(566)	-	1,139	573
Total remeasurements recognised in the Statement of Comprehensive Income for 2014	-	(566)	-	1,139	573

Amounts recognised in the income statement – 2013

The amounts recognised in the income statement are restricted to the 4 schemes and pension in accordance with note 1(v). The amounts are included in employee related expenses (note 10).

					Total
					$'000
Current service cost	892	206	559	90	1,747
Net interest	115	110	8,094	38	8,357
Total expense recognised in the Income Statement	1,007	316	8,653	128	10,104

Amounts recognised in the Statement of Comprehensive Income - 2013

The amounts recognised in the statement of comprehensive income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 30).

Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions - 2013	-	(232)	-	-	(232)
Actuarial (gain) loss arising from liability experience	-	138	-	(2,590)	(2,452)
Total remeasurements for 2013	-	(94)	-	(2,590)	(2,684)
Total remeasurements recognised in the Statement of Comprehensive Income for 2013	-	(94)	-	(2,590)	(2,684)

Note 41. 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 net shortfall (excess of accrued benefits over assets) 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 2014, the assets of the DBD in aggregate were estimated to be $271 million above vested benefits, after allowing for various reserves. 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 2014, the assets of the DBD in aggregate were estimated to be $2,071 million above accrued benefits, after allowing for various reserves. 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 2014. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	6.10% p.a	7.80% p.a.
Gross of tax investment return – commercial rate indexed pensions	3.70% p.a.	3.70% p.a.
Net of tax investment return - non pensioner members	5.50% p.a.	7.00% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long term	3.75% p.a.	3.75% p.a.

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

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

Note 42. Acquittal of Australian Government financial assistance

Parent entity (University) Only

42.1 Education - CGS and other education grants

	Notes	Commonwealth Grant Scheme #1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program	
		2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
		$'000	$'000	**$'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)		101,095	98,295	1,219	1,137	2,799	3,651	145	92
Net accrual adjustments		(774)	1,309	-	182	-	-	-	-
Revenue for the period	3(a)	100,321	99,604	1,219	1,319	2,799	3,651	145	92
Surplus / (deficit) from the previous year		(1,206)	104	266	114	2,027	4,934	134	232
Total revenue including accrued revenue		99,115	99,708	1,485	1,433	4,826	8,585	279	324
Less expenses including accrued expenses		99,547	100,914	1,322	1,167	3,485	6,558	446	190
Surplus / (deficit) for reporting period		(432)	(1,206)	163	266	1,341	2,027	(167)	134

 # 1 Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.
 # 2 Includes Equity Support Program

	Notes	Capital Development Pool		Diversity and Structural Adjustment Fund #3		Transitional Cost Program	
		2014	2013	**2014**	2013	**2014**	2013
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the pogram)		-	-	-	6,000	-	-
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(a)	-	-	-	6,000	-	-
Surplus / (deficit) from the previous year		(1,452)	4,954	12,812	26,336	-	-
Total revenue including accrued revenue		(1,452)	4,954	12,812	32,336	-	-
Less expenses including accrued expenses		-	6,406	12,858	19,525	-	-
Surplus / (deficit) for reporting period		(1,452)	(1,452)	(46)	12,811	-	-

 # 3 Includes Collaboration and Structural Adjustment Program.

	Notes	Promotion of Excellence in Learning and Teaching		Reward Funding		Total	
		2014	2013	**2014**	2013	**2014**	2013
		$'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)		153	47	-	448	105,411	109,670
Net accrual adjustments		-	-	-	-	(774)	1,491
Revenue for the period	3(a)	153	47	-	448	104,637	111,161
Surplus / (deficit) from the previous year		8	70	-	417	12,590	37,162
Total revenue including accrued revenue		161	117	-	865	117,227	148,323
Less expenses including accrued expenses		49	109	-	865	117,707	135,734
Surplus / (deficit) for reporting period		112	8	-	-	(480)	12,589

42.2 Higher Education Loan Programs (excl OS-HELP)

Parent entity (University) Only

	Notes	HECS-HELP (Australian Government payments only) 2014 $'000	HECS-HELP 2013 $'000	FEE-HELP #4 2014 $'000	FEE-HELP #4 2013 $'000	SA-HELP 2014 $'000	SA-HELP 2013 $'000	Total 2014 $'000	Total 2013 $'000
Cash payable / (receivable) at beginning of year		191	(940)	(234)	(1,825)	-	(39)	(43)	(2,804)
Financial assistance received in cash during the reporting period		63,384	59,758	8,872	9,199	362	1,065	72,618	70,022
Cash available for the period		63,575	58,818	8,638	7,374	362	1,026	72,575	67,218
Revenue earned	3(b)	62,671	58,627	8,611	7,608	359	1,027	71,641	67,262
Cash payable / (receivable) at end of year		904	191	27	(234)	3	(1)	934	(44)

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

42.3 Scholarships

Parent entity (University) Only

	Notes	Australian Postgraduate Awards 2014 $'000	Australian Postgraduate Awards 2013 $'000	International Postgraduate Research Scholarships 2014 $'000	International Postgraduate Research Scholarships 2013 $'000	Commonwealth Education Cost Scholarships #5 2014 $'000	Commonwealth Education Cost Scholarships #5 2013 $'000	Commonwealth Accommodation Scholarships #5 2014 $'000	Commonwealth Accommodation Scholarships #5 2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		2,563	2,557	201	213	(69)	(507)	45	(29)
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(c)	2,563	2,557	201	213	(69)	(507)	45	(29)
Surplus / (deficit) from the previous year		234	538	-	94	1,371	1,964	189	287
Total revenue including accrued revenue		2,797	3,095	201	307	1,302	1,457	234	258
Less expenses including accrued expenses		2,392	2,861	244	307	50	86	45	69
Surplus / (deficit) for reporting period		405	234	(43)	-	1,252	1,371	189	189

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

42.3 Scholarships (continued)

	Notes	Indigenous Access Scholarships 2014 $'000	Indigenous Access Scholarships 2013 $'000	Total 2014 $'000	Total 2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		78	(45)	2,818	2,189
Net accrual adjustments		-	-	-	-
Revenue for the period	3(c)	78	(45)	2,818	2,189
Surplus / (deficit) from the previous year		(94)	53	1,700	2,936
Total revenue including accrued revenue		(16)	8	4,518	5,125
Less expenses including accrued expenses		78	102	2,809	3,425
Surplus / (deficit) for reporting period		(94)	(94)	1,709	1,700

42.4 Education research

Parent entity (University) Only

	Notes	Joint Research Engagement 2014 $'000	Joint Research Engagement 2013 $'000	Research Training Scheme 2014 $'000	Research Training Scheme 2013 $'000	Research Infrastructure Block Grants 2014 $'000	Research Infrastructure Block Grants 2013 $'000	Sustainable Research Excellence in Universities 2014 $'000	Sustainable Research Excellence in Universities 2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		3,134	2,885	6,604	6,887	1,092	809	993	877
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	3,134	2,885	6,604	6,887	1,092	809	993	877
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		3,134	2,885	6,604	6,887	1,092	809	993	877
Less expenses including accrued expenses		3,134	2,885	6,604	6,887	1,092	809	993	877
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

Education research (continued)

	Notes	Total 2014 $'000	2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		11,823	11,458
Net accrual adjustments		-	-
Revenue for the period	3(d)	11,823	11,458
Surplus / (deficit) from the previous year		-	-
Total revenue including accrued revenue		11,823	11,458
Less expenses including accrued expenses		11,823	11,458
Surplus / (deficit) for reporting period		-	-

42.5 Other capital funding

		Parent entity (University) Only			
		Teaching and Learning Capital Fund		Total	
	Notes	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		-	-	-	-
Net accrual adjustments		-	-	-	-
Revenue for the period	3(f)	-	-	-	-
Surplus / (deficit) from the previous year		(3,496)	(3,496)	(3,496)	(3,496)
Total revenue including accrued revenue		(3,496)	(3,496)	(3,496)	(3,496)
Less expenses including accrued expenses		-	-	-	-
Surplus / (deficit) for reporting period		(3,496)	(3,496)	(3,496)	(3,496)

42.6 Australian Research Council Grants

Parent entity (University) Only

(a) Discovery	Notes	Projects 2014 $'000	Projects 2013 $'000	ARC Discovery Early Career Researcher Award 2014 $'000	ARC Discovery Early Career Researcher Award 2013 $'000	Total 2014 $'000	Total 2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		1,788	1,363	270	266	2,058	1,629
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(i)	1,788	1,363	270	266	2,058	1,629
Surplus / (deficit) from the previous year		720	759	127	83	847	842
Total revenue including accrued revenue		2,508	2,122	397	349	2,905	2,471
Less expenses including accrued expenses		1,610	1,402	196	222	1,806	1,624
Surplus / (deficit) for reporting period		898	720	201	127	1,099	847

Parent entity (University) Only

(b) Linkages	Notes	Projects 2014 $'000	Projects 2013 $'000	ARC Future Fellowships 2014 $'000	ARC Future Fellowships 2013 $'000	Total 2014 $'000	Total 2013 $'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		295	357	670	193	965	550
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(ii)	295	357	670	193	965	550
Surplus / (deficit) from the previous year		156	71	151	144	307	215
Total revenue including accrued revenue		451	428	821	337	1,272	765
Less expenses including accrued expenses		291	272	253	186	544	458
Surplus / (deficit) for reporting period		160	156	568	151	728	307

Parent entity (University) Only

42.7 OS-HELP

	Notes	2014 $'000	2013 $'000
Cash received during the reporting period		1,363	222
Cash spent during the reporting period		(975)	(189)
Net cash received	3(g)	388	33
Cash surplus / (deficit) from the previous period		44	11
Cash surplus / (deficit) for the reporting period		432	44

42.8 Student services and amenities fee

	Notes	2014 $'000	2013 $'000
Unspent / (overspent) revenue from previous period		4,054	2,425
SA-HELP revenue earned	3(b)	359	1,027
Student services fees direct from students	5	590	1,825
Total revenue expendable in period		5,003	5,277
Student services expenses during period		1,611	1,223
Unspent / (overspent) student services revenue		3,392	4,054

" 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 2014

INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

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

I have audited the accompanying financial statements of the Agricultural Business Research Institute (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit and loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

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 2014 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 2010.

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

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 18 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.

Karen Taylor
Director, Financial Audit Services

23 March 2015
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 2014 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:	**Anthony John Traherne COATES (AM)**
Qualifications:	Bachelor of Rural Science
Experience:	Involvement in the beef cattle industry since 1962 as owner/manager of a cattle station. Councillor and Treasurer of Santa Gertrudis Breeders (Australia) Association and Chairman of Beef Genetics and Improvement Steering Committee of the Queensland Department of Primary Industries. Previously Deputy Chairman of South Burnett Meatworks Co-op Association.
Special Responsibilities	Chairman of the Board, IBRS Sub-Committee, Finance and Admin Sub-Committee
	Board member since January, 1993 Resigned March 2014
Name and Occupation:	**Charles Alexander MCDONALD**
Qualifications:	Bachelor of Agricultural Science
Experience:	Mr McDonald worked in research and extension with the Victorian Department of Agriculture for 12 years. He then took up the role of National Coordinator of field services for the National Beef Recording Scheme for three years before coordinating the National Carcase Evaluation Project for three years. Since 1992, Mr McDonald has been General Manager of the Australian Limousin Breeders' Society Ltd. He is a director of the Performance Beef Breeders Association and Chairman of the PBBA's Technical Committee.
Special Responsibilities	Managing Director, IBRS, Finance and Admin, ILRIC and Dairy Express Sub-Committees
	Board member since April 2008.
Name and Occupation:	**Robert Anthony BARWELL**
Experience:	Mr Barwell is a sheep and cattle producer who is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Mr Barwell is a member of the Australian Meat Industry Language and Standards Committee, and represents Cattle Council of Australia on Safemeat, a Government and Industry partnership, where he Chairs a number of committees dealing with food safety and trade access matters. Previously he was the National Co-ordinator of the CATTLECARE and Flockcare programs. He has also been a Director and General Manager of a diverse agricultural company with properties throughout rural New South Wales, New Zealand and Fiji.
Special Responsibilities	IBRS Sub-Committee
	Board member since May 2004.
Name and Occupation:	**Ian Michael LOCKE**
Qualifications:	Bachelor of Agricultural Economics
Experience:	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	IBRS Sub-Committee, Finance and Admin Sub-Committee
	Board member since June, 2002.
Name and Occupation:	**Barry John PAFF**
Experience:	Previous experience as a dairy farmer at Raleigh, milking 300 cows for many years and on the Board of Norco Co-operative and Norco Pauls JV Board, prior involvement in NSW Dairy Farmer's Association Dairy Committee, currently a lucerne farmer near Tamworth.
Special Responsibilities	Dairy Express Sub-Committee
	Board member since October 2005.
Name and Occupation:	**Geoffrey Bradfield FOX**
Qualifications:	Honours degree and doctorate in Rural Science at the University of New England and a post doctoral Masters of Arts in development economics and rural sociology at the Australian National University.
Experience:	Rural development and natural resource management specialist working in less developed countries for the World Bank (27 years) and AusAID (6 years). Currently, a grazier raising beef cattle. Chairman of the University of New England Foundation, member of the University of New England Council and its Finance Committee.
Special Responsibilities	Finance and Admin Sub-Committee
	Board member since June 2011
Name and Occupation:	**Morris George MCINNES**
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council.
Special Responsibilities	Dairy Express Sub-Committee
	Board member since November 2009.
Name and Occupation:	**Michelle Denise CLARKE**
Qualifications:	BCom MCom FCPA GAICD
Experience:	Michelle was previously CFO and company secretary of Tourism Queensland and was the executive director of its business performance and planning group. Before then she was responsible for strategy and finance for Suncorp Group Treasury. Michelle's experience includes corporate finance, financial risk management and project management in previous senior roles. Michelle is the Chief Financial Officer of University of New England.
Special Responsibilities	Finance and Admin Sub-Committee
	Board member since March 2013

Name and Occupation:	**Andrew Paul INGLE**
Qualifications:	Advanced Diploma Agribusiness Marcus Oldham College
Experience:	Andrew has spent many years working on Pastoral properties in Queensland & the Kimberly for AACO and Consolidated Pastoral Company. Current owner of a mixed farming operation in Southern NSW producing commercial Angus cattle & winter cereal crops. He has spent past 10 years working in the Live-export industry in Western/Northern & Southern Australia plus other countries building livestock supply outside of Australia to meet global customer requirements. Currently, General Manager Sales for Landmark Global Exports. Andrew is a board member of the Australian Livestock Exporters Council (ALEC), LIVEAIR Exporters and Landmark Global Exports Pty Ltd.
Special Responsibilities	ILRIC Sub-Committee Board member since July 2012 resigned March 2014

Name and Occupation:	**Gideon J GOOSEN**
Qualifications:	MBA (New Venture Management) and PhD in Quantitative Genetics
Experience:	Deon has 20 years of experience in the commercialisation of innovations from research and development programs. He has experience from multiple of Australia's Co-operative Research Centre's and was the CEO of a start-up company created from one such CRC. Deon has a sound depth of understanding of the technical issues associated with genetics and is a seasoned operator with respect to the challenges of commercialising new technologies and intellectual property.
Special Responsibilities	Managing Director, IBRS, Finance and Admin, ILRIC and Dairy Express Sub-Committees Board Member since July 2013 resigned July 2014

Name and Occupation:	**Peter Brett COOMBE**
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Brett 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 Associations Technical Committee. Board Member since July 2014

Company Secretary

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

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

Principal Activities

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

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

Company Objectives

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

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

Strategy for achieving these objectives

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

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

Object (c) - ABRI provides the BREEDPLAN® genetic evaluation service to the beef cattle industry nationally. The average weighted production index of cows recorded by ABRI in southern Australia has improved from an index of $10/cow to $55/cow in the time ABRI has been offering a selection system.

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

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

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

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

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

Directors' meetings

During the financial year ended 31 December, 2014 four directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Anthony John Traherne COATES (AM)	1	1
Charles Alexander MCDONALD	4	4
Robert Anthony BARWELL	4	2
Ian Michael LOCKE	4	4
Barry John PAFF	4	3
Geoffrey Bradfield FOX	4	4
Peter Brett COOMBE	2	2
Morris George MCINNES	4	4
Michelle Denise CLARKE	4	3
Andrew Paul INGLE	1	1
Gideon Jacobus GOOSEN	1	1

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has a $100 liability should the company be wound up. At 31 December 2014, the collective liability of members was $700 ($100 per member, maximum number of members 7).

Review of Operations

The operating surplus of the company was $750,438 (2013 = $249,845) and the surplus after fair value adjustments on the financial assets was $702,624 (2013 = $535,532)

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

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 2014.

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

C A McDonald
Director

R A Barwell
Director

19th March 2015

AUDITOR-GENERAL
NEW SOUTH WALES

To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Agricultural Business Research Institute for the year ended 31 December 2014, 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.

Karen Taylor
Director, Financial Audit Services

18 March 2015
SYDNEY

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

Directors' Declaration

The directors declare that:

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

2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2014;

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.

C A McDonald
Director

R A Barwell
Director

19th March 2015

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 2014 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 2010;*

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.

