



University of New England

Annual Report 2015



University of New England
Armidale NSW 2351
April 2016

The Honourable Adrian Piccoli, MP
NSW Minister for Education
PO Box 5341
Sydney NSW 2000

Dear Minister,

In accordance with the Annual Reports (Statutory Bodies) Act, 1984, and the Public Finance and Audit Act, 1983, the University of New England Council has the honour to present to you, for tabling to the NSW Parliament, the annual report of the proceedings of the University for the period 1 January to 31 December 2015.



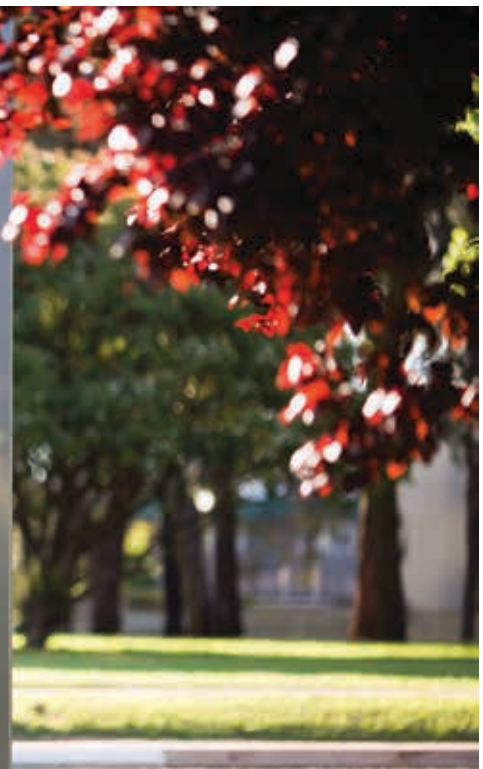
Mr James Harris
Chancellor



Professor Annabelle Duncan
Vice-Chancellor and CEO



University of
New England



MESSAGE FROM THE CHANCELLOR AND VICE-CHANCELLOR	2
ABOUT UNE	3
AT A GLANCE	4
2015 IN REVIEW	6
GOVERNANCE	8
LEADERSHIP	15
REVIEW OF OPERATIONS	17
FINANCIAL REPORTS	33

Message from the Chancellor and Vice-Chancellor

For the University of New England, 2015 was a year of hard work, significant achievement and change.

Following an international recruitment process we strengthened our management and leadership credentials with the appointment of four academic and industry leaders to the Senior Executive.

With significant investment in our research infrastructure and growing collaboration with major industry groups and government agencies, UNE continues to be defined by the quality of its research. UNE achieved exceptional results in the 2015 Excellence in Research in Australia report and 87 per cent of the university's research fields are now rated 'world standard' or above with one quarter of all fields regarded 'well above world standard', the highest acknowledgement. Moreover, our research block funding continued to grow and topped \$15 million in 2015.

Our students, whether they study on campus or online, remain our primary focus. Student enrolment increased and meeting the needs and interests of our students continue to remain a high priority. UNE is justifiably proud of their ongoing achievements in study and the careers they seek to build.

UNE has led the way in distance education for many years and, in 2015, launched the Virtual Institute for Teaching and Learning. UNEVITAL will facilitate collaborative research to assist in refining our online education delivery ensuring that online students get the best educational outcomes possible.

UNE continued to deliver the highest calibre of teaching with two staff members receiving national awards recognising their achievements. For more than a decade UNE has been awarded five stars for Overall Student Satisfaction by the Good Universities Guide and 2015 saw the continuation of this tradition.

Underpinned by sound financial controls, financial performance for 2015 improved on 2014 enabling UNE to deliver a fifth consecutive underlying budget surplus.

Significant new infrastructure has been delivered in 2015 with the opening of the SMART Farm Innovation Centre and the launch of Stage Three of the \$8.3 million Centre for Animal Research and Teaching (CART). The completion of CART progressed the completion of the multi-million dollar Integrated Agriculture Education Project (IAEP) to 80 per cent with the final phase scheduled for delivery in the first quarter of 2016.

As for 2016, expectations and goals are set in the Strategic Plan 2016-2020 *Together, we can do this*, and we take this opportunity to thank all staff for their ongoing support, hard work and commitment to the University.