C A McDonald
Director

R A Barwell
Director

19th March 2015

Statement of Profit or Loss

For the Period ended 31 December 2014

	Notes	2014 $	2013 $
Revenue from continuing operations			
Investment revenue	2	336,968	325,289
Trading Revenue	4	8,052,476	7,926,933
Total revenue from continuing operations		8,389,444	8,252,222
Expenses from continuing operations			
Employee related expenses	5	4,934,402	5,037,960
Depreciation and amortisation	6	373,628	412,306
Repairs and maintenance	7	82,636	76,530
Impairment of assets	8	8,632	5,663
Other expenses	9	2,239,708	2,469,919
Total expenses from continuing operations		7,639,006	8,002,378
Surplus or (deficit) from continuing operations		**750,438**	**249,844**
Other gains and Losses			
Other investment income	3	(47,814)	285,688
Surplus or (deficit) attributable to the ABRI	19(b)	**702,624**	**535,532**

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

Statement of Other Comprehensive Income

For the Period ended 31 December 2014

	Notes	2014 $	2013 $
Surplus or (deficit) for the period		702,624	535,532
Items that may be reclassified to profit or loss			
Gain/(Loss) on value of available for sale financial assets		-	-
Gain/(Loss) on revaluation of Investments		-	-
		-	-
Items that will not be reclassified to profit or loss			
Gain/(Loss) on revaluation of land, buildings and infrastructure		(294,444)	-
Total other comprehensive income		(294,444)	-
Total comprehensive income for the period		408,180	535,532

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	**10**	5,544,003	5,121,350
Receivables	**11**	1,601,035	1,287,244
Other assets	**13**	262,958	259,523
Total current assets		7,407,996	6,668,117
Non-current assets			
Other financial assets	**12**	2,568,830	2,616,644
Property, plant and equipment	**14**	3,077,790	3,465,514
Intangible assets	**15**	283,608	396,584
Total non-current assets		5,930,228	6,478,742
Total assets		13,338,224	13,146,859
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	552,791	622,505
Provisions	**17**	1,164,995	1,255,860
Other liabilities	**18**	285,497	362,733
Total current liabilities		2,003,283	2,241,098
Non-current liabilities			
Provisions	**17**	88,000	67,000
Total non-current liabilities		88,000	67,000
Total liabilities		2,091,283	2,308,098
Net assets		11,246,941	10,838,761
EQUITY			
Asset revaluation reserve	**19(a)**	1,165,896	1,460,340
Retained earnings	**19(b)**	10,081,046	9,378,421
Total equity attributable to equity holders of the company		11,246,942	10,838,761

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

Statement of Changes in Equity
For the Period ended 31 December 2014

	Reserves	Retained Earnings	Total
Balance at 1 January 2013	1,460,340	8,842,889	10,303,229
Surplus or (deficit)	-	535,532	535,532
Total comprehensive income	-	535,532	535,532
Balance at 31 December 2013	1,460,340	9,378,421	10,838,761
Balance at 1 January 2014	1,460,340	9,378,421	10,838,761
Surplus or (deficit)	-	702,624	702,624
Revaluation of Land, buildings and infrastructure	(294,444)	-	(294,444)
Total comprehensive income	(294,444)	702,624	408,180
Balance at 30 September 2014	1,165,896	10,081,045	11,246,941

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 2014

	2014 $	2013 $
Cash flows from operating activities		
Receipts from customers	8,395,523	8,671,993
Dividends received	155,956	129,214
Interest received	191,643	149,344
Payments to suppliers and employees	(8,172,143)	(8,315,726)
Interest and other costs of finance	-	-
GST recovered/paid	-	-
Net cash provided by / (used in) operating activities	570,979	634,825
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	-
Payments for property, plant and equipment	(148,326)	(246,241)
Proceeds from sale of financial assets	-	-
Payments for financial assets	0	(294,570)
Repayment of loans	-	-
Net cash provided by / (used in) investing activities	(148,326)	(540,811)
Net increase / (decrease) in cash and cash equivalents	422,653	94,014
Cash and cash equivalents at the beginning of the financial year	5,121,350	5,027,336
Cash and cash equivalents at the end of the financial year	5,544,003	5,121,350

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, 2014 membership of the company stood at seven.

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

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

The financial statements for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board on 24 February 2015.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010, and the Corporations Act of 2001.

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

(b) Foreign currency translation

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

(ii) Transactions and balances
Foreign currency transactions have been translated to Australian currency at the exchange rates ruling on the date of the respective transactions and losses and gains arising are taken directly to the income statement. Balances existing at balance date have been translated at the exchange rates ruling at that date.

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Trading revenue
Revenue from fees and charges, which is predominantly rendering of services, is recognised in proportion to the level of service provided under the sales contract.

(ii) Investment income
Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(d) Income tax

Agricultural Business Research Institute has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

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

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

(f) Impairment of assets

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

Note 1. Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

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

(i) Investments and other financial assets

Classification

The Entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

The entity subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The company's investments are designated at fair value through profit and loss using the second leg of the fair value option; i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.

The movement in the fair value of the investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'Investment revenue'.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Entity's management has the positive intention and ability to hold to maturity. At balance date, the Entity held no assets in this category.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement
Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Note 1. Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

Fair Value
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, net asset value and option pricing models refined to reflect the issuer's specific circumstances.

Impairment
The Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(j) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Entity is the current bid price.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

(k) Property, infrastructure, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

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

Buildings 3 - 60 yrs,
Computing Equipment / Software - 5 - 15 yrs,
Motor Vehicles - 5 yrs,
Infrastructure - 10 yrs.
Furniture and Fittings - 7-20 yrs,
Other Plant and Equipment - 5 - 15 yrs,
Intangible - 5yrs

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Entity policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land, Buildings and Infrastructure controlled by the Entity were revalued as at 31 December 2014 by Global Valuation Services.

(l) Intangible assets

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

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

(ii) Licences

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

Note 1. Summary of significant accounting policies (Continued)

(m) Trade and other payables

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

(n) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Wages and salaries
Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measure at the amount expected to be paid when the liability is settled and are recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and is measured at the rates paid or payable.

(ii) Annual leave and sick leave
The liability for long-term employee benefits such as annual leave and accumulating sick leave is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.
Annual leave is not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. As such it is measured at nominal value, which is not materially different to present value.

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

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

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

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

(q) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2015	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	Impact immaterial

Notes to the financial statements (continued)
31 December 2014

		Notes	2014	2013
Note 2.	**Investment revenue**			
	Interest		181,012	196,075
	Dividend Income		155,956	129,214
	Total investment revenue		336,968	325,289
Note 3.	**Gains and losses**			
	Other investment gains/(losses)		(47,814)	285,688
	Total gains and losses		(47,814)	285,688
Note 4.	**Trading revenue**			
	Fees and charges		8,052,476	7,926,933
	Total trading revenue		8,052,476	7,926,933
Note 5.	**Employee related expenses**			
	Salaries		4,365,516	4,471,432
	Contribution to funded superannuation and pension schemes		390,055	388,306
	Payroll tax		230,256	230,782
	Worker's compensation		6,499	8,531
	Leave accrual expense		(69,865)	(74,221)
	Other (Allowances, penalties and fringe benefits tax)		11,941	13,130
	Total employee related expenses		4,934,402	5,037,960
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Buildings		86,669	78,757
	Infrastructure		10,267	13,941
	Furniture and Fittings		17,319	15,429
	Plant and Equipment		57,956	66,228
	Motor Vehicles		20,127	32,263
	Total depreciation		192,338	206,618
	Amortisation			
	Intangibles		181,290	205,688
	Total amortisation		181,290	205,688
	Total depreciation and amortisation		373,628	412,306
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		82,636	76,530
	Total repairs and maintenance		82,636	76,530
Note 8.	**Impairment of assets**			
	Bad Debts		8,632	5,663
	Total impairment of assets		8,632	5,663
Note 9.	**Other expenses**			
	Non-capitalised equipment		11,241	13,964
	Advertising, marketing and promotional expenses		41,264	22,783
	Utilities		29,739	40,161
	Postal and Telecommunications		506,160	489,887
	Travel and Entertainment		101,008	144,028
	Operating Lease Rental Charges		33,023	32,229
	Consultants		580,247	555,128
	Royalties		414,703	550,937
	Computer and Office Supplies		87,225	116,828
	Other Expenditure		435,098	503,973
	Total other expenses		2,239,708	2,469,918

Notes to the financial statements (continued)
31 December 2014

		Notes	2014 $	2013 $
Note 10.	**Cash and cash equivalents**	1(g)		
	Cash at bank		833,529	738,175
	At call investments		4,710,474	4,383,175
	Total cash and cash equivalents		5,544,003	5,121,350

(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:

	2014 $	2013 $
Balances as above	5,544,003	5,121,350
Less: Bank Overdrafts	-	-
Balance per cash flow statement	5,544,003	5,121,350

(b) Cash at bank and on hand

	2014 $	2013 $
These are non-interest bearing.	-	-

(c) Deposits at call
The deposits are bearing floating interest rates between 3.92% and 3.25% (2013: 4.35% and 3.92%). These deposits have an average maturity of 352 days.

		Notes	2014 $	2013 $
Note 11.	**Receivables**			
	Current			
	Trade and Other Debtors		1,614,921	1,301,079
	Less: Provision for impaired receivables	1(h)	(13,886)	(13,835)
	Total current receivables		1,601,035	1,287,244
	Non-current			
	Trade and Other Debtors		-	-
	Total non-current receivables		-	-
	Total receivables		1,601,035	1,287,244

(a) Impaired receivables

As at 31 December 2014 current receivables of the entity with a nominal value of $13,886 (2013: $13,835) were impaired. The amount of the provision was $13,886 (2013: $13,835).

The ageing of these receivables is as follows:

	2014 $	2013 $
3 to 6 months	-	-
Over 6 months	13,886	13,835
	13,886	13,835

As of 31 December 2014, trade receivables of $272,268 (2013: $271,899) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2014 $	2013 $
	182,581	207,129
3 to 6 months	89,687	64,770
Over 6 months	272,268	271,899

Movements in the provision for impaired receivables are as follows:

	2014 $	2013 $
As at 1 January	13,835	17,081
Provision for impairment recognised during the year	8,633	1,754
Receivables written off during the year as uncollectible	(8,582)	(5,000)
	13,886	13,835

The creation and release of the provision for impaired receivables has been included in ‘other expenses’ in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

	Notes	2014 $	2013 $
Note 12. Other financial assets	1(i)		
Non-current			
Summary of portfolio as at 31 December:			
Fair value through profit and loss		2,568,830	2,616,644
Total non-current other financial assets		2,568,830	2,616,644

	2014 $	2013 $
Note 13. Other assets		
Current		
Accrued Income	240,670	207,230
Prepaid Expenses	22,288	52,293
Total current other non-financial assets	262,958	259,523

Note 14. Property, plant and equipment

	Freehold land $	Freehold buildings $	Infrastructure $	Plant and equipment $	Motor vehicle $	Furniture & fittings $	Total $
Year ended 31 December 2013							
Opening net book amount	400,000	2,805,369	65,167	135,677	58,162	71,958	**3,536,333**
Additions	-	-	80,011	16,055	32,737	6,997	**135,800**
Depreciation charge	-	(78,757)	(13,941)	(66,228)	(32,263)	(15,429)	**(206,618)**
Closing net book amount	**400,000**	**2,726,612**	**131,237**	**85,504**	**58,636**	**63,526**	**3,465,515**
At 31 December 2013							
- Cost	-	90,829	80,011	1,417,743	449,759	218,208	**2,256,550.00**
- Valuation	400,000	2,793,000	70,000	-		-	**3,263,000.00**
Accumulated depreciation	-	(157,217)	(18,774)	(1,332,240)	(391,122)	(154,682)	**(2,054,035.00)**
Net book amount	**400,000**	**2,726,612**	**131,237**	**85,503**	**58,637**	**63,526**	**3,465,515.00**
Year ended 31 December 2014							
Opening net book amount	400,000	2,726,612	131,237	85,504	58,636	63,526	**3,465,515**
Additions	-	33,530	-	53,709	(0)	26,304	**113,543**
Revaluation increment/(decrement)	-	(497,359)	(70,011)	-		-	**(567,370)**
Adjustment to accumulated depreciation on revaluation	-	243,886	29,041	-	-	-	**272,927**
Assets classified as held for sale and other disposals	-	-	-	-	(14,484)	-	**(14,484)**
Depreciation charge	-	(86,669)	(10,267)	(57,957)	(20,128)	(17,320)	**(192,341)**
Closing net book amount	**400,000**	**2,420,000**	**80,000**	**81,256**	**24,024**	**72,510**	**3,077,790**
At 31 December 2014							
- Cost	-	-	-	1,471,451	329,006	244,512	**2,044,970**
- Valuation	400,000	2,420,000	80,000	-		-	**2,900,000**
Accumulated depreciation	-	-	-	(1,390,196)	(304,982)	(172,002)	**(1,867,179)**
Net book amount	**400,000**	**2,420,000**	**80,000**	**81,256**	**24,025**	**72,510**	**3,077,790**

Note 15. Intangible assets

	Notes	2014 $	2013 $
	1(l)		
At 1 January			
Cost		2,474,137	2,405,824
Accumulated amortisation and impairment		(2,190,529)	(2,009,240)
Net book amount		283,608	396,584
Year ended 31 December			
Opening net book amount		396,584	491,832
Additions		68,314	110,440
Amortisation charge		(181,290)	(205,688)
Closing net book amount		283,608	396,584

Note 16. Trade and other payables

		2014 $	2013 $
Current			
Trade Payables		552,791	622,505
Total current trade and other payables		552,791	622,505

Note 17. Provisions

	Notes	2014 $	2013 $
Provisions	1(n)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		312,395	348,320
Long service leave		75,000	92,000
Make good provision		3,600	3,600
Total Current Provision		390,995	443,920
Current provisions expected to be settled wholly after more than 12 Months			
Employee benefits			
Annual leave		320,000	351,940
Long service leave		454,000	460,000
Make good provision		-	-
Subtotal		774,000	811,940
Total Current Provision		1,164,995	1,255,860
Non-current provisions			
Employee benefits			
Long service leave		88,000	67,000
Total non-current provision		88,000	67,000
Total provisions		1,252,995	1,322,860

Notes to the financial statements (continued)
31 December 2014

		2014 $	2013 $
Note 18.	**Other Liabilities**		
	Current		
	Accrued Liabilities		
	Fees in Advance	285,497	362,733
	Total current other liabilities	285,497	362,733
Note 19.	**Reserves and retained earnings**		
a)	**Reserves**		
	Revaluation Reserve		
	- Land	320,000	320,000
	- Buildings	816,867	1,070,340
	- Infrastructure	29,029	70,000
		1,165,896	1,460,340
	Movements in reserves were as follows:		
	Reserves at 1 January - Land	320,000	320,000
	Increment/(decrement) on revaluation	-	-
	Reserves at 31 December	320,000	320,000
	Reserves at 1 January - Buildings	1,070,340	1,070,340
	Increment/(decrement) on revaluation	(253,473)	-
	Reserves at 31 December	816,867	1,070,340
	Reserves at 1 January - Infrastructure	70,000	70,000
	Increment/(decrement) on revaluation	(40,971)	-
	Reserves at 31 December	29,029	70,000
b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	9,378,422	8,842,889
	Net Operating Result for the year	702,624	535,532
	Retained Earnings at 31 December	10,081,046	9,378,421
	Total Equity	11,246,942	10,838,761

	2014	2013
	$	$

Note 20. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receives 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 Mr C.A. McDonald in his capacity as Managing Director of ABRI.

	No.	**No.**
Nil to $9,999	9	10
	9	10

Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	2,800	2,800

Remuneration of executive officers	**No.**	**No.**
$100,000 to $119,999	4	2
$120,000 to $139,999	1	2
$140,000 to 240,000	-	1
	5	5

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	667,694	679,525

Note 21. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	23,500	23,000
Total remuneration for audit services	23,500	23,000

Note 22. 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.

Notes to the financial statements
(continued)
31 December 2014

Note 23. Commitments

	2014 $	2013 $
Operating Leases		
Within one year	28,886	10,670
Later than one year but not later than five years	4,838	-
Total operating leases(Including GST)	33,724	10,670

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 24. 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 20.

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

The following transactions occurred with related parties:

	2014 $	2013 $
Transactions during the period		
University of New England		
Income received from	-	333
Payments made to	(251,817)	(276,827)
Net	(251,817)	(276,494)

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

	2014 $	2013 $
University of New England		
Payables to	20,107	55,925

(e) Guarantees
There have been no guarantees given.

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

Note 25. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014 $	2013 $
Operating result for the period	702,624	535,532
Depreciation and amortisation (net)	354,583	412,306
Provision for impaired receivables	51	(3,245)
(Gain)/Loss on revaluation of investments	47,814	(285,688)
Increase/(Decrease) in Payables and Prepaid Income	(132,212)	25,703
Increase/(Decrease) in Provision for Employee Entitlements	(2,000)	(103,289)
Increase/(Decrease) in Provision for Annual Leave	(67,865)	29,068
(Increase)/Decrease in Receivables and Prepaid Expenses	(332,016)	24,438
Net cash provided by / (used in) operating activities	570,979	634,825

Note 26. Events subsequent to reporting period

There are no reportable events occuring after balance date.

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 18	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(c)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(c)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 3.3% and 3.8%. Average maturity of 353 days
Listed Shares	12	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	16 & 18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

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

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

(iii) Price risk

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

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

(iv) Cash flow and fair value interest rate risk

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

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

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

Notes to the financial statements
(continued)
31 December 2014

Financial risk management (continued)

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

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

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.45	833,529					833,529
Investments-Term Deposits	3.60		4,710,474				4,710,474
Receivables						1,601,035	1,601,035
Listed Shares						2,568,830	2,568,830
Accrued Income						240,670	240,670
Total Financial Assets		833,529	4,710,474			4,410,535	9,954,538
Financial Liabilities							
Borrowings			-	-		-	-
Payables						552,791	552,791
Total Financial Liabilities			-	-		552,791	552,791
Net Financial Assets(Liabilities)		833,529	4,710,474	-		3,857,744	9,401,747

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	2.45	738,175					738,175
Investments - Term Deposits	4.07		4,383,175				4,383,175
Receivables						1,287,244	1,287,244
Listed Shares						2,616,644	2,616,644
Accrued Income						207,230	207,230
Total Financial Assets		738,175	4,383,175			4,111,118	9,232,468
Financial Liabilities							
Borrowings	-	-	-	-	-	-	-
Payables	-	-	-	-	-	622,505	622,505
Total Financial Liabilities	-	-	-	-	-	622,505	622,505
Net Financial Assets(Liabilities)	-	738,175	4,383,175	-	-	3,488,613	8,609,963

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2014	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	833,529	(8,335)	(8,335)	8,335	8,335	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,710,474	(47,105)	(47,105)	47,105	47,105	N/A	N/A	N/A	N/A
Receivables	1,601,035								
Listed Shares	2,568,830					(25,688)	(25,688)	25,688	25,688
Accrued Income	240,670								
Total Financial Assets	9,954,538								
Financial Liabilities									
Payables	552,791								
Total Financial Liabilities	552,791								
Total increase / (decrease)	9,401,747	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	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	738,175	(7,382)	(7,382)	7,382	7,382	N/A	N/A	N/A	N/A
Investments - Term Deposits	4,383,175	(43,832)	(43,832)	43,832	43,832	N/A	N/A	N/A	N/A
Receivables	1,287,244								
Listed Shares	2,616,643					(26,166)	(26,166)	26,166	26,166
Accrued Income	207,231								
Total Financial Assets	9,232,468								
Financial Liabilities									
Creditors	622,505								
Other Amounts Owing	-								
Total Financial Liabilities	622,505								
Total increase / (decrease)	8,609,963	-	-	-	-	-	-	-	-

Note 28 Fair value measurements

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

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

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The Entity measures and recognises the following assets and liabilities at fair value on a recurring basis:
• Financial assets at fair value through profit or loss
• Land and buildings
• Infrastructure

(b) 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 2014.