Professor Annabelle Duncan
Vice-Chancellor and CEO
UNE



James Harris
Chancellor
UNE

The University of New England

The University of New England (UNE) was founded as Australia's first regional university with a mission to provide access to education and research for the regional community. It was the first provider of off-campus tertiary education in Australia and is now a leader in online innovation and flexible tertiary education delivery.

The University's main campus is located in Armidale, NSW, halfway between Sydney and Brisbane, on 260 hectares of picturesque bushland. With 10 regional study centres located throughout northern New South Wales, as well as the FutureCampus in Parramatta and a growing international network of teaching partners, the UNE experience is far reaching, as the latest online technologies are implemented to bring academic experiences to students around the world.

On-campus students enjoy personalised and stimulating interaction with UNE's academic leaders. In addition, UNE's vibrant collegiate community provides networks of friends, academic support, social and sporting activities.

Our academic staff members have developed a strong network of international research partners, delivering improvements in agriculture, environmental sciences, mental health, medicine, education, local government and productivity to communities not only in rural and regional Australia, but also globally. True to our unique regional setting, UNE has built strong industry links and knowledge partnerships that are reflected in its major roles in Cooperative Research Centres for bush fires and natural hazards, sheep, poultry, spatial information, polymers, remote economic participation and invasive animals.

UNE hosts a number of flagship research centres including the Animal and Genetics Breeding Unit (AGBU); the Centre for Agriculture and Law (AgLaw); Centre for Local Government; Institute for Rural Futures (IRF); the Paleoscience Research Centre; and the National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Australia (SiMERR).

Mission

UNE is a regionally based, globally networked university that is renowned for the quality of its student experience, the excellence of its research, its commitment to innovation and inclusivity and its responsiveness to the aspirations of its students, staff, partners, and the New England community.

UNE will deliver a distinctive student experience characterised by a formative on-campus student tradition and academic culture, accessible education and service delivery, and research that is relevant to the communities it serves.

Vision

UNE will:

- Be known for the quality and accessibility of its on-campus and online education.
- Deploy the latest educational technologies to connect, enhance academic study, and interact with staff and students all around the world.

- Be a desirable place to work.
- Provide an unsurpassed residential college system and on-campus university experience.
- Focus on research that has a positive impact on regional communities via knowledge transfer and applied outcomes.
- Remain known for its inclusiveness as both an education provider and employer.
- Be known as lead collaborator across a range of partnerships with the community, the professions, business, industry and government.
- Have greater international connectivity in terms of course delivery, course content, pedagogical practice, benchmarking and human capital.
- Have systems and processes in place that facilitate quick and innovative responses to changes in market demand, industry needs, advances in pedagogy and delivery modes.
- Be a financially and environmentally sustainable organisation.

Values

- **Formative** – providing a study and work environment that encourages intellectual and personal development, flexibility in terms of attitude, knowledge and skills.
- **Respectful** – encouraging respect for our students, staff and partners and celebrating their diversity
- **Inclusive** – providing an academic and work environment that is accessible to and engaged with the communities we serve.
- **Flexible** – promoting a culture that is responsive to change and the needs and expectations of all stakeholders.
- **Innovative** – promoting a culture that develops and incorporates creative approaches to academic and administrative service delivery across all areas of the University.