	31 Dec 2014 $	Level 1 $	Level 2	Level 3
Financial assets				
Other financial assets	2,568,830	2,568,830	-	-
Total	2,568,830	2,568,830	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,420,000	-	-	2,420,000
Infrastructure	80,000	-	-	80,000
Total	2,900,000	-	-	2,900,000

	31 Dec 2013 $	Level 1 $	Level 2	Level 3
Financial assets				
Other financial assets	2,616,644	2,616,644	-	-
Total	2,616,644	2,616,644	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,726,612	-	-	2,726,612
Infrastructure	131,237	-	-	131,237
Total	3,257,849	-	-	3,257,849

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

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

Note 28 Fair value measurements (continued)

(d) Fair value measurements using significant unobservable inputs (level 3)

Level 3 Fair value measurements 2014	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,718,700	131,237	3,249,937
Adoption of AASB 13	0	0	0	0
Acquisitions	0	33,530	0	33,530
Transfers from level 1	0	0	0	0
Transfers from level 1	0	0	0	0
Sales	0	0	0	0
Issues Settlements	0	0	0	0
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(78,756)	(10,267)	(89,023)
Recognised in other comprehensive income	0	(253,474)	(40,970)	(294,444)
Closing balance	**400,000**	**2,420,000**	**80,000**	**2,900,000**

Level 3 Fair value measurements 2013	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,805,369	65,167	3,270,536
Acquisitions	0	0	80,011	80,011
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(86,669)	(13,941)	(100,610)
Recognised in other comprehensive income	0	0	0	0
Closing balance	**400,000**	**2,718,700**	**131,237**	**3,249,937**

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

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

Description	Fair value at 31 Dec	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	400,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,420,000	Global Valuation	3	
Infrastructure	80,000	Global Valuation	3	

END OF AUDITED FINANCIAL STATEMENTS

Sport UNE Pty Ltd

ABN: 73 138 308 899
Annual Financial Report for the year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT

Sport UNE Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sport UNE Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity's declaration.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2014, 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 2010.

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

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My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

12 March 2015
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 2014 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 2010;

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 in accordance with a resolution of the Directors.

Anita Taylor
Director

David Schmude
Director

10 March 2015

Statement of Profit or Loss
For the year ended 31 December 2014

	Notes	2014 $	2013 $
Revenue from continuing operations			
Trading Income	**2**	2,713,417	3,190,980
Investment revenue and income	**3**	7,777	13,072
Total revenue from continuing operations		2,721,194	3,204,052
Expenses from continuing operations			
Personnel services	**4**	1,570,550	1,469,067
Depreciation and amortisation	**5**	92,442	64,726
Repairs and maintenance	**6**	100,301	159,578
Impairment of assets	**7**	3,019	1,441
Other expenses	**8**	1,007,622	1,240,267
Total expenses from continuing operations		2,773,934	2,935,079
Surplus or (deficit) attributable to Sport UNE Pty Ltd	**17**	(52,740)	268,973

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

Statement of other Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 $	2013 $
Surplus or (deficit) for the period		(52,740)	268,973
Other comprehensive income		-	-
Total comprehensive income for the year		(52,740)	268,973

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

Statement of Financial Position
As at 31 December 2014

	Notes	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	**9**	289,566	273,939
Receivables	**10**	58,686	43,695
Inventories	**11**	13,017	21,803
Total current assets		361,269	339,437
Non-current assets			
Plant, equipment & motor vehicle	**12**	550,730	643,172
Total non-current assets		550,730	643,172
Total assets		911,999	982,609
LIABILITIES			
Current liabilities			
Trade and other payables	**13**	91,460	177,999
Personnel services payable	**14**	110,321	111,975
Other liabilities	**15**	328,672	280,469
Total current liabilities		530,453	570,443
Non-current liabilities			
Personnel services payable	**14**	59,000	37,000
Total non-current liabilities		59,000	37,000
Total liabilities		589,453	607,443
Net assets		322,546	375,166
EQUITY			
Retained earnings	**16**	322,426	375,166
Share Capital	**17**	120	-
Total equity		322,546	375,166

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 2014

	Shares	Retained Earnings	Total
Balance at 1 January 2013	-	106,193	106,193
Surplus / (Deficit)	-	268,973	268,973
Total comprehensive income	-	268,973	268,973
Balance at 31 December 2013	-	375,166	375,166
Balance at 1 January 2014	-	375,166	375,166
Surplus / (Deficit)	-	(52,740)	(52,740)
Issue of Share Capital	120	-	120
Total comprehensive income	120	(52,740)	(52,620)
Balance at 31 December 2014	120	322,426	322,546

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 2014

	Notes	**2014** **$**	2013 $
Cash flows from operating activities			
Receipts from customers		2,996,254	3,346,581
Interest received		7,777	12,790
Payments to suppliers and personnel services (inclusive of GST)		(2,988,404)	(2,918,387)
Net cash provided by / (used in) operating activities	**24**	15,627	440,984
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	8,290
Payment for property, plant & equipment		-	(245,287)
Net cash provided by / (used in) financing activities		-	(236,997)
Cash flows from financing activities			
Repayment of loans		-	(36,942)
Net cash provided by / (used in) financing activities		-	(36,942)
Net increase / (decrease) in cash and cash equivalents		15,627	167,045
Cash and cash equivalents at the beginning of the financial year		273,939	106,894
Cash and cash equivalents at the end of the financial year		289,566	273,939

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Sport UNE Pty Ltd, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 15 July 2009 and is domiciled in Australia.

In 2014, the Company became a proprietary company limited by shares with the parent being the sole share holder.

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

The principal address of Sport UNE Pty Ltd is: Sport UNE Drive, Armidale NSW 2351, Australia.

The financial report for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board on 10 March 2015.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010.

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

(b) Foreign currency translation

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

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Trading income
Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of services is recognised upon the delivery of the service to customers.

(ii) Investment income
Interest income is recognised when the Entity's right to receive payment has been established.

(iii) Other revenue

Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned or received.

(d) Income tax

Sport UNE Pty Ltd has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under Note 7. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Property, plant and equipment

Land, buildings and infrastructure currently utilised by the entity are owned by the University of New England. These assets are utilised and maintained by Sport UNE Limited under an agreement.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment (continued)
Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as follows:

Other Plant and Equipment - 6 to 10 yrs,
Motor Vehicles - 7 yrs,

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)).

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

(k) Trade and other payables

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

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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

Borrowings are classified as current liabilities unless the Entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(n) Personnel Services

Employees of the University of New England work within the Entity. For the purpose of the financial statements, these employees have been treated as employees of the University therefore employee related expenses and liabilities are recognised as personnel services in Sport UNE Pty Ltd.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the 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.

(p) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(q) Going Concern

The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 /	1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has been assessed and is not likely to be material for Sport UNE Pty Ltd.

Notes to the financial statements
31 December 2014
(continued)

		2014 $	2013 $
Note 2.	**Trading income**		
	University contribution	1,172,170	1,414,603
	Membership fees	854,138	846,143
	Facility fees & equipment hire	348,363	358,754
	Café sales	168,597	185,966
	Twilight Sports & Sports camps	115,156	102,866
	University sporting programs	46,773	52,353
	Commercial programs & events	8,183	230,093
	Sundry	37	202
	Total trading income	2,713,417	3,190,980
Note 3.	**Investment revenue and income**		
	Interest	7,777	13,072
	Total investment revenue	7,777	13,072
Note 4.	**Personnel services**		
	Personnel services	1,570,550	1,469,067
	Total personnel services	1,570,550	1,469,067
Note 5.	**Depreciation and amortisation**		
	Plant and Equipment	83,679	55,962
	Motor Vehicles	8,763	8,764
	Total depreciation	92,442	64,726
Note 6.	**Repairs and maintenance**		
	Infrastructure/Plant & Equipment	35,707	73,022
	Grounds	64,594	86,556
	Total repairs and maintenance	100,301	159,578
Note 7.	**Impairment of assets**		
	Bad Debts	128	1,200
	Doubtful debts	2,891	241
	Total impairment of assets	3,019	1,441
Note 8.	**Other expenses**		
	Non-capitalised equipment	121,623	22,149
	Advertising, marketing and promotional expenses	67,388	119,634
	Motor Vehicles and Utilities	315,692	358,692
	Inventory Used	105,800	117,807
	Interest Expense	-	1,062
	Postal and Telecommunications	8,118	8,718
	Travel and Entertainment	6,680	6,316
	Software & Computer expenses	12,238	10,964
	Camps & University Sporting Programs	196,683	218,818
	Office Expenses	6,579	7,652
	Subscriptions & Associations	22,305	21,724
	Scholarships & Donations	58,953	48,097
	Sports Business	8,885	168,309
	Insurance	4,838	18,634
	Audit	19,500	18,900
	Loss on disposal of asset	-	48,641
	Other Expenditure	52,340	44,150
	Total other expenses	1,007,622	1,240,267

		Notes	2014 $	2013 $
Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand		1,400	1,400
	Cash at bank		257,612	242,483
	At call investments		30,554	30,056
	Total cash and cash equivalents		289,566	273,939

(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:

	2014 $	2013 $
Balances as above	288,166	273,939
Less: Bank Overdraft	-	-
Balance per cash flow statement	288,166	273,939

(b) Cash on hand

	2014 $	2013 $
These are non-interest bearing.	1,400	1,400

(c) At call investments
The deposits at call can be withdrawn at anytime with short notice. Deposits are at fixed interest rates with an average rate of 3.1%, (2013: 3.85%).

		Notes	2014 $	2013 $
Note 10.	**Receivables**			
	Current			
	Trade Debtors		63,606	40,092
	Less: Provision for impaired receivables	1(h)	(4,920)	(2,029)
	GST Receivable		-	5,350
	Interest Accrued		-	282
	Total current receivables		58,686	43,695
	Total receivables		58,686	43,695

Impaired receivables

As at 31 December 2014 the entity held provisions of $4,920 (2013: $2,029) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

The ageing of these receivables is as follows:

	2014 $	2013 $
Current	-	-
3 to 6 months	-	336
Over 6 months	4,920	1,693
	4,920	2,029

As at 31 December 2014, trade receivables of $14,607(2013: $14,757) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2014 $	2013 $
3 to 6 months	3,357	414
Over 6 months	11,250	14,343
	14,607	14,757

Movements in the provision for impaired receivables are as follows:

	2014 $	2013 $
At 1 January	2,029	1,788
Provision for impairment recognised during the year	3,019	1,441
Receivables written off during the year as uncollectible	(128)	(1,200)
At 31 December	4,920	2,029

The creation and release of the provision for impaired receivables has been included in ‘Other Expenses’ in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

Notes to the financial statements
31 December 2014
(continued)

		Notes	2014 $	2013 $
Note 11.	**Inventories**	1(i)		
	Other stocks		13,017	21,803
	Total current inventories		13,017	21,803
Note 12.	**Plant, Equipment & Motor Vehicle**			
	Plant & Equipment:			
	At cost		688,925	688,925
	Accumulated depreciation		(186,050)	(102,371)
	At cost - 31 December		502,875	586,554
	Motor Vehicle			
	At cost		75,446	75,446
	Accumulated depreciation		(27,591)	(18,828)
	At cost - 31 December		47,855	56,618
	Total plant, equipment & motor vehicle		550,730	643,172

Movements in Carrying Amounts

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

	Plant & Equip	Motor Vehicle	Total
Balance 1 January 2013	454,160	65,382	519,542
Additions	245,288	-	245,288
Depreciation expense	(55,962)	(8,764)	(64,726)
Disposal	(75,020)	-	(75,020)
Depreciation written back on disposal	18,088	-	18,088
Carrying amount at 31 December 2013	586,554	56,618	643,172
Balance 1 January 2014	586,554	56,618	643,172
Additions	-	-	-
Depreciation expense	(83,679)	(8,763)	(92,442)
Disposals	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2014	502,875	47,855	550,730

		Notes	2014 $	2013 $
Note 13.	**Trade and other payables**			
	Trade Payables		91,460	177,999
	Total current trade and other payables		91,460	177,999

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

	Notes	2014 $	2013 $
Note 14. Personnel services payable	1(n)		
Current Personnel services payable		110,321	111,975
Other payables		-	-
Total current payables		110,321	111,975
Non-current payables			
Non-current personnel services payable		59,000	37,000
Total non-current payable		59,000	37,000
Total payable		169,321	148,975
Note 15. Other Liabilities			
Members subscriptions in advance		145,407	129,869
Other Accrued Expenditure		35,991	38,479
PAYG Payable		19,928	18,350
GST Payable		220	-
Funds held in Trust		127,126	93,771
Total current other liabilities		328,672	280,469
Note 16. Retained Earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		375,166	106,193
Net operating surplus/(deficit) for the year		(52,740)	268,973
Retained Earnings at 31 December		322,426	375,166
Note 17. Share Capital			
Share Capital held - 120 at $1 owned by the University of New England		120	-
		120	-

Note 18. Key management personnel disclosures

(a) Names of responsible persons

The following person was a responsible person and executive officer of Sport UNE Limited from the beginning of the year to the reporting dates:

The following persons were appointed to the board during the year:
Bruce Pain (appointed 12th May 2014)
David Schmude (appointed 6th May 2014)
Anita Taylor (appointed 7th May 2014)

The following persons resigned from the board during the year:
Mr David Cushway (removed 6th may 2014)

Managing Director
Mr David Schmude

Other Key Management Personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of Sport UNE Pty Ltd during the financial year:

- Mrs Kathie Hunt
- Mr Ashley Clee

Key management personnel disclosures (continued)

(b) Remuneration of Directors and Executives

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

	2014 No.	2013 No.
Nil to $9,999	4	10
	4	10
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$175,999 to $199,999	-	1
$200,000 to $209,999	1	-
	1	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	208,751	180,631

Note 19. Remuneration of auditors
During the year, the following fees were paid for services provided by the auditor of Sport UNE Limited, its related practices and non-related audit firms:

	2014 $	2013 $
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	19,500	18,900
Total remuneration for audit services	19,500	18,900

Note 20. Contingencies
At balance date, no proceeding had been identified as being progressed on behalf of Sport UNE Pty Ltd.

At balance date, no contingent liabilities or contingent assets of a material nature to Sport UNE Pty Ltd had been identified.

Note 21. Commitments
(a) Capital Commitments
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2014 $	2013 $
Property, Plant and Equipment Payable:		
Within one year	-	38,280
Later than one year	-	-
	-	38,280

(b) Lease Commitments	**2014 $**	2013 $
(i) Operating Leases		
Within one year	-	11,539
Between one and five years	-	-
Later than five years	-	-
Total operating leases	-	11,539
Total lease commitments	-	11,539

No lease arrangements existing as at 31 December 2014 that contains contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments
There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under work place agreements.

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:

	2014	2013
Transactions during the period	**$**	$
University of New England		
Income received	1,302,792	1,552,105
Payments made	(1,754,147)	(1,847,366)
Net	(451,355)	(295,261)
Services UNE		
Income received	550	-
Payments made	(19,892)	(48,030)
Net	(19,342)	(48,030)

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

University of New England		
Receivables	15,060	19,987
Payables	62,985	103,962
Services UNE		
Receivables	550	-
Payables	4,293	15,372

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions
Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 23. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 24. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014 $	2013 $
Operating surplus/(deficit) for the period	(52,740)	268,973
Depreciation and amortisation	92,442	64,726
Net (gain) / loss on sale of non-current assets	-	48,641
Increase/(Decrease) in Payables and Prepaid Income	(71,789)	(20,099)
Increase/(Decrease) in Provision for Employee Entitlements	20,345	16,892
Increase/(Decrease) in Other Provisions	36,245	82,697
(Increase)/Decrease in Receivables and Prepaid Expenses	(17,662)	(6,915)
(Increase)/Decrease in Inventories	8,786	(13,931)
Net cash provided by / (used in) operating activities	15,627	440,984

Note 25. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables *	10	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	9	Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Financial Liabilities			
Borrowings		Borrowings are carried at present value.	Minimum repayments are required on a quarterly basis with an option for additional repayments
Creditors and Accruals **	13 & 15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

(ii) Foreign exchange risk

As Sport UNE Pty Ltd recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. The economic entity has no direct exposure to equity securities or commodity price risk.

Financial risk management (continued)

(iv) Cash flow and fair value interest rate risk

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

(v) Summarised sensitivity analysis

An attached table summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

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

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

(c) Liquidity Risk

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

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

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

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.50%	259,012				-	259,012
Investments - term deposits	3.40%		30,554	-			30,554
Receivables						58,686	58,686
Total Financial Assets		259,012	30,554	-	-	58,686	348,252
Financial Liabilities							
Payables						91,460	91,460
Total Financial Liabilities		-	-	-	-	91,460	91,460
Net Financial Assets(Liabilities)		259,012	30,554	-	-	(32,774)	256,792

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	1.40%	242,483				1,400	243,883
Investments - term deposits	3.85%		13,837	16,219			30,056
Receivables						38,345	38,345
Total Financial Assets		242,483	13,837	16,219	-	39,745	312,284
Financial Liabilities							
Payables						177,999	177,999
Total Financial Liabilities		-	-	-	-	177,999	177,999
Net Financial Assets(Liabilities)		242,483	13,837	16,219	-	(138,254)	134,285

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2014	Carrying amount	Interest rate risk			
		-1%		**+1%**	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	259,012	(2,590)	(2,590)	2,590	2,590
Investments-Term Deposits	30,554	(306)	(306)	306	306
Receivables	58,686				
Total Financial Assets	348,252				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	91,460				
Total Financial Liabilities	91,460				
Total increase / (decrease)	256,792	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk			
		-1%		**+1%**	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	243,883	(2,439)	(2,439)	2,439	2,439
Investments - Term Deposits	30,056	(301)	(301)	301	301
Receivables	38,345				
Total Financial Assets	312,284				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	177,999				
Total Financial Liabilities	177,999				
Total increase / (decrease)	134,285	-	-	-	-

Note 26 Fair value measurements

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

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

The entity categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	$	$	$	$
Financial assets				
Cash and cash equivalents	289,566	273,939	289,566	273,939
Receivables	58,686	38,345	58,686	38,345
Total financial assets	348,252	312,284	348,252	312,284
Financial liabilities				
Payables	91,460	177,999	91,460	177,999
Borrowings	0	0	0	0
Total financial liabilities	91,460	177,999	91,460	177,999

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd

ABN: 77 094 834 107
Annual Financial Report for the year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

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

I have audited the accompanying financial statements of UNE Foundation Limited (the Company), which comprise the statement of financial position as at 31 December 2014, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

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 2014 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 2010.

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 16 March 2015, would be in the same terms if provided to the directors as at the time of this auditor's report.

Karen Taylor
Director Financial Audit Services

23 March 2015
SYDNEY

UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report for the financial year ended 31 December 2014 and the Auditors Report thereon.

Director details

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

Dr Geoffrey Fox (Chairman)
BRurSc (Hons) (UNE) MA (ANU) PhD (UNE)

Dr Geoffrey Fox has served as Chairman of the Board since 27 August 2008.

Geoff is an agricultural economist with thirty-six years' experience in international development in East Asia/Pacific and countries of Eastern Europe and the former Soviet Union. He worked for the World Bank for 27 years, culminating his career as Director of Rural Development and Natural Resource Management for the East Asia and Pacific Region. His work focused on the formulation of rural policy and strategy, program development and project implementation.

Upon returning to Australia in 2000, he consulted for Australia's overseas aid agency, AusAID; and then joined the staff full-time in 2004 as Principal Adviser, Rural Development and the Environment. As a member of the Principal Advisers' multi-sectoral team, he supported AusAID management developing and implementing Australia's overseas aid program.

Since 2008, he has been raising cattle on his property close to Armidale. In August 2010 he was appointed a member of the University of New England Council, and served as Deputy Chancellor from 2012 to 19 November 2014. In 2011 he was appointed a Director of the Agricultural Business Research Institute.

Appointed a Director of UNE Foundation Ltd on 26 February 2008.

Special responsibilities : Chairman of the Board since 27 August 2008 ; Chairman of Investment Committee.

Professor Annabelle Duncan
BSc DipSc MSc (Otago) PhD (La Trobe) HonDsc (Murdoch) PSM

Professor Annabelle Duncan is currently the Vice-Chancellor and Chief Executive Officer of the University of New England. She joined the University in September 2010, initially as Deputy Vice-Chancellor Research and then as Deputy Vice-Chancellor.

Prior to joining UNE, Professor Duncan spent 16 years in the CSIRO, including 6 years as Chief of the Division of Molecular Science. She has also served in managerial roles within the Bio21 Institute at University of Melbourne and AgriBio Institute at La Trobe University.

Professor Duncan acted as an advisor to the Department of Foreign Affairs and Trade on biological weapons control, representing Australia at international arms control meetings and acting as a biological weapons inspector with the United Nations in Iraq.

She was awarded a Public Service Medal in 1996 and Honorary Doctor of Science (DSc) from Murdoch University in 2005, for her work in arms control.

Appointed a Director of UNE Foundation Ltd on 12 March 2014.

Special responsibilities : None

Ms Caroline Forrest
BComm BA Grad Dip Applied Finance (Finsia)

Caroline is an Investment Manager at New Zealand Trade & Enterprise, promoting investment opportunities, exports and trade across the Tasman. Prior to joining NZTE, Caroline worked at JPMorgan for six years as a relationship banker, looking after resources companies in Perth, superannuation funds in Melbourne and the New Zealand client base. Between 2000 and 2004, she was the research analyst for the JBWere Private Equity Fund.

Caroline has been involved in student mentoring through the Australian Business and Community Network. She completed an Advice Bank project with the Victorian State Library foundation and has been an active member of the Committee of Convocation at Melbourne University. She founded the Wine & Philosophy Club at Melbourne Business School.

Appointed a Director of UNE Foundation Ltd on 27 September 2011.

Special responsibilities : None

Mr Paul Barratt
BSc (Hons) (UNE) BA (ANU) FAICD

Paul Barratt joined the Department of Defence in 1966. He spent the next 25 years of his career in the Commonwealth Public Service, mainly in areas relating to resources, energy and international trade, becoming Deputy Secretary of the Department of Trade and Resources (1978-85); Special Trade Representative for North Asia (1985-88); and Deputy Secretary in the Department of Foreign Affairs and Trade (1988-91).

In 1992 he became Executive Director of the Business Council of Australia, a body consisting of the Chief Executive Officers of about 90 of the 100 largest companies in Australia.

In 1996 he returned to the Public Service, becoming Secretary to the Departments of Primary Industries and Energy (1996-98) and Defence (1998-9).

In 1997 he received a Distinguished Alumni Award from the University of New England. In 1999 he was made an Officer in the General Division of the Order of Australia, for service to public administration, public policy development, business and international trade.

He now runs his own consulting business, and is a director of Australia 21, a non-profit company dedicated to stimulating research and development on issues of strategic importance to Australia in the 21st century.

Appointed a Director of UNE Foundation Ltd on 5 September 2006. Resigned on 7 May 2013 after serving the maximum number of terms. Mr Barratt was then re-appointed (after a special resolution) on 13 September 2013.

Special responsibilities : None

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

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

Geoff is Chair of the Boards of Seafood Services Ltd and Australian Forestry Standard Ltd. He is a Director of Australia 21 and is a member of the Serco Advisory Board. He has held directorships with Safe Food Production Queensland, the Australian Wine and Brandy Corporation, the Australian Wheat Board, AWB Ltd, the Wheat Export Authority, Landcare Australia Ltd, the Forests and Wood Products Research and Development Corporation, the Australian Wool Research and Promotion Organisation and the Woolmark Company. He was Commonwealth Commissioner on the Murray Darling Basin Commission between 1994 and 1998, Chair of the National Land and Water Resources Audit Advisory Council between 2003 and 2008, and a Director of the Co-operative Research Centre on Biosecurity.

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

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

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

Special responsibilities : None

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

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

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

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

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

Special responsibilities : None

Ms Janine Wilson
BSc (La Trobe), MBA (Melb.)

Janine is the Executive Director, Donor Services for the Australian Red Cross Blood Service (ARCBS), for whom she has worked since 2005. In this role, she manages about 2,000 staff in more than 100 blood donor centres across Australia, as well as leading the organisation's marketing function. She established the first national Customer Service function for ARCBS, which facilitates the consistent provision of blood components and products to over 300 Australian hospitals. Her leadership in marketing raised public awareness and education during the 2009 "Year of the Blood Donor".

Prior to joining the ARCBS, she worked at the New York Blood Center in the area of Business Strategy and Development, as well as with McKinsey & Company as an Associate/Engagement Manager. Additionally, Janine spent four years in the field of Physiotherapy, based in Melbourne and London.

Janine has completed the Company Directors Course through the Australian Institute of Company Directors.

Appointed a Director of the Company on 27 September 2011.

Special responsibilities : None

Mr John Wilson
BA LLB Melbourne; LLM Duke; MAICD

John has over 25 years' experience in financial markets, working in the investment management industry.

He has a comprehensive knowledge of investment markets, portfolio management and portfolio risk management, along with an understanding of all asset sectors, a strong theoretical background in portfolio construction and practical experience of portfolio management.

John sits on the board of LG Super Queensland where he is Chairman of the Investment Committee; is the inaugural Chairman of the Australian Rugby Foundation, the official philanthropy of Australian rugby; is a director of Etihad Stadium in Melbourne; and Chairman of Domus Private Clients. Along with Rugby, he has passion for history, photographic art, literature and music.

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

Mrs Anita Taylor
CA B.Com(Acc)(UNSW) B.Sci(Psych)(USQ) MIAMA GAICD

Anita is an experienced company director and Chartered Accountant with mediation, psychology and governance qualifications. She currently also sits on the board of the Civil Aviation Safety Authority, Regional Development Australia Northern Inland and is Chair of UNE Life and serves on a number of board committees. She has previously served as the Executive President of the Gliding Federation of Australia and as Chair of the GFA Sports Committee, and has been a board member of other community and sporting organisations, including public and listed companies. Anita also runs a superfine merino and angus property at Kentucky, with her husband Bruce.

Principal Activities

The principal activity of the company during the year was the provision of trustee services.

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

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

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

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

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

(a) the provision of scholarships;
(b) research;
(c) teaching and learning

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

Strategies for achieving short and long-term objectives:

- to meet with or provide advice to persons making inquiry about leaving a bequest to UNE.
- to meet as a board of Directors to act as trustees of the UNE Foundation and, by a decision of quorum, administer or dispense of funds held in trust for particular donative purposes.

The board implemented an investment policy by engaging Myer Family Company to manage invested funds in two investment pools namely “Immediate” and “Perpetual”. The Board receives reports on these investments at every meeting. The financial statements include cash flow narrative and, twice per annum, the University of New England seeks reimbursement of funds paid out on behalf of UNE Foundation for specific scholarship, prize or other purposes for which the funds were donated.

Income and expenditure is measured on year to date and total year data for the current and previous years. These financial statements presented to the Board include comprehensive explanatory notes against performance indicators.

Directors' meetings

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

Board of Directors	Board Meetings	
	A	B
Dr Geoffrey Fox	5	5
Professor Annabelle Duncan	2 *	5
Mr Paul Barratt	4	5
Mr Geoff Gorrie	5	5
Ms Kerrie Murphy	3	5
Ms Caroline Forrest	5	5
Ms Janine Wilson	5	5
Mr John Wilson	2	2

* The CFO attended 3 other meetings on behalf of Professor Duncan who attended 2 meetings.

A = number of meetings the Director attended
B = number of meetings the Director was entitled to attend

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 2014, the collective liability of members was $800 ($100 per member, maximum number of members is 8).

Review of Operations

During 2014, the company continued to operate as trustee of UNE Foundation and had no financial results.

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 2014.

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

Dr Geoffrey Fox
Chair - Director

Mr Paul Barratt
Director

17 March 2015

To the Directors
UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UNE Foundation Limited for the year ended 31 December 2014, 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.

Karen Taylor
Director, Financial Audit Services

16 March 2015
SYDNEY

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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 2014;

(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.

Dr Geoffrey Fox
Chair - Director

Mr Paul Barratt
Director

17 March 2015

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 2014 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 2010 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.

Dr Geoffrey Fox
Chair - Director

Mr Paul Barratt
Director

17 March 2015

Statement of Profit or Loss
For the year ended 31 December 2014

	2014 $	2013 $
Revenue from continuing operations	-	-
Expenses from continuing operations	-	-
Operating surplus / (deficit) from continuing operations	-	-

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

Statement of Other Comprehensive Income
For the year ended 31 December 2014

	2014 $	2013 $
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period, net of tax	-	-
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 2014

	2014 $	2013 $
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 2014

	Reserves	Retained Earnings	Total
Balance as 1 January 2013	-	-	-
Total comprehensive income			
Surplus / (deficit)	-	-	-
Revaluation of Buildings	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2013	-	-	-
Balance at 1 January 2014	-	-	-
Surplus / (deficit)	-	-	-
Revaluation of Buildings	-	-	-
Gain on Avail-for -sale Fin Assets	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2014	-	-	-

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 2014

	2014 **$**	2013 $
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	-	-

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

1.0 Summary of significant accounting policies

1(a) Reporting Entity

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

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

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

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Board on 17 March 2015.

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

1(b) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010.

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

2.0 Auditors remuneration

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

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2014 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

4.0 Directors remuneration

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

5.0 Employee benefits

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

6.0 Related parties

University of New England provided the company with a range of administrative support services. 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
- personnel services

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

7.0 Commitments

The entity has not identified material commitments at 31 December 2014 (2013: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2014 (2013: Nil).

9.0 Events subsequent to reporting period

There are no reportable events occurring after balance date.

10.0 New standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period.

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

11.0 Economic Dependency

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

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation

ABN: 42 536 278 085
Annual Financial Report for the year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Foundation (the Foundation), which comprise the statement of financial position as at 31 December 2014, the income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 31 December 2014, 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 2010.

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

The Trustees' Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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

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My opinion does *not* provide assurance:

- about the future viability of the Foundation
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

23 March 2015
SYDNEY

UNE FOUNDATION

TRUSTEE'S REPORT

The Trust was established by deed dated 6 December 2000. Under that deed the UNE Foundation Limited was appointed as Trustee.

Principal Activities

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

Review of Operations

The operating result for the Trust for the year ended 31 December 2014 was a surplus of $4,860,933 ($569,975 excluding the transfer of $4,290,958 from UNE) (2013 $627,939).

Investment related revenue was $647,385 in 2014 (2013: $450,948). This was a 43.56 percent increase on the 2013 financial year.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company.

Matters Subsequent to the End of the Financial Year

The Trustee is not aware of any matter or circumstances that have arisen since the end of the financial year and that have significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Insurance of Officers

Insurance coverage is provided for directors and officers of the Trustee under the University of New England global policies and no premium is apportioned to or paid by the Trust.

Legal proceedings on behalf of the Trust

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

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

Dr Geoffrey Fox	Mr Paul Barratt
Chair - Director	*Director*

17 March 2015

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 2014 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 2010*;

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 17 March 2015.

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

Dr Geoffrey Fox	Mr Paul Barratt
Chair - Director	*Director*

17 March 2015

Income Statement

For the year ended 31 December 2014

	Notes	2014 $	2013 $
Revenue from continuing operations			
Donations and fundraising	**2**	785,806	1,058,810
Investment income	**3**	616,654	350,435
Other revenue	**4**	4,322,516	100,513
Total revenue from continuing operations		5,724,976	1,509,758
Expenses from continuing operations			
Administrative expenses	**5**	70,904	48,759
Total expenses from continuing operations		70,904	48,759
Operating result from continuing operations before distributions to UNE		5,654,072	1,460,999
Less distribution to UNE	**6**	(793,139)	(833,060)
Operating surplus / (deficit) for the year after distribution to UNE		4,860,933	627,939

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

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 $	2013 $
Operating surplus/ (deficit) for the year after distribution to UNE		4,860,933	627,939
Items that may be reclassified to profit or loss			
Gain/(loss) in fair value of available for sale financial assets	**11 (a)**	(75,774)	133,145
Items that will not be reclassified to profit or loss			
Transfer from reserves	**11 (a)**	(24,361)	(21,735)
Total other comprehensive income		4,760,798	739,349
Total comprehensive income for the period		4,760,798	739,349

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

Statement of Financial Position
As at 31 December 2014

	Notes	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	**7**	1,708,839	2,335,953
Trade and other receivables	**8**	182,446	91,528
Other financial assets	**9**	2,479,762	2,169,295
Total current assets		4,371,047	4,596,776
Non-current assets			
Other financial assets	**9**	8,120,885	3,095,651
Total non-current assets		8,120,885	3,095,651
Total assets		12,491,932	7,692,427
LIABILITIES			
Current liabilities			
Trade and other payables	**10**	59,693	41,139
Total current liabilities		59,693	41,139
Total liabilities		59,693	41,139
Net assets		12,432,239	7,651,288
EQUITY			
Reserves	**11 (a)**	139,131	239,266
Retained earnings	**11 (b)**	12,293,108	7,412,022
Total equity		12,432,239	7,651,288

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 2014

	Reserves	Retained earnings	Total
Balance at 1 January 2013	127,856	6,784,083	6,911,939
Profit/(loss)	-	627,939	627,939
Gain on available for sale financial assets	133,145	-	133,145
Transfer from reserves on disposal of available for sale financial assets	(21,735)	-	(21,735)
Total comprehensive income	111,410	627,939	739,349
Balance at 31 December 2013	239,266	7,412,022	7,651,288
Balance at 1 January 2014	239,266	7,412,022	7,651,288
Profit/(loss)	-	4,860,933	4,860,933
Gain/(loss) on available for sale financial assets	(75,774)	-	(75,774)
Transfer from reserves on disposal of available for sale financial assets	(24,361)	20,153	(4,208)
Total comprehensive income	(100,135)	4,881,086	4,780,951
Balance at 31 December 2014	139,131	12,293,108	12,432,239

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 2014

	Notes	**2014** **$**	2013 $
Cash flows from operating activities			
Donations received		763,027	1,038,588
Transfer from UNE		4,290,958	-
Dividends received		49,872	10,024
Interest received		180,709	247,814
Other inflows		40,924	49,901
Payments to suppliers		(69,848)	(52,319)
Distribution to beneficiary		(764,079)	(819,133)
Net cash provided by / (used in) operating activities	**16**	4,491,563	474,875
Cash flows from investing activities			
Purchase of financial assets		(5,288,677)	(3,354,638)
Proceeds from sale of financial assets		170,000	388,780
Net cash provided by / (used in) investing activities		(5,118,677)	(2,965,858)
Net increase / (decrease) in cash and cash equivalents		(627,114)	(2,490,983)
Cash and cash equivalents at the beginning of the financial year		2,335,953	4,826,936
Cash and cash equivalents at the end of the financial year	**7**	1,708,839	2,335,953

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

1.0 Summary of significant accounting policies

UNE Foundation, a not for profit entity, was established by deed of settlement on 6 December 2000 and is domiciled in Australia.

UNE Foundation Limited acts as Trustee to the Trust. The Trust is for the benefit of the University of New England.

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

The financial statements for the year ended 31 December 2014 were authorised for issue by the Trustee on 17 March 2015.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2010.*

The Financial Statements have been prepared in accordance with the historical cost convention except for available for sale financial assets which have been measured at fair value. All amounts are in Australian currency.