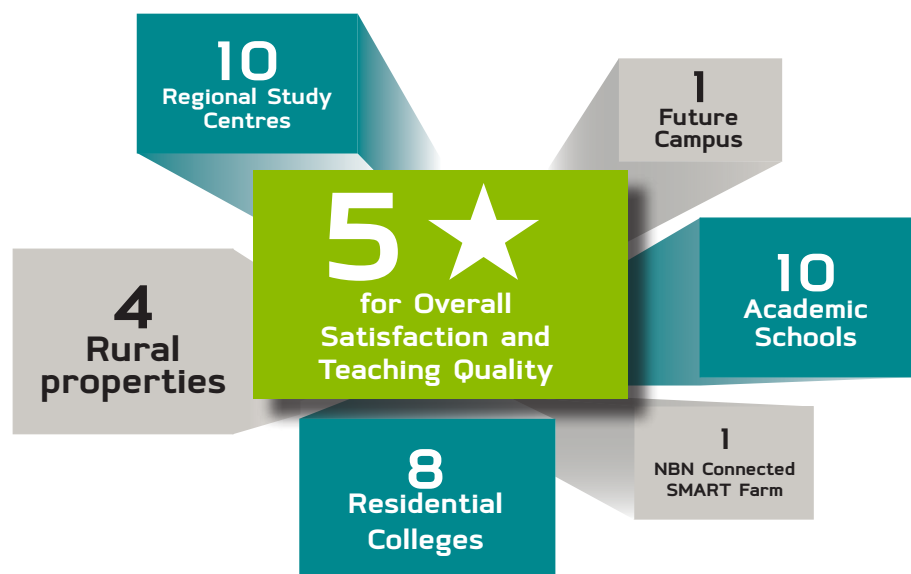
Strategic Priorities

- To distinguish ourselves by the quality of our student experience
- To adopt innovative educational technology in support of student learning
- To achieve international distinction in all our specialist fields of research
- To maximise access to a quality higher education
- To be a well-managed organisation that meets the expectations of students and staff

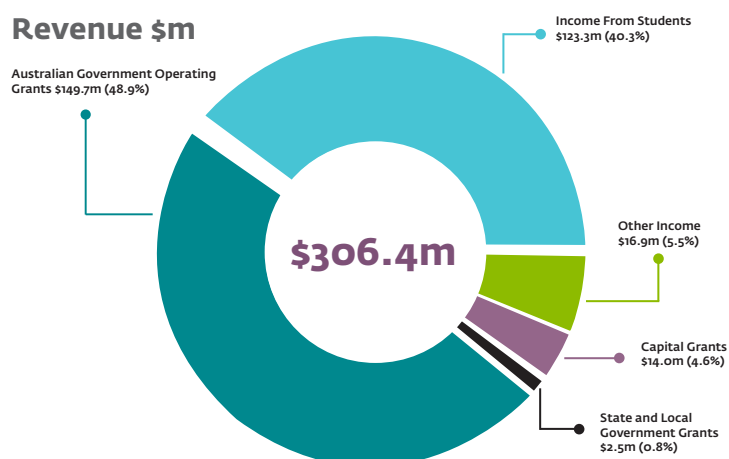
Enablers

- Governance and leadership
- Our people
- Quality business processes
- Financial sustainability