(b) Revenue recognition

The Trust receives all donations by way of cheques, direct deposits and electronic funds transfer. All donations are recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the Trust.

Interest income is recognised on an accrual basis. Dividends and distributions are recognised as revenue when the Trust's right to receive payment is established. Refunds of imputation credits arising from investment income received, are recognised as revenue when the application for refund is lodged with the Australian Taxation Office.

Gains and losses on realisation of investments are taken to the income statement when the investment is disposed of. The gain or loss is the difference between the net proceeds of disposal and the carrying value of the investment.

(c) Cash and cash equivalents

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

(d) Receivables

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

(e) Investments and other financial assets

Classification

(i) Available-for-sale financial assets

The Trust classifies its investments as available-for-sale financial assets. Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Trust commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

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

Investments and other financial assets (continued)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Trust's management has the positive intention and ability to hold to maturity.

Subsequent measurement

Available-for-sale financial assets are carried at fair value.

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, net asset value and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Trust assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(f) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the current bid price.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

(g) Trade and other payables

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

(h) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

(i) Income Tax

The Trust is exempt from Income Tax. The Trust does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the Trust does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(j) Distributions

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

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

		Notes	**2014** $	2013 $
2.0	**Donation and fundraising**			
	Donations and fundraising		**785,806**	**1,058,810**
3.0	**Investment income**			
	Interest		225,452	216,187
	Dividend		391,202	134,248
	Total investment income		**616,654**	**350,435**
4.0	**Other revenue**			
	Transferred from UNE		4,290,958	-
	Net surplus on disposal of units		5,215	56,012
	Franking credits		25,516	22,766
	Other		827	21,735
	Total other revenue		**4,322,516**	**100,513**
5.0	**Administrative Expenses**			
	Consultancy fees		70,747	48,508
	Bank fees		157	251
	Total administrative expenses		**70,904**	**48,759**
6.0	**Distribution to beneficiary**			
	University of New England - scholarships and prizes	1(j)	**793,139**	**833,060**
7.0	**Cash and cash equivalents**			
	Cash at bank		155,996	2,335,953
	At call investments		1,552,843	-
	Total cash and cash equivalents		**1,708,839**	**2,335,953**

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

	2014	2013
Balances as above	1,708,839	2,335,953
Less: Bank Overdrafts	-	-
Balance per statement of cash flows	**1,708,839**	**2,335,953**

The at call investments had a floating interest rate of 3.12% (2013 - 3.67%). These deposits have an average maturity of 31 days (2013 - 68 days).

	2014 $	2013 $
8.0 Trade and other receivables		
Trade receivables	-	12,000
Total trade receivables	**-**	**12,000**

Impaired trade receivables
As at 31 December 2014 current receivables of the entity with a nominal value of $Nil (2013: $12,000) were not impaired.

	2014 $	2013 $
Other receivables		
Other accrued income	80,015	22,594
GST Input Tax Credit	2,011	1,258
Accrued Interest	100,420	55,676
Total other receivables	**182,446**	**79,528**
Total trade and other receivables	**182,446**	**91,528**

	2014 $	2013 $
9.0 Other financial assets		
Current		
Held-to-maturity	2,479,762	2,169,295
Total current other financial assets	**2,479,762**	**2,169,295**
Non-current		
Held-to-maturity	1,733,532	1,185,343
Available for sale financial assets - At fair value		
Unit Trust and Domestic Equity	6,196,074	1,747,708
Australian listed equity securities	191,279	162,600
Total non-current other financial assets	**8,120,885**	**3,095,651**
Movement of available for sale financial assets are as follows:		
Shares as at 1 January	1,910,308	1,980,472
Acquired through purchase, dividend reinvestment and capital distribution	4,721,812	129,459
Disposed	(168,993)	(332,768)
Available for Sale Reserve (gain/loss)	(75,774)	133,145
Fair value of investment at 31 December	**6,387,353**	**1,910,308**

	2014 $	2013 $
10.0 Trade and other payables		
Accrued expense for scholarships, prizes and consultancy fees	59,693	41,139
Total trade and other payables	**59,693**	**41,139**

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

		2014	2013
		$	$
11.0	**Reserves and retained earnings**		
(a)	**Reserves**		
	Available for Sale Reserve - Investments	**139,131**	**239,266**
	Movements		
	Available for Sale Reserve - Investments		
	Balance 1 January	239,266	127,856
	Less write back due to disposal of investment	(24,361)	(21,735)
	Gain/(Loss)	(75,774)	133,145
	Balance 31 December	**139,131**	**239,266**
(b)	**Retained earnings**		
	Movements in retained earnings were as follows:		
	Retained earnings at 1 January	7,412,022	6,784,083
	Transfer to reserves	20,153	-
	Net Operating Result for the year	4,860,933	627,939
	Retained earnings at 31 December	**12,293,108**	**7,412,022**

(c) Nature and purpose of reserves

Revaluation Reserve
The asset revaluation reserve is used to record increments and decrements, on the revaluation of available for sale financial assets.

12.0 Remuneration of auditors

The audit fee payable by the University of New England, in respect of the audit of the financial reports for the Trust to the Audit Office of NSW for the financial year ended 31 December 2014 was $10,700 (2013: $10,200).

13.0 Contingencies

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

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

14.0 Commitments

The entity has not identified material commitments at 31 December 2014 (2013: Nil).

Capital Commitments
There was no capital expenditure contracted for at the reporting date. (2013: Nil).

15.0 Related parties

(a) Corporate Trustee

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

Dr Geoffrey Fox (Chairman)
Professor Annabelle Duncan - appointed 13 March 2014
Mr Paul Barratt
Mr Geoff Gorrie
Ms Kerrie Murphy
Ms Caroline Forrest
Ms Janine Wilson
Mr John Wilson

(b) Controlling entity
For the purposes of meeting the requirements of the Australian Accounting Standards, the University of New England is deemed to be the controlling entity of the Trust and its Corporate Trustee, UNE Foundation Limited.

15.0 Related parties (continued)

(c) Related Party Transactions
University of New England provided the Trust with a range of administrative support services. These services have been provided at no charge to the Trust and comprised the provision of:

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

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

The following transactions occurred with related parties:

	2014	2013
Transactions during the period	**$**	$
University of New England		
Income received from	87,832	8,755
Transferred prizes and scholarship funds	4,290,958	-
Expenditures incurred for	(793,139)	(833,060)
Net	**3,585,651**	**(824,305)**
With other related parties		
Income received - UNE Partnership Pty Ltd	-	200,000
Income received - UNE Life Pty Ltd	10,000	10,000
Income received - Agricultural Business Return Institute	12,000	-
Net	22,000	210,000

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

University of New England		
Receivables	1,419	8,182
Payables	37,613	27,303

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

Operating result for the period	4,860,933	627,939
Less non cash revenue		
Capitalisation and reinvestment of dividend	(291,788)	(129,460)
Net (Gain)/Loss on sale of Units	(5,215)	(77,747)
Decrease/(increase) in trade and other debtors	(90,919)	38,925
Increase/(decrease) in payables	18,552	15,218
Net cash provided by / (used in) operating activities	**4,491,563**	**474,875**

17.0 Events subsequent to reporting period

There are no reportable events occuring after balance date.

18.0 Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	8	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	7	Term Deposits are stated at cost	Term deposits are for a period of up to 90 days. Interest rate was 3.12% and average maturity of 31 days.
Other Financial Assets	9	Unit trust and domestic equity carried at market value	
		Held-to-maturity deposits - current are stated at cost	Interest rates are between 3.65% and 4.18% with average maturity of 313 days.
		Held-to-maturity deposits- non current are stated at cost	Interest rates are between 3.73% and 4.15% with average maturity of 913 days.
Listed Shares	9	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year.

(ii) Foreign exchange risk

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

(iii) Price risk

The Trust is exposed to Price Risk through its investments classified as available for sale financial assets. The risk is managed through diversification of the portfolio.

(iv) Cash flow and fair value interest rate risk

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

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates.

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

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

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

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

Financial risk management - continued

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.60%	-	155,996				155,996
At call Investments	3.12%		1,552,843				1,552,843
Receivables						182,446	182,446
Held-to-maturity	3.80%		2,479,762				2,479,762
Available for sale						6,196,074	6,196,074
Listed Shares						191,279	191,279
Held-to-maturity	3.97%			1,733,532			1,733,532
Total Financial Assets		-	4,188,601	1,733,532		6,569,799	12,491,932
Financial Liabilities							
Payables						59,693	59,693
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		59,693	59,693
Net Financial Assets(Liabilities)		-	4,188,601	1,733,532		6,510,106	12,432,239

Comparative figures for the previous year are as follows:

31 December 2013	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	3.01%	-	2,335,953				2,335,953
At call Investments	3.67%		-			-	0
Receivables						91,528	91,528
Held-to-maturity	4.17%		2,169,295				2,169,295
Available for sale						1,747,708	1,747,708
Listed Shares						162,600	162,600
Held-to-maturity	4.18%			1,185,343			1,185,343
Total Financial Assets		-	4,505,248	1,185,343		2,001,836	7,692,427
Financial Liabilities							
Payables	-					41,139	41,139
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		41,139	41,139
Net Financial Assets(Liabilities)		-	4,505,248	1,185,343		1,960,697	7,651,288

(d) Net Fair Values of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the current bid price.

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

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The Trust uses various methods in estimating the fair value of a financial instrument. The methods comprise;

Level 1 - the fair value is calculated using quoted prices in active markets
Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,708,839	2,335,953	1,708,839	2,335,953
Held-to-maturity investments - current	2,479,762	2,169,295	2,479,762	2,169,295
Held-to-maturity investments - non current	1,733,532	1,185,343	1,733,532	1,185,343
Equity securities	6,387,353	1,910,308	6,387,353	1,910,308
Total financial assets	8,120,885	3,095,651	8,120,885	3,095,651

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

	31 Dec 2014	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	2,479,762	-	2,479,762	-
Held-to-maturity investments - non current	1,733,532	-	1,733,532	-
Equity securities	6,387,353	191,279	6,196,074	-
Total	8,120,885	191,279	7,929,606	-

	31 Dec 2013	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	2,169,295	-	2,169,295	-
Held-to-maturity investments - non current	1,185,343	-	1,185,343	-
Equity securities	1,910,308	162,600	1,747,708	-
Total	3,095,651	162,600	2,933,051	-

Financial risk management - continued

Summarised sensitivity analysis

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

31 December 2014	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	155,996	(1,560)	(1,560)	1,560	1,560	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
At call Investments	1,552,843	(15,528)	(15,528)	15,528	15,528	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	182,446												
Held-to-maturity	2,479,762	(24,798)	(24,798)	24,798	24,798								
Other financial assets	6,196,074	(61,961)	(61,961)	61,961	61,961								
Listed Shares	191,279												
Held-to-maturity	1,733,532	(17,335)	(17,335)	17,335	17,335								
Total Financial Assets	12,491,932												
Financial Liabilities													
Payables	59,693	N/A	N/A	N/A	N/A								
Total Financial Liabilities	59,693												
Total increase / (decrease)	12,432,239	-	-	-	-								

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		**+1%**		**-10%**		**+10%**		**-1%**		**+1%**	
		Result	Equity	Result	Equity	Result		Result	Equity	Result	Equity	Result	Equity
	$	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets													
Cash and cash equivalents	2,335,953	(23,360)	(23,360)	23,360	23,360	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
At call Investments	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	91,528												
Held-to-maturity	2,169,295	(21,693)	(21,693)	21,693	21,693								
Other financial assets	1,747,708	(17,477)	(17,477)	17,477	17,477								
Listed Shares	162,600												
Held-to-maturity	1,185,343	(11,853)	(11,853)	11,853	11,853								
Total Financial Assets	7,692,427												
Financial Liabilities													
Creditors	41,139	N/A	N/A	N/A	N/A								
Total Financial Liabilities	41,139												
Total increase / (decrease)	7,651,288	-	-	-	-								

END OF AUDITED FINANCIAL STATEMENTS

UNE Health Pty Ltd

ABN: 62 161 262 933
Annual Financial Report for the year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT

UNE Health Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Health Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2014, 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 2010.

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

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My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

20 March 2015
SYDNEY

UNE Health Pty Ltd

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 2014 and the results of its operations and transactions of the Company for the year ended 31 December 2014;
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 2010;
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 in accordance with a resolution of the Directors.

A Duncan
....

Professor Annabelle Duncan

18 March 2015

Statement of Profit or Loss

For the year ended 31 December 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Revenue			
Transfer of net assets	**2**	237,535	-
Income	**2**	460	2,219
Total revenue		237,995	2,219
Expenses			
Employee related expenses	**3**	167,371	57,652
Other expenses	**4**	8,631	6,680
Total expenses		176,002	64,332
Result before income tax		61,993	(62,113)
Income tax expense	**1(d)**	-	-
Result attributable to UNE Health Pty Ltd	**10**	61,993	(62,113)

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

Statement of other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Surplus/(deficit) for the period		61,993	(62,113)
Other comprehensive income		-	-
Total comprehensive income for the period		61,993	(62,113)

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
ASSETS			
Current assets			
Cash and cash equivalents	**5**	-	2,648
Other receivables	**6**	-	3
Total current assets		-	2,651
Total assets		-	2,651
LIABILITIES			
Current liabilities			
Trade and other payables			
Loans	**7**	-	50,000
Other liabilities	**8**	-	11,158
Provision	**9**	-	3,486
Total current liabilities		-	64,644
Total liabilities		-	64,644
Net assets		-	(61,993)
EQUITY			
Issued capital	**10 (a)**	120	120
Retained earnings	**10 (b)**	(120)	(62,113)
Total equity attributable to equity holders of the company		-	(61,993)

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 2014

	Issued Capital	Retained Earnings	Total
Balance at 16 November 2012			
Issued capital	120	-	120
Surplus for the year	-	(62,113)	(62,113)
Total comprehensive income	120	(62,113)	(61,993)
Balance at 31 December 2013	120	(62,113)	(61,993)
Balance at 1 January 2014	120	(62,113)	(61,993)
Surplus/(deficit) for the period		61,993	61,993
Total comprehensive income	-	61,993	61,993
Balance at 31 December 2014	120	(120)	-

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 2014

	Notes	**2014**	**16-Nov-12 to 31-Dec-13**
		$	$
Cash flows from operating activities			
Receipts from customers		180	1,990
Interest received		280	229
Payments to suppliers and employees (inclusive of GST)		(176,695)	(49,750)
GST recovered/paid		36	59
Net cash provided by / (used in) operating activities	**16**	(176,199)	(47,472)
Cash flows from financing activities			
Cash transferred to UNE		(1,449)	-
Issued shares		-	120
Loan		175,000	50,000
Net cash provided by / (used in) financing activities		173,551	50,120
Net increase / (decrease) in cash and cash equivalents		(2,648)	2,648
Cash and cash equivalents at the beginning of the financial period		2,648	-
Cash and cash equivalents at the end of the financial period	**5**	-	2,648

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 Health Pty Ltd, a not for profit entity, was incorporated in Australia as a small proprietory company limited by shares on 16 November 2012 and is domiciled in Australia. The company was formerly known as UNE Physician Practice Management Company Pty Ltd. The change of name to UNE Health Pty Ltd was effective from 15 January 2014.

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

The principal address of UNE Health Pty Ltd is: University of New England, Armidale, NSW 2351, Australia.

The financial report for the year ended 31 December 2014 was authorised for issue on 18 March 2015. The company ceased operations on 23 December 2014.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

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

(b) Foreign currency translation

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

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

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The future primary sources of revenue for the entity will be private and bulk-bill consultation fees. At this early stage, the entity is reliant on the parent entity for current funding of expenditures.

Revenue for the current period is recognised as follows:

(i) Investment income
Interest income is recognised as it accrues.

(ii) Other revenue

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

(d) Income tax

UNE Health Pty Ltd was established solely for the public charitable purpose of exclusively providing funding to the University of New England for educational and research purposes. It is a not for profit entity and is not subject to income tax.

(e) Leases

The entity operated from an office on the University Premises and there is a free of charge leasing arrangements.

(f) 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 one year 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.

(g) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term 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. When a receivable is uncollectable, 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.

(h) 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.

(i) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(j) Employee benefits

(i) Wages and salaries

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

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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.

(k) 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 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 the taxation authority, are presented as operating cash flows.

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period.

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

(m) Going concern

These accounts have not been prepared as a going concern as UNE Health Pty Ltd ceased operations on 23 December 2014. All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment, between UNE Health Pty Ltd and the University of New England, and outstanding loan to UNE Health Pty Ltd was forgiven by the University of New England. UNE Health Pty Ltd was deregistered by ASIC on 24 February 2015.

		Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Note 2.	**Income**			
	Other income		180	1,990
	Interest income		280	229
	Contribution - University of New England *		237,535	-
	Total income		237,995	2,219

* Represents forgiveness of debt from the University of New England to cover the net assets of the entity.

		Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Note 3.	**Employee related expenses**			
	Salaries		157,685	45,003
	Contribution to funded superannuation		13,173	4,163
	Annual leave		(3,486)	3,486
	Relocation Fees		-	5,000
	Total employee related expenses		167,372	57,652
Note 4.	**Other expenses**			
	Audit Fees		8,000	6,000
	Agency services		481	620
	Bank fees		150	60
	Total other expenses		8,631	6,680
Note 5.	**Cash and cash equivalents**	1(f)		
	Cash at bank		-	2,648
	Total cash and cash equivalents		-	2,648
Note 6.	**Other receivables**	1(g)		
	Other receivables		-	-
	GST receivables		-	3
	Total other receivables		-	3
Note 7.	**Loan**			
	Current			
	Loan from the University of New England		-	50,000
	Total loan		-	50,000
Note 8.	**Other Liabilities**			
	Current			
	Accrued Liabilities			
	Salary related		-	5,158
	Other accrued expenditure		-	6,000
	Total current other liabilities		-	11,158
Note 9.	**Provision**			
	Current			
	Annual leave		-	3,486
	Total provision		-	3,486

	Notes	2014	16-Nov-12 to 31-Dec-13
		$	$

Note 10. Reserves and retained earnings

(a) Issued Capital

120 ordinary shares @ $1.00 each fully paid	120	120

(b) Retained earnings

Movements in retained earnings were as follows:

Retained earnings	(62,113)	-
Net Operating Result for the period	61,993	(62,113)
Retained earnings at 31 December	(120)	(62,113)

Note 11. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Health Pty Ltd from the beginning of the period to the reporting date:

Directors
Robert Finch - term expired 19 December 2014
Rosemary Leitch - term expired 19 December 2014
Gae Raby - term expired 19 December 2014
James Treloar - term expired 19 December 2014

Chief Operating Officer
Roberto Rojas-Morales - term expired 16 December 2014

Company Secretary
JS Hempel - term expired 19 December 2014

(b) Remuneration of Board Members and Executives

Remuneration of Board Members
The Directors of the company act in an honorary capacity and receive no benefits or fees for their services as Directors.

	2014	16-Nov-12 to 31-Dec-13
	No.	**No.**
Nil to $9,999	4	4
	4	4
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	-	-
Remuneration of executive officer	**No.**	**No.**
$50,000 to $59,999	-	1
$160,000 to $169,999	1	-
	1	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	167,371	57,652

Notes to the financial statements
31 December 2014
(continued)

	2014 $	16-Nov-12 to 31-Dec-13 $

Note 12. Remuneration of auditors

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

	2014 $	16-Nov-12 to 31-Dec-13 $
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	8,000	6,000
Total remuneration for audit services	8,000	6,000

Note 13. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Health Pty Ltd had been identified.

Note 14. Commitments

(a) Capital Commitments
There were no commitments for capital expenditure at 31 December 2014.

(b) Lease Commitments
There were no lease commitments at 31 December 2014.

Note 15. 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 11.

(d) Transactions with related parties
University of New England provided the UNE Health Pty Ltd with a range of administrative support services. These services have been provided at no charge to the Entity.

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

The following transactions occurred with related parties:

	2014 $	16-Nov-12 to 31-Dec-13 $
Transactions during the period		
University of New England		
Issued capital	-	120
Loan	175,000	50,000
Income received	237,535	-
Payments made	1,449	-

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

	2014 $	16-Nov-12 to 31-Dec-13 $
University of New England		
Payables - Loan	175,000	50,000

All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment, between UNE Health Pty Ltd and the University of New England, and outstanding loan to UNE Health Pty Ltd was forgiven by the University of New England.

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

	2014 $	16-Nov-12 to 31-Dec-13 $
Operating result for the period	61,993	(62,113)
Forgiveness of loan	(175,000)	-
Transfer of cash	1,449	-
Increase/(Decrease) in loan payable	(50,000)	-
Increase/(Decrease) in Payables and Prepaid Income	(14,644)	14,644
(Increase)/Decrease in Receivables and Prepaid Expenses	3	(3)
Net cash provided by / (used in) operating activities	(176,199)	(47,472)

Note 17. Events subsequent to reporting period

UNE Health Pty Ltd made application to ASIC to deregister on 24 December 2014. The company was deregistered on 24 February 2015.

Note 18. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	6	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days.
Financial Liabilities			
Creditors and Accruals	8	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
Loan	7	Loan from Parent Entity are recognised at amounts to be paid under the terms of the loan agreement.	As per the terms of the loan agreement

(ii) Foreign exchange risk

As UNE Health Pty Ltd recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The economic entity has no direct exposure to cash flow and fair value interest rate risk as it currently does not invest in term deposits.

(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 risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

(c) Liquidity Risk

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

Notes to the financial statements
31 December 2014
(continued)

Financial risk management (continued)

The entity currently receives financial support from the University to ensure 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 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	0.00	-				-	-
Receivables						-	-
Total Financial Assets		-	-			-	0
Financial Liabilities							
Loan						-	-
Other liabilities						-	-
Total Financial Liabilities			-	-		-	-
Net Financial Assets(Liabilities)		-	-	-		-	-

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	2.25	2,648				-	2,648
Investments - Term Deposits			-				-
Receivables	-					3	3
Total Financial Assets		2,648	-			3	2,651
Financial Liabilities							
Loan	-					50,000	50,000
Other liabilities	-					14,644	14,644
Total Financial Liabilities			-	-		64,644	64,644
Net Financial Assets(Liabilities)		2,648	-	-		(64,641)	(61,993)

(d) Net Fair Values of Financial Assets and Liabilities

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

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

Financial risk management (continued)

Summarised sensitivity analysis

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

23 December 2014	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	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	-					-	-	-	-				
Total Financial Assets	-												
Financial Liabilities													
Payables	-												
Loan	-												
Other Amounts Owing	-												
Total Financial Liabilities	-												
Total increase/(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	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	2,648	(26)	(26)	26	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	3					-	-	-	-				
Total Financial Assets	2,651												
Financial Liabilities													
Payables	-												
Loan	50,000												
Other Amounts Owing	14,644												
Total Financial Liabilities	64,644												
Total increase / (decrease)	(61,993)	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Life Pty Ltd

ABN: 29 065 648 419 Annual Financial Report for the year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Life Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity's declaration.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2014, 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 2010.

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

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My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

12 March 2015
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 2014 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 2010;

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 in accordance with a resolution of the Directors.

Anita Taylor
Director

David Schmude
Director

10 March 2015

Statement of Profit or Loss
For the year ended 31 December 2014

	Notes	**2014**	2013
		$	$
Revenue from continuing operations			
Trading income	**2**	4,099,140	4,135,731
Investment revenue	**3**	57,091	81,302
Other revenue	**4**	440,834	796,903
Total revenue from continuing operations		4,597,065	5,013,936
Expenses from continuing operations			
Employee related expenses	**5**	2,047,043	2,111,241
Depreciation and amortisation	**6**	109,070	191,022
Repairs and maintenance	**7**	122,470	104,008
Other expenses	**8**	3,109,494	2,723,165
Total expenses from continuing operations		5,388,077	5,129,436
Surplus or (deficit) attributable to the Entity	**18**	(791,012)	(115,500)

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

Statement of Other Comprehensive Income
For the year ended 31 December 2014

	Notes	**2014**	2013
		$	$
Surplus or (deficit) for the period		(791,012)	(115,500)
Other comprehensive income		-	-
Total comprehensive income for the period		(791,012)	(115,500)

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

Statement of Financial Position
As at 31 December 2014

	Notes	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	9	1,610,182	1,853,795
Receivables	10	145,543	143,516
Inventories	11	231,781	220,305
Other assets	13	-	12,671
Total current assets		1,987,506	2,230,287
Non-current assets			
Other financial assets	12	500	500
Property, plant and equipment	14	422,274	926,090
Intangible assets	15	25,000	25,000
Total non-current assets		447,774	951,590
Total assets		2,435,280	3,181,877
LIABILITIES			
Current liabilities			
Trade and other payables	16	429,828	364,334
Provisions	17	98,520	123,719
Total current liabilities		528,348	488,053
Non-current liabilities			
Provisions	17	38,000	34,000
Total non-current liabilities		38,000	34,000
Total liabilities		566,348	522,053
Net assets		1,868,932	2,659,824
EQUITY			
Retained earnings	18	1,868,812	2,659,824
Share Capital	18	120	-
Total equity		1,868,932	2,659,824

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 2014

	Shares	Retained Earnings	Total
Balance at 1 January 2013	-	2,775,324	2,775,324
Surplus / (Deficit)	-	(115,500)	(115,500)
Total comprehensive income	-	(115,500)	(115,500)
Balance at 31 December 2013	-	2,659,824	2,659,824
Balance at 1 January 2014	-	2,659,824	2,659,824
Surplus / (Deficit)	-	(791,012)	(791,012)
Issue of Share Capital	120	-	120
Total comprehensive income	120	(791,012)	(790,892)
Balance at 31 December 2014	120	1,868,812	1,868,932

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 2014

	Notes	2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		5,106,833	5,324,441
Interest received		57,091	81,302
Payments to suppliers and employees (inclusive of GST)		(5,353,218)	(5,300,854)
Interest and other costs of finance		-	(27,754)
Net cash provided by / (used in) operating activities	**25**	(189,294)	77,135
Cash flows from investing activities			
Payments for property, plant and equipment		(54,319)	(422,843)
Net cash provided by / (used in) investing activities		(54,319)	(422,843)
Net increase / (decrease) in cash and cash equivalents		(243,613)	(345,708)
Cash and cash equivalents at the beginning of the financial year		1,853,795	2,199,503
Cash and cash equivalents at the end of the financial year		1,610,182	1,853,795

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

Contents of the notes to the Financial Statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

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

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

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

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

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

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution on 10 March 2015.

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

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010.

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss.

(b) Foreign currency translation

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

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of Goods

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

(ii) Rendering of services

Revenue from rendering of services is recognised when there is unlikely to be any further effort or contribution necessary by the Entity to fulfil the obligations of the sale and the transfer of risk and reward to the customer is complete.

(iii) Interest received

Interest income is recognised as it accrues.

(iv) Other revenue

Represents income from various activities derived from core business and other miscellaneous income which is recognised when it is earned.

(d) Income tax

UNE Life Pty Ltd has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

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

(i) Inventories

Stocks on hand are valued at the lower of cost and net realisable value. 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. A provision for stock write down has been created to cover possible non-realisation of cost price for some stock. The amount of the provision is recognised in the income statement.

Impairment
The Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(j) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of the items. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

In 2014, the entity adopted the University policy of capitalising plant and equipment with an initial purchase price of $5,000 or greater. Therefore, the written down value of all plant and equipment in the asset register purchased for less than $5,000 were expensed in 2014. By adopting this policy the 2014 accounts showed an additional one off expense of $436,069.

Depreciation on plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Leasehold Improvements - 5 - 50 yrs,
Plant & Equipment - 2 - 10 yrs,
Motor Vehicle - 3 - 7 yrs,

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (note 1(f)).

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

(k) Intangible assets

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

(l) Trade and other payables

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

(m) Provisions

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

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee benefits

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

(ii) Annual leave and sick leave

Annual Leave is not expected to be settled within twelve months after the end of the annual reporting period in which employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119. 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) Long service leave

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

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the 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.

(p) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been adopted.

(r) Going Concern

The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

		Notes	2014	2013
			$	$
Note 2.	**Trading income**			
	Sale of goods		3,823,054	3,870,893
	Rendering of services		276,086	264,838
			4,099,140	4,135,731
Note 3.	**Investment revenue and income**			
	Interest		57,091	81,302
	Total investment revenue		57,091	81,302
Note 4.	**Other revenue**			
	UNE Fees		223,855	335,000
	UNE Student Services & Amenities Fees		26,738	240,587
	Rent		104,149	159,823
	Other revenue		86,092	61,493
			440,834	796,903
Note 5.	**Employee related expenses**			
	Salaries		1,778,453	1,799,246
	Contribution to funded superannuation and pension schemes		170,460	187,750
	Payroll tax		96,089	88,063
	Worker's compensation		7,859	8,779
	Annual & long service leave		(19,758)	20,237
	Other (Allowances, penalties and fringe benefits tax)		13,940	7,166
	Total employee related expenses		2,047,043	2,111,241
Note 6.	**Depreciation and amortisation**			
	Depreciation			
	Plant and Equipment		35,234	91,582
	Motor Vehicles		-	-
	Total depreciation		35,234	91,582
	Amortisation			
	Leasehold improvements		73,836	99,440
	Total amortisation		73,836	99,440
	Total depreciation and amortisation		109,070	191,022
Note 7.	**Repairs and maintenance**			
	Plant/furniture/equipment		122,470	104,008
	Total repairs and maintenance		122,470	104,008

Notes to the financial statements
31 December 2014
(continued)

		Notes	2014 $	2013 $
Note 8.	**Other expenses**			
	Cost of Goods Sold		1,777,272	1,785,675
	Assets Written Off *		436,069	-
	Advertising		30,447	31,592
	Cleaning and materials		60,002	55,763
	Computer Expenses		19,114	24,449
	Insurance		6,281	23,154
	Printing and Stationery		19,107	49,046
	Minor Equipment Purchases		156,201	-
	Security		32,757	37,880
	Utilities		175,181	200,123
	Rent		111,142	99,148
	Subscriptions and Membership		32,135	36,483
	Other Engagements		11,121	43,904
	Other Programs and activities		4,095	115,705
	Other Expenditure		238,570	220,243
	Total other expenses		3,109,494	2,723,165

* During the 2014 year UNE Life undertook the application of the parent companies asset capitlisation policy

		Notes	2014 $	2013 $
Note 9.	**Cash and cash equivalents**	1(g)		
	Cash on hand		15,510	18,310
	Cash at bank at call		582,396	731,170
	Term Investments		1,012,276	1,104,315
	Total cash and cash equivalents		1,610,182	1,853,795

(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:

	2014 $	2013 $
Balances as above	1,610,182	1,853,795
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,610,182	1,853,795

(b) Cash on hand

	2014 $	2013 $
These are non-interest bearing.	15,510	18,310

(c) Deposits at call

The deposits at call and at investment terms of less than12 months are bearing floating and fixed interest rates between 2.5% and 3.5% (2013 - 2.5% and 3.9%). These deposits have an average maturity of 180 days.

		Notes	2014 $	2013 $
Note 10.	**Receivables**			
	Current			
	Trade and Other Debtors		145,543	143,516
	Less: Provision for impaired receivables	1(h)	-	-
	Total receivables		145,543	143,516

(a) Impaired receivables

As at 31 December 2014 current receivables of the entity with a nominal value of $Nil (2013: $Nil) were impaired. The amount of the provision was $Nil **(**2013: $Nil).

As of 31 December 2014, trade receivables of $145,543 (2013: $32,134) were past due but not impaired. These relate to a number of related and independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2014 $	2013 $
3 to 6 months	11,873	20,648
Over 6 months	-	11,486
	11,873	32,134

Notes to the financial statements
31 December 2014
(continued)

	Notes	2014	2013
		$	$

Receivables (Continued)

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

Note 11. Inventories

	Notes	2014 $	2013 $
Current	1(i)		
Stock on hand		231,781	220,305
Total current inventories		231,781	220,305

Note 12. Other financial assets

	2014 $	2013 $
Non-current		
Available for sale	500	500
Total non-current other financial assets	500	500

Note 13. Other non-financial assets

	2014 $	2013 $
Current		
Prepaid Expenses	-	12,671
Total current other non-financial assets	-	12,671

Note 14. Property, plant and equipment

	2014 $	2013 $
Plant and equipment - At cost	312,857	1,429,402
Less: Accumulated depreciation	(180,886)	(957,170)
	131,971	472,232
Motor Vehicles – At cost	35,278	35,278
Less: Accumulated depreciation	(35,278)	(35,278)
	-	-
Leasehold improvements - At cost	663,583	637,123
Less: Accumulated depreciation	(373,280)	(277,803)
	290,303	359,320
Work in progress - At cost	-	94,538
	-	94,538
Total Property Plant & Equipment	422,274	926,090

Reconciliation

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

	2014 $	2013 $
Plant and Equipment		
Carrying amount at beginning of year	472,232	173,941
Additions	54,319	389,873
Disposals	(359,346)	-
Depreciation	(35,234)	(91,582)
Carrying amount at end of year	131,971	472,232

Notes to the financial statements
31 December 2014
(continued)

		Notes	2014 $	2013 $
	Property, plant and equipment (continued)			
	Leasehold improvements			
	Carrying amount at beginning of year		359,320	437,112
	Additions		-	32,970
	Reclassifications		81,542	-
	Disposals		(76,723)	(11,322)
	Depreciation		(73,836)	(99,440)
	Carrying amount at end of year		290,303	359,320
Note 15.	**Intangible assets**	1(k)		
	Australia Post Licence – At cost		25,000	25,000
Note 16.	**Trade and other payables**			
	Current			
	Trade Payables		429,828	269,796
	Other Payables		-	94,538
	Total current trade and other payables		429,828	364,334
Note 17.	**Provisions**	1(m)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		66,520	90,719
	Long service leave		7,000	-
	Subtotal		73,520	90,719
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Long service leave		25,000	33,000
	Subtotal		25,000	33,000
	Total Current Provision		98,520	123,719
	Non-current provisions			
	Employee benefits			
	Long service leave		38,000	34,000
	Total non-current provision		38,000	34,000
	Total provisions		136,520	157,719
Note 18.	**Retained Earnings & Share Capital**			
	Retained earnings			
	Movements in retained surplus were as follows:			
	Retained earnings at 1 January		2,659,824	2,775,324
	Operating surplus / (deficit) for the year		(791,012)	(115,500)
	Retained earnings at 31 December		1,868,812	2,659,824
	Share Capital			
	Share Capital held - 120 at $1 owned by the University of New England		120	-

Note 19. Economic Dependency

Under the present structure the company is dependent upon the continued support of the University of New England.

Note 20. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers for all or part of the year to the reporting dates:

Directors
Bruce Pain (appointed 12th May 2014)
David Schmude (appointed 6th May 2014)
Anita Taylor (appointed 7th May 2014)

The following persons resigned from the board during the year:
Mr David Cushway (removed 6th may 2014)

Executive Officers
David Schmude - Managing Director and Company Secretary
Mr David Schmude's role also incorporates the role of Managing Director of Sport UNE Pty Ltd. His remuneration is met by Sport Une Pty Ltd.
Simon Paul - Director of Finance & Administration (resigned 17th September 2014)

(b) Remuneration of Board Members and Executives

The Directors of the company act in an honorary capacity and receive no benefits or fees for their services as Directors. Any benefits and remunerations are received in their capacity as employees of the University of New England or UNE Life Pty Ltd in the case of the Executive Officer.

Remuneration of Board Members	**2014**	2013
	No.	**No.**
Nil to $9,999	3	5
	$'000	$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-
Remuneration of executive officers	**No.**	**No.**
$140,000 to $149,999	-	1
$150,000 to $159,999	-	-
$160,000 to $169,999	-	-
$170,000 to $179,999	-	-
$180,000 to $189,999*	1	-
	1	-

*The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows includes redundancy payment to Mr Simon Paul:

	$	$
Key Management Personnel Compensation	184,692	149,516

Note 21. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	24,900	24,835
Total remuneration for audit services	24,900	24,835

Note 22. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Life Pty Ltd had been identified. A Bank Guarantee from the National Australia Bank for $20,000 in favour of Road Show Film Distributor in place through into 2014 has been lifted.

Note 23. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2014 of $0 (2013: $6,000).

(b) Lease Commitments

	2014	2013
	$	$
(i) Operating Leases		
Within one year	112,438	113,974
Between one and five years	449,712	19,033
GST Recoverable	(51,105)	(12,092)
Later than five years	-	-
Total operating leases	511,046	120,915

On 3 February 2015 the company exercised an option over the lease of the cinema for a further five years. The operating lease commitments associated with this option have been included above.

(ii) Finance Leases

There were no commitments for Finance Leases at 31 December 2014, (2013: Nil).

	2014	2013
Total commitments	511,046	120,915

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under workplace agreements.

Note 24. Related parties

(a) Parent entities
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 20.

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

The following transactions occurred with related parties:

	2014	2013
Transactions during the period	**$**	$
University of New England		
UNE - Commercial transactions	150,799	378,500
UNE Support	250,593	576,010
Payments made	(264,290)	(223,532)
Net	137,102	730,978
With other related parties		
Income received	19,892	48,030
Payments made	10,000	10,000
Net	29,892	58,030

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

University of New England		
Receivables	82,978	43,762
Payables	(164,050)	(345)
With other related parties		
Receivables	4,303	-
Payables	(550)	-

(e) Guarantees
There have been no guarantees given.

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

Note 25. Reconciliation of operating result after income tax to net cash flows from operating activities

Operating surplus / (deficit) for the period	(791,012)	(115,500)
Depreciation and amortisation	109,070	191,022
Assets written off	436,069	
Provision for impaired receivables and inventory	-	(3,989)
Net (gain) / loss on sale of non-current assets	-	11,322
Increase/(Decrease) in Payables and Prepaid Income	65,939	16,968
Increase/(Decrease) in Provision for Employee Entitlements	(21,199)	24,529
(Increase)/Decrease in Receivables and Prepaid Expenses	23,315	(74,462)
(Increase)/Decrease in Inventories	(11,476)	27,245
Net cash provided by / (used in) operating activities	(189,294)	77,135

Note 26. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 27. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables (Excludes statutory receivables and prepayments)	11	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits At Call	10	Deposits at Call are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.5% and 3.5%. Average maturity of 180 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2014.	
Creditors and Accruals (Excludes statutory payables and unearned revenue)	17	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

The entity recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(ii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

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

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

(v) Summarised sensitivity analysis

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

(b) Credit Risk

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

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity:
- will not have sufficient funds to settle a transaction on the due date

Notes to the financial statements
31 December 2014
(continued)

Financial risk management (continued)

- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

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

31 December 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.50%	582,396				15,510	597,906
Investments-Term Deposits	3.50%		1,012,276				1,012,276
Receivables & other non-financial assets						145,543	145,543
Unlisted shares						500	500
Total Financial Assets		582,396	1,012,276			161,553	1,756,225
Financial Liabilities							
Borrowings			-	-			-
Payables						429,828	429,828
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		429,828	429,828
Net Financial Assets(Liabilities)		582,396	1,012,276	-		(268,275)	1,326,397

Comparative figures for the previous year are as follows:

31 December 2013	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	3.50%	731,170				18,310	749,480
Investments - Term Deposits	3.70%		1,104,315				1,104,315
Receivables						143,516	143,516
Unlisted shares						500	500
Total Financial Assets		731,170	1,104,315			162,326	1,997,811
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					364,334	364,334
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		364,334	364,334
Net Financial Assets(Liabilities)		731,170	1,104,315	-		(202,008)	1,633,477

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2014	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	597,906	(5,979)	(5,979)	5,979	5,979
Investments-Term Deposits	1,012,276	(10,123)	(10,123)	10,123	10,123
Receivables	145,543				
Listed Shares	500				
Total Financial Assets	1,756,225				
Financial Liabilities					
Borrowings	-				
Payables	429,828				
Other Amounts Owing	-				
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,326,397	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	749,480	(7,495)	(7,495)	7,495	7,495
Investments - Term Deposits	1,104,315	(11,043)	(11,043)	11,043	11,043
Receivables	143,516				
Listed Shares	500				
Total Financial Assets	1,997,811				
Financial Liabilities					
Borrowings	-	-		-	-
Creditors	364,334				
Other Amounts Owing	-				
Total Financial Liabilities	364,334				
Total increase / (decrease)	1,633,477	-	-	-	-

Note 28 Fair value measurements

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

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

The entity categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history, it is expected that the receivables that are neither past due nor impaired will be received when due.

The entity holds 500 shares in the Tertiary Access Group Cooperative. These unlisted shares are valued at $500. The shares are classified as Level 3 as the shares are not traded on an active market and there is no observable market data for them.

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

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,610,183	1,853,795	1,610,183	1,853,795
Receivables	145,543	143,516	145,543	143,516
Other financial assets	500	500	500	500
Total financial assets	1,756,226	1,997,811	1,756,226	1,997,811
Financial liabilities				
Payables	429,828	364,334	429,828	364,334
Total financial liabilities	429,828	364,334	429,828	364,334

End of Audited Financial Statements

UNE Open Pty Ltd

ABN: 92 161 263 430
Annual Financial Report for the year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT

uneOpen Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of uneOpen Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2014, 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 2010.

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

20 March 2015
SYDNEY

UNE Open 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 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 2014 and the results of its operations and transactions of the Company for the year ended 31 December 2014;

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 2010;

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. At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due noting the factors outlined in Note 1(l) to the financial statements.

Signed in accordance with a resolution of the Directors.

A Duncan
....

Professor Annabelle Duncan

18 March 2015

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Revenue			
Transfer of net assets	2	231,717	-
Income	2	1,314	644
Total revenue		233,031	644
Expenses			
Other expenses	3	284,118	49,677
Total expenses		284,118	49,677
Surplus/(deficit) before income tax		(51,087)	(49,033)
Income tax expense	1(d)	-	-
Surplus/(deficit) attributable to UNE Open Pty Limited	8 (b)	(51,087)	(49,033)

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

Statement of other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Surplus/(deficit) for the period		(51,087)	(49,033)
Other comprehensive income		-	-
Total comprehensive income for the period		(51,087)	(49,033)

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
ASSETS			
Current assets			
Cash and cash equivalents	**4**	-	84,990
Other receivables	**5**	-	462
Total current assets		-	85,452
Total assets		-	85,452
LIABILITIES			
Current liabilities			
Trade and other payables	**6**	-	17,703
Other liabilities	**7**	-	16,662
Total current liabilities		-	34,365
Total liabilities		-	34,365
Net assets		-	51,087
EQUITY			
Issued capital	**8 (a)**	100,120	100,120
Retained earnings	**8 (b)**	(100,120)	(49,033)
Total equity attributable to equity holders of the company		-	51,087

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 2014

	Issued Capital	Retained Earnings	Total
Balance at 16 November 2012			
Issued capital	100,120	-	100,120
Surplus/(deficit) for the period	-	(49,033)	(49,033)
Total comprehensive income	100,120	(49,033)	51,087
Balance at 31 December 2013	100,120	(49,033)	51,087
Balance at 1 January 2014	100,120	(49,033)	51,087
Issued capital	-	-	-
Surplus/(deficit) for the period	-	(51,087)	(51,087)
Total comprehensive income	-	(51,087)	(51,087)
Balance at 31 December 2014	100,120	(100,120)	-

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 2014

	Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Cash flows from operating activities			
Receipts from customers		990	495
Interest received		1,314	644
Payments to suppliers (inclusive of GST)		(14,779)	(17,063)
GST recovered/paid		690	914
Net cash provided by / (used in) operating activities	**14**	(11,785)	(15,010)
Cash flows from financing activities			
Cash transferred to UNE		(73,325)	-
Issued capital		120	100,000
Loan		-	5,000
Repayment of loan		-	(5,000)
Net cash provided by / (used in) financing activities		(73,205)	100,000
Net increase / (decrease) in cash and cash equivalents		(84,990)	84,990
Cash and cash equivalents at the beginning of the financial period		84,990	-
Cash and cash equivalents at the end of the financial period	**4**	-	84,990

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 Open Pty Limited, a not for profit entity, was incorporated in Australia as a small proprietory company limited by shares on 16 November 2012 and is domiciled in Australia.

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

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

The financial report for the year ended 31 December 2014 was authorised for issue on 18 March 2015. The company ceased operations on 18 November 2014.

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

(a) Basis of preparation

The Financial Report is a general purpose financial report that has been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

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

(b) Foreign currency translation

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

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

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

(i) Premium services
UNE Open Pty Limited offered a range of premium services alongside the free subject content enabling a student to connect with academic and teaching staff when they need to.

(ii) Investment income
Interest income is recognised as it accrues.

(iii) Other revenue
Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

(d) Income tax

Item 15.2 of UNE Open Pty Limited's constitution states that it is a not for profit entity and as such, is not subject to income tax.

(e) Leases

The entity operated from an office on the University Premises with a free of charge leasing arrangements.

(f) 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 one year 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.

(g) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term 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. When a receivable is uncollectable, 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.

(h) 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.

(i) 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 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 the taxation authority, are presented as operating cash flows.

(j) Employee benefits

The University of New England provided and paid for all administrative support for the entity. Some of the directors were remunerated by the entity for their role as directors of the entity.

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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period.

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

(l) Going concern

These accounts have not been prepared as a going concern as UNE Open Pty Ltd ceased operations on 18 November 2014. All assets and liabilities were transferred to the University of New England in accordance with a Deed of Transfer and Assignment, between UNE Open Pty Ltd and the University of New England, and outstanding loan to UNE Open Pty Ltd was forgiven by the University of New England. UNE Open Pty Ltd has lodged a request to voluntary deregister the company with ASIC.

		Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Note 2.	**Income**			
	Other income		-	-
	Interest income		1,314	644
	Contribution - University of New England *		231,717	-
	Total income		233,031	644

*Amount represents costs to UNE Open met by the University of New England and brought to account on the close of business on 18 November 2014.

		Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Note 3.	**Other expenses**			
	Personnel services		245,449	-
	Travel - Local		1,698	-
	Travel - Overseas		2,190	-
	Accommodation - Overseas		4,507	-
	Advertising		1,754	-
	Computer equipment		66	-
	Telephone		644	-
	Stationery		27	-
	Entertainment		22	-
	Membership subscription		23	-
	Directors fees and other related costs		21,831	42,897
	Audit fees		5,000	6,000
	ASIC fees		236	299
	Bank fees		670	481
	Total other expenses		284,117	49,677
Note 4.	**Cash and cash equivalents**	1(f)		
	Cash at bank		-	84,990
	Total cash and cash equivalents		-	84,990
Note 5.	**Other receivables**	1(g)		
	Other receivables		-	462
	Total other receivables		-	462
Note 6.	**Trade and other payables**			
	Current			
	Trade payables		-	17,703
	Total current trade and other payables		-	17,703
Note 7.	**Other Liabilities**			
	Current			
	Accrued Liabilities			
	Other accrued expenditure		-	16,662
	Total current other liabilities		-	16,662

		Notes	2014 $	16-Nov-12 to 31-Dec-13 $
Note 8.	**Reserves and retained earnings**			
(a)	**Issued Capital**			
	100,120 ordinary shares @ $1.00 each fully paid		100,120	100,120
(b)	**Retained earnings**			
	Movements in retained earnings were as follows:			
	Retained earnings		(49,033)	-
	Net Operating Result for the period		(51,087)	(49,033)
	Retained earnings at end of the period		(100,120)	(49,033)

Note 9. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Open Pty Limited from 1 January 2014 to the reporting date:

Directors

Annabelle Duncan - Chair - term expired 18 November 2014

James Harris - term expired 18 November 2014

Janette McClelland - term expired 18 November 2014

Executive Officer

James Bell - resigned 18 August 2014

Company Secretary

Anita Taylor - term expired 18 November 2014

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

Some of the Directors of the company were paid fees for their services as Directors.

	No.	No.
$1.00 to $60,999	2	4
	2	4

Aggregate Remuneration of Board Members	**$**	**$**
Total Aggregate Remuneration	21,831	42,897

Note 10. Remuneration of auditors

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

Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	8,000	6,000
Total remuneration for audit services	8,000	6,000

Note 11. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Open Pty Limited had been identified.

Note 12. Commitments

(a) Capital Commitments
There were no commitments for capital expenditure at 31 December 2014, (2013: Nil).

(b) Lease Commitments

There were no lease commitments at 31 December 2014, (2013: Nil).

Note 13. 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 9.

(d) Transactions with related parties
University of New England provided the Entity with a range of administrative support services. These services have been provided at no charge to the Entity. The University also absorbed all start-up costs of UNE Open Pty Ltd.

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

The following transactions occurred with related parties:

	2014	2013
Transactions during the period	$	$
University of New England		
Purchase of issued capital	-	100,120
Loan received	-	5,000
Payments made	73,325	5,000
Income received	231,717	-
Net	158,392	100,120

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

University of New England		
Payables	-	-

(e) Guarantees
There have been no guarantees given.

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

Note 14. Reconciliation of operating result after income tax to net cash flows from operating activities

	2014 $	16-Nov-12 to 31-Dec-13 $
Operating result for the period	(51,087)	(49,033)
Transferred to UNE	73,205	-
Increase/(Decrease) in Payables and Prepaid Income	(34,365)	34,365
(Increase)/Decrease in Receivables and Prepaid Expenses	462	(342)
Net cash provided by / (used in) operating activities	(11,785)	(15,010)

Note 15. Events subsequent to reporting period

UNE Open Pty Ltd made application to the Australian Securities and Investment Commission (ASIC) to deregister on 18 November 2014. The notice of the proposed deregistration of the entity was published by ASIC on 13 February 2015. There are no reportable events occurring after reporting date and cessation of operations.

Note 16. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	5	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.
Financial Liabilities			
Creditors and Accruals	6 & 7	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

As UNE Open Pty Limited recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

The economic entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The economic entity has no direct exposure to cash flow and fair value interest rate risk as it currently does not invest in term deposits.

(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 risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, UNE Open 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.

Financial risk management (continued)

The entity currently receives financial support from the University to ensure 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 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	0.00	-				-	-
Receivables						-	-
Total Financial Assets		-	-			-	-
Financial Liabilities							
Payables						-	-
Total Financial Liabilities			-	-		-	-
Net Financial Assets(Liabilities)		-	-	-		-	-

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	2.25	84,990				-	84,990
Investments - Term Deposits			-				-
Receivables	-					-	-
Total Financial Assets		84,990	-			-	84,990
Financial Liabilities							
Payables	-					17,703	17,703
Total Financial Liabilities			-	-		17,703	17,703
Net Financial Assets(Liabilities)		84,990	-	-		(17,703)	67,287

(d) Net Fair Values of Financial Assets and Liabilities

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

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

Financial risk management (continued)

Summarised sensitivity analysis

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

18 November 2014	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	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	-					-	-	-	-				
Total Financial Assets	-												
Financial Liabilities													
Payables	-												
Total Financial Liabilities	-												
Total increase/(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	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	84,990	(850)	(850)	850	850	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	-					-	-	-	-				
Total Financial Assets	84,990												
Financial Liabilities													
Payables	17,703												
Total Financial Liabilities	17,703												
Total increase / (decrease)	67,287	-	-	-	-	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Partnerships Pty Ltd

ABN: 74 003 099 125
Annual Financial Report for the year ended 31 December 2014

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Ltd

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Partnerships Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of profit and loss, the statement of other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity's declaration.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2014, 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 2010.

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for preparing financial statements that give a true and fair view 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

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My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

16 March 2015
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 2014 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 2010;

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.

…………………
Dr James HARRIS
Director

……………………
Mr Shaun McDONAGH
Director

10th March 2015

Statement of Profit or Loss
For the year ended 31 December 2014

	Notes	2014 $	2013 $
Revenue from continuing operations			
Sales revenue	2	5,219,576	5,217,660
Investment revenue	3	73,185	108,682
Total revenue from continuing operations		5,292,761	5,326,342
Expenses from continuing operations			
Employee related expenses	4	2,879,058	3,109,410
Depreciation and amortisation	5	248,207	254,228
Impairment of assets	6	223,462	8,399
Marketing and promotion		128,042	348,142
Travel and accommodation		237,385	292,135
Scholarships		-	208,992
Course delivery expenses		1,606,408	1,570,186
Other expenses	7	778,194	463,454
Total expenses from continuing operations		6,100,756	6,254,946
Surplus or (deficit) attributable to UNE Partnerships Pty Limited	17(b)	(807,995)	(928,604)

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

Statement of Other Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 $	2013 $
Surplus or (deficit) for the period		(807,995)	(928,604)
Other comprehensive income		-	-
Total comprehensive income for the period		(807,995)	(928,604)

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

Statement of Financial Position
As at 31 December 2014

	Notes	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	**8**	1,573,480	1,836,900
Receivables	**9**	513,572	573,764
Inventories	**10**	14,746	36,715
Other non-financial assets	**11**	82,933	61,846
Total current assets		2,184,731	2,509,225
Non-current assets			
Plant and equipment	**12**	65,945	90,181
Intangible assets	**13**	678,384	1,014,667
Total non-current assets		744,329	1,104,848
Total assets		2,929,060	3,614,073
LIABILITIES			
Current liabilities			
Trade and other payables	**14**	150,681	60,265
Provisions	**15**	330,366	396,452
Other liabilities	**16**	809,592	695,940
Total current liabilities		1,290,639	1,152,657
Non-current liabilities			
Provisions	**15**	69,000	84,000
Total non-current liabilities		69,000	84,000
Total liabilities		1,359,639	1,236,657
Net assets		1,569,421	2,377,416
EQUITY			
Issued capital	**17(a)**	1,198,937	1,198,937
Retained earnings	**17(b)**	370,484	1,178,479
Total equity attributable to equity holders of the company		1,569,421	2,377,416
Total equity		1,569,421	2,377,416

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 2014

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2013	$1,198,937	$2,107,083	$3,306,020
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	($928,604)	($928,604)
Total comprehensive income	-	($928,604)	($928,604)
Balance at 31 December 2013	$1,198,937	$1,178,479	$2,377,416
Balance at 1 January 2014	$1,198,937	$1,178,479	$2,377,416
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	($807,995)	($807,995)
Total comprehensive income	-	($807,995)	($807,995)
Balance at 31 December 2014	$1,198,937	$370,484	$1,569,421

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 2014

	Notes	**2014**	2013
		$	$
Cash flows from operating activities			
Receipts from student fees and other customers		5,482,083	5,253,281
Interest received		63,327	136,869
Payments to suppliers and employees		(5,741,271)	(6,412,064)
GST recovered/paid		42,438	64,495
Net cash provided by / (used in) operating activities	**23**	(153,423)	(957,419)
Cash flows from investing activities			
Payments for property, plant and equipment		(18,564)	(136,165)
Net cash outflow for intangibles purchased		(91,433)	(200,000)
Net cash provided by / (used in) investing activities		(109,997)	(336,165)
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		(263,420)	(1,293,584)
Cash and cash equivalents at the beginning of the financial year		1,836,900	3,130,484
Cash and cash equivalents at the end of the financial year	**8**	1,573,480	1,836,900

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

Contents of the notes to the financial statements

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Partnerships Pty Limited, a not for profit entity, was incorporated in Australia as a company limited by shares on 15 May 1986 and is domiciled in Australia.

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

The principal address of UNE Partnerships Pty Limited is: 122-132 Mossman St, Armidale, NSW.

The financial statement for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board on 10th March 2015.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements, prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2010.

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

(b) Foreign currency translation

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

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

(c) Revenue recognition

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

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specific criteria have been met for each of the Entity’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Education services: fee paying students

Course income or fees are recognised in the financial statements using the ‘Percentage of Completion’ method described in AASB 118 - Revenue. At year-end a reliable estimate is made of the future costs to be incurred in the remainder of each student’s enrolment term as the indicator of ‘Percent Completion’. A corresponding proportion of enrolment fees is transferred to the liability ‘Income received in advance’.

(ii) Education services: government funded students
Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(iii) Workshops, Consultancy, Product Sales and Annual enrolment and administration fees
Revenue is recognised as income in the year when the relevant fee becomes payable.

(iv) Interest income
Interest income is recognised as it accrues.

Revenue recognition (continued)

(d) Income tax

UNE Partnerships Pty Limited has been granted exemption from paying tax under the provisions of Subdivision 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

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

(f) Impairment of assets

Intangible assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Intangible assets with a definite useful life (e.g. contracts transferred during an acquisition) are subject to individual amortisation on a straight line basis over the known life of the contract.

Other assets

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

(g) Cash and cash equivalents

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

(h) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under Note 6. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and current replacement cost. Cost comprises direct materials and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Plant and equipment

Other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture and Fittings: 3 - 11 yrs
Computing Equipment / Software: 2 - 5 yrs
Intangibles: 3 - 5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

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

(k) Intangible assets

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

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

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

(iii) Goodwill
Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(l) Trade and other payables

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

(m) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee benefits

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

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

Annual leave is not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is measured at nominal value which is not materially different to present value.

(iii) Long service leave

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

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquiring the asset or as part of the expense.

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

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

(p) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

		Notes	2014 $	2013 $
Note 2.	**Sales revenue**			
	Education services (fee paying and government funded)		3,635,662	3,256,520
	Workshops		816,646	1,239,214
	Consultancy		755,665	703,196
	Product sales		11,603	18,730
	Total sales revenue		5,219,576	5,217,660
Note 3.	**Investment revenue**			
	Interest		73,185	108,682
	Total investment revenue		73,185	108,682
Note 4.	**Employee related expenses**			
	Salaries		2,187,000	2,410,437
	Contribution to funded superannuation and pension schemes		216,106	235,092
	Payroll tax		142,332	154,766
	Worker's compensation		5,220	13,127
	Long service leave expense		78,490	13,685
	Annual leave		246,457	272,002
	Other (Allowances, penalties and fringe benefits tax)		3,453	10,301
	Total employee related expenses		2,879,058	3,109,410
Note 5.	**Depreciation and amortisation**			
	Depreciation			
	Furniture and Fittings		19,207	13,168
	Computer Equipment		25,235	31,747
	Total depreciation		44,442	44,915
	Amortisation			
	Intellectual property and courseware		110,377	96,907
	Contracts acquired in acquisition		93,388	112,406
	Total amortisation		203,765	209,313
	Total depreciation and amortisation		248,207	254,228
Note 6.	**Impairment of assets**			
	Bad Debts		1,155	8,399
	Movement in provision for doubtful debts		(436)	-
	Impairment of assets		222,307	-
	Total impairment of assets		223,026	8,399
Note 7.	**Other expenses**			
	Non-capitalised equipment		16,046	25,663
	Utilities		118,526	116,825
	Inventory Used		17,128	18,903
	Postal and Telecommunications		46,882	54,185
	Books, Serials and Other Library Media		58,721	20,166
	Consultants and authors' fees		436,770	136,427
	Catering Services		67,083	76,592
	Interest Expense		-	6,150
	Repairs & maintenance - plant/furniture/equipment		2,678	2,407
	Other Expenditure		14,359	6,136
	Total other expenses		778,193	463,454

		Notes	2014 $	2013 $
Note 8.	**Cash and cash equivalents**	1(g)		
	Cash on hand		900	900
	Cash at bank		97,580	486,438
	At call investments		1,475,000	1,349,562
	Total cash and cash equivalents		1,573,480	1,836,900

(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	1,573,480	1,836,900
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,573,480	1,836,900

(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 3.5% and 4.0% (2013 - 3.5% and 4.0%). These deposits have an average maturity of 90 days.

		Notes	2014 $	2013 $
Note 9.	**Receivables**			
	Current			
	Trade and Other Debtors		517,477	578,104
	Less: Provision for impaired receivables	1(h)	(3,904)	(4,340)
	Total receivables		513,573	573,764

(a) Impaired receivables

As at 31 December 2014 current receivables of the entity with a nominal value of $5,364 (2013: $7,630) were impaired. The amount of the provision was $3,904 (2013: $4,340). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

3 to 6 months	3,650	3,030
Over 6 months	1,714	4,600
	5,364	7,630

As of 31 December 2014, trade receivables of $25,299 (2013: $169,696) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	211	111,213
Over 6 months	25,088	58,483
	25,299	169,696

Movements in the provision for impaired receivables are as follows:

As at 1 January	4,340	19,126
Provision for impairment recognised during the year	719	8,399
Receivables written off during the year as uncollectible	(1,155)	(23,185)
As at 31 December	3,904	4,340

The creation and release of the provision for impaired receivables has been included in ‘Impairment of assets’ in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

		Notes	2014 $	2013 $
Note 10.	**Inventories**	1(i)		
	Current			
	Stock of course materials		14,746	36,715
	Total current inventories		14,746	36,715
Note 11.	**Other non-financial assets**			
	Current			
	Accrued Income		32,848	24,118
	Prepaid Expenses		50,085	37,728
	Total current other non-financial assets		82,933	61,846
Note 12.	**Plant and equipment:**			
	Plant and equipment:			
	At cost		45,209	45,209
	Accumulated depreciation		(40,039)	(38,823)
			5,170	6,386
	Computer cost			
	At cost		229,531	221,371
	Accumulated depreciation		(178,337)	(160,268)
			51,194	61,103
	Leasehold Improvements			
	At cost		122,701	122,701
	Accumulated depreciation		(113,120)	(100,009)
			9,581	22,692
	Total Plant and Equipment		65,945	90,181

Movements in Carrying Amounts

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

	Plant & Equip	Computer Equip	Leasehold Improv.	Total
Balance at 1 January 2013	7,581	73,195	27,183	107,959
Additions	-	19,655	7,482	27,137
Depreciation expense	(1,195)	(31,747)	(11,973)	(44,915)
Derecognition	-	(10,575)	-	(10,575)
Depreciation written back on disposal	-	10,575	-	10,575
Balance at 31 December 2013	6,386	61,103	22,692	90,181
Balance 1 January 2014	6,386	61,103	22,692	90,181
Additions	-	20,206	-	20,206
Depreciation expense	(1,216)	(30,115)	(13,111)	(44,442)
Derecognition	-	(12,047)	-	(12,047)
Depreciation written back on disposal	-	12,047	-	12,047
Carrying amount at 31 December 2014	5,170	51,194	9,581	65,945

Note 13. Intangible assets

	Notes	2014 $	2013 $
Course Development Expenses			
Cost		479,097	525,578
Accumulated amortisation		(277,735)	(303,628)
Net carrying value		201,362	221,950
Reconciliation of course development expenses			
Balance at the beginning of year		221,950	209,829
Additions		92,476	109,028
Eliminations		(2,687)	-
Amortisation charge		(110,377)	(96,907)
Closing carrying value at 31 December		201,362	221,950
Acquisition Expenses			
Goodwill at cost (incl contingent portion)		584,504	584,504
Accumulated impairment losses		(222,307)	-
Value of contracts and client relationships, at cost		684,575	684,575
Accumulated amortisation		(569,750)	(476,362)
Net carrying value		477,022	792,717
Reconciliation of acquisition outlays			
Balance as at the beginning of year		792,717	905,123
Impairment charge		(222,307)	-
Amortisation charge		(93,388)	(112,406)
Closing carrying value at 31 December		477,022	792,717
Total net carrying value		678,384	1,014,667

A material impairment loss was recognised in 2014 for goodwill acquired in the purchase of Contracting and Tendering Services in July 2012. The indicators of loss are: lower than expected revenue during 2014 as a result of an insufficient number of senior consulting and training personnel; and longer than expected development time to create new accredited courses in Procurement and Contract Management. Both factors restrained short-term revenue growth relative to the pre-acquisition estimates.

Management calculates the impairment to Goodwill at $222,306. This amount is included within 'Impairment of assets' in the Statement of Profit or Loss. The impairment loss is based on the 'Value In Use' method, using a discount rate of 37.5% applied against estimated future earnings for three years. Management's estimates were based on:

- Estimated future revenue from the unit in its current state of development;
- Known or predicted cost structures which are expected to apply during the three-year forecast;
- The resulting profit figure was discounted at a rate which reflects the lack of ready market, the volatile nature of revenue streams and the exposure of revenue to the ongoing performance of key personnel. The discount rate applied was towards the higher end of the range of discount factors commonly used in valuations of professional practices which have non-recurring earnings derived largely from personnel time.

The Goodwill relates to performance of a cash-generating unit which offers training and consulting services in the field of procurement and contract management. The company does not report any Goodwill value for any of its other activities.

Note 14. Trade and other payables

	2014 $	2013 $
Current		
Trade Payables	150,681	60,265
Total current trade and other payables	150,681	60,265

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 26.

		Notes	2014 $	2013 $
Note 15.	**Provisions**	1(m)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		129,392	174,306
	Long service leave		156,000	191,000
	Receivables			
	Movement in provision		435	-
	Subtotal		285,827	365,306
	Current provisions expected to be settled after more than 12 months			
	Employee benefits			
	Annual leave		44,539	31,146
	Subtotal		44,539	31,146
	Total Current Provision		330,366	396,452
	Non-current provisions			
	Employee benefits			
	Long service leave		69,000	84,000
	Total non-current provision		69,000	84,000
	Total provisions		399,366	480,452
Note 16.	**Other Liabilities**			
	Current			
	Accrued Liabilities			
	Salary Related		66,797	57,611
	Other Accrued Expenditure		77,349	78,281
	Income received in advance		665,446	560,048
	Total current other liabilities		809,592	695,940
Note 17.	**Reserves and retained earnings**			
(a)	**Issued Capital**			
	1,198,937 ordinary shares @ $1.00 each fully paid		1,198,937	1,198,937
(b)	**Retained earnings**			
	Movements in retained earnings were as follows:			
	Retained earnings at 1 January		1,178,479	2,107,083
	Net Operating Result for the year		(807,995)	(928,604)
	Retained earnings at 31 December		370,484	1,178,479

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

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

Directors
Dr James R. HARRIS - Chairman
Philip M. ATTARD
Michelle CLARKE
Suzanne A. JONES
Janette McCLELLAND
Shaun G. McDONAGH
Professor Alison J. NETHERY

Executive Officer
Shaun G. McDonagh

Other Key Management Personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of UNE Partnerships Pty Limited during the financial year:

Mr RJ Doyle (ceased 29 April 2014)
Mr SG McDonagh (commenced 16 June 2014)
Mr O Barry (promoted 1 January 2014)
Mr I Brown (ceased 4 December 2014)
Ms K Hogan
Mr GJ Kendall (ceased 31 October 2014)
Ms P Klass (ceased 28 November 2014)
Ms M Michell
Ms D Swanson
Ms D Yeomans (ceased 25 November 2014)

(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 2014 payments to non-executive directors have been included as paid/accrued.

	2014	2013
	No.	**No.**
Nil to $9,999	6	6
	6	6
Aggregate Remuneration of Board Members	**$**	$
Total Aggregate Remuneration	27,000	-
Remuneration of executive officers	**No.**	**No.**
Nil to $150,000	2	-
$175,000 to $189,999	-	1
	2	1
Aggregate Remuneration of executive officers	**$**	$
Total Aggregate Remuneration	209,047	182,524

During the year there was a change of executive officer. Aggregate remuneration includes all payments to both executive officers during the year and includes payment of accrued annual and long service leave to the departing executive.

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:

	2014 $	2013 $
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	23,100	27,000
Total remuneration for audit services	23,100	27,000
Other audit and assurance services		
Fees paid	-	5,000
Total remuneration for non-audit services	-	5,000

Nil services purchased in 2014; services purchased in 2013 relate to internal reviews of financial systems and controls.

Note 20. Contingencies

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

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Partnerships Pty Limited had been identified.

Note 21. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2014 (2013: Nil).

(b) Lease Commitments

	2014 $	2013 $
Operating Leases		
Within one year	91,204	96,569
Between one and five years	48,559	89,251
Later than five years	-	-
Total operating leases	139,763	185,820
Total lease commitments	139,763	185,820

No lease arrangements, existing as at 31 December 2014, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

The Chief Executive Officer is compensated in part via a bonus plan reflecting the performance of the business. The liability for 2014 will be recommended by the Remuneration and Nominations Committee of the Board and will be recognised as an expense in 2015 when the amount has been determined.

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	**2014** **$**	2013 $
University of New England		
Sales to University of New England	151,749	140,562
Purchases from the University of New England	210,512	136,726
Net	(58,763)	3,836
Income received	-	-
Payments made to UNE Foundation	-	200,000
Net	-	(200,000)

With other related parties: A company controlled by Mr GP Smith, a former director of UNE Partnerships Pty Limited.

Payments to Mr Smith's company are at normal commercial terms (incl $7,415 during his period as director in 2013)	-	65,932
Net	-	(65,932)

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

University of New England		
Owed to University of New England	(86,431)	(1,714)
Owed by University of New England	-	7,174

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

	2014	2013
	$	$
Operating result for the period	(807,995)	(928,604)
Depreciation and amortisation	248,207	254,228
Impairment of assets	222,307	-
Provision for impaired receivables	-	4,340
Increase/(Decrease) in Payables and Prepaid Income	204,068	(264,608)
Increase/(Decrease) in Provision for Employee Entitlements	(81,520)	(33,190)
(Increase)/Decrease in Interest Receivable	-	28,187
(Increase)/Decrease in Receivables and Prepaid Expenses	39,540	(23,804)
(Increase)/Decrease in Inventories	21,970	6,032
Net cash provided by / (used in) operating activities	(153,423)	(957,419)

Note 24. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 25. Financial risk management

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

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	**Note**	**Accounting Policies**	**Terms and Conditions**
Financial Assets			
Receivables	9	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days; some clients can establish instalment plans spanning 10 months.
Deposits At Call	8	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	8	Term Deposits are stated at cost	Term deposits are for a period of up to seven months. Interest rates are between 3.50% and 4.0%. Average maturity of 90 days.
Financial Liabilities			
Creditors and Accruals	14 & 16	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms

(ii) Cash flow and fair value interest rate risk

The economic entity invests in near-dated term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations at date of rollover.

(iii) Summarised sensitivity analysis

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

(b) Credit Risk

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

(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 2014	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash & cash equivalents	2.37	97,580				900	98,480
Investments-Term Deposits	3.59		1,475,000				1,475,000
Receivables						513,572	513,572
Total Financial Assets		97,580	1,475,000			514,472	2,087,052
Financial Liabilities							
Payables						150,681	150,681
Other Amounts Owing						144,146	144,146
Total Financial Liabilities			-	-		294,827	294,827
Net Financial Assets(Liabilities)		97,580	1,475,000	-		219,645	1,792,225

Comparative figures for the previous year are as follows:

31 December 2013	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	2.00	486,438				900	487,338
Investments - Term Deposits	3.73		1,349,562				1,349,562
Receivables	-					573,764	573,764
Total Financial Assets		486,438	1,349,562			574,664	2,410,664
Financial Liabilities							
Payables	-					60,265	60,265
Other Amounts Owing	-					135,892	135,892
Total Financial Liabilities			-	-		196,157	196,157
Net Financial Assets(Liabilities)		486,438	1,349,562	-		378,507	2,214,507

Note 25 Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2014	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	98,480	(985)	(985)	985	985	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments-Term Deposits	1,475,000	(14,750)	(14,750)	14,750	14,750	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	513,572	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	2,087,052	(15,735)	(15,735)	15,735	15,735	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	150,681	-	-	-	-	-	-	-	-	-	-	-	-
Other Amounts Owing	144,146	-		-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	294,827	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)	1,792,225	(15,735)	(15,735)	15,735	15,735	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2013	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	487,338	(4,873)	(4,873)	4,873	4,873	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - Term Deposits	1,349,562	(13,496)	(13,496)	13,496	13,496	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	573,764	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	2,410,664	(18,369)	(18,369)	18,369	18,369	-	-	-	-	-	-	-	-
Financial Liabilities													
Payables	60,265	-	-	-	-	-	-	-	-	-	-	-	-
Other Amounts Owing	135,892	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	196,157	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	2,214,507	(18,369)	(18,369)	18,369	18,369	-	-	-	-	-	-	-	-

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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