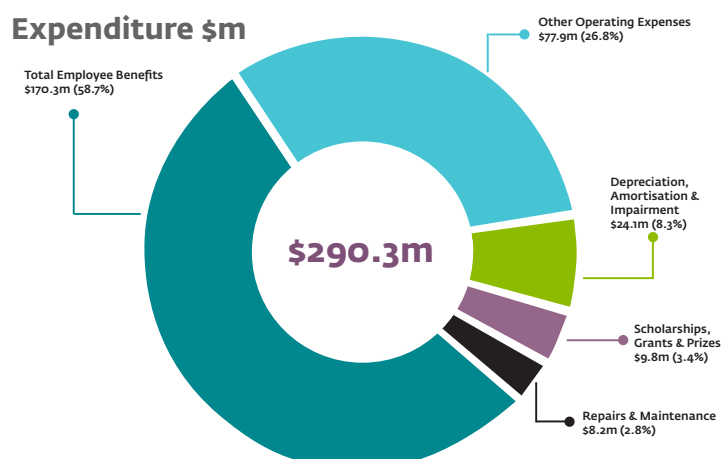
At a glance



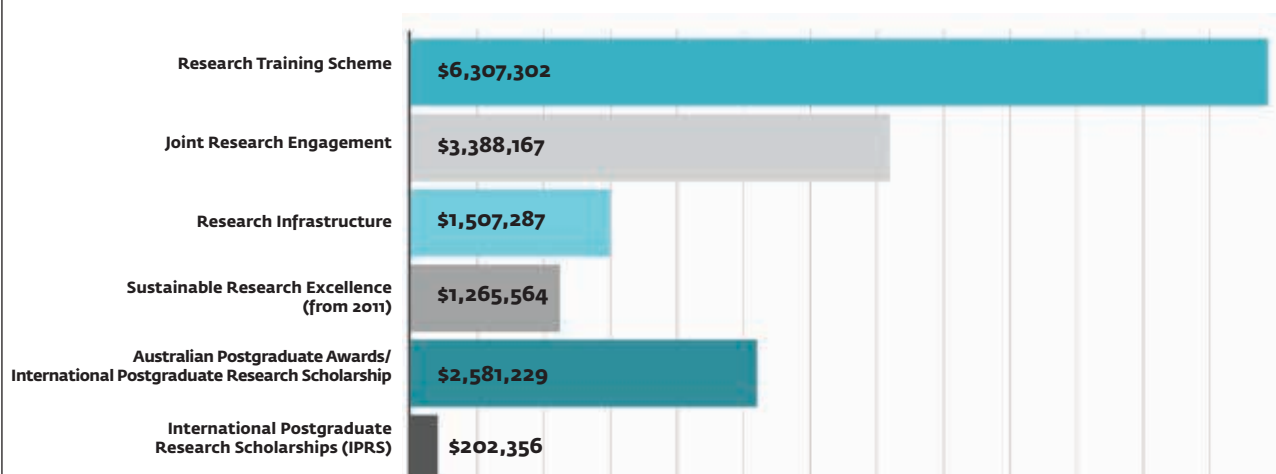
Revenue \$m



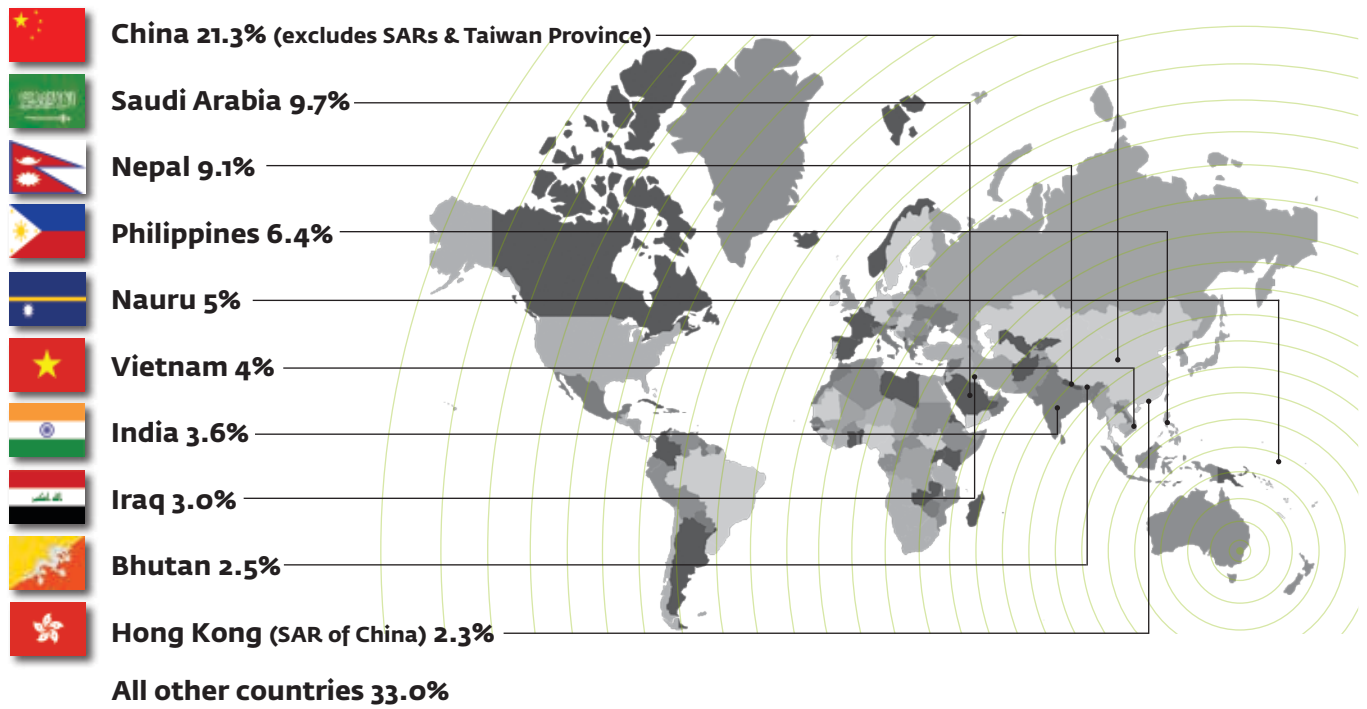
Expenditure \$m



Research Block Grant Income - Total \$15,251,905



Top Ten Countries Represented by International Students



2015 Student Enrolment Demographics

Off-campus students

18,652 (80.0%)

On-campus students

4,669 (20.0%)

Female students

15,451 (66.2%)

Male students

7,870 (33.7%)

Commencing students

9,787 (42.0%)

International students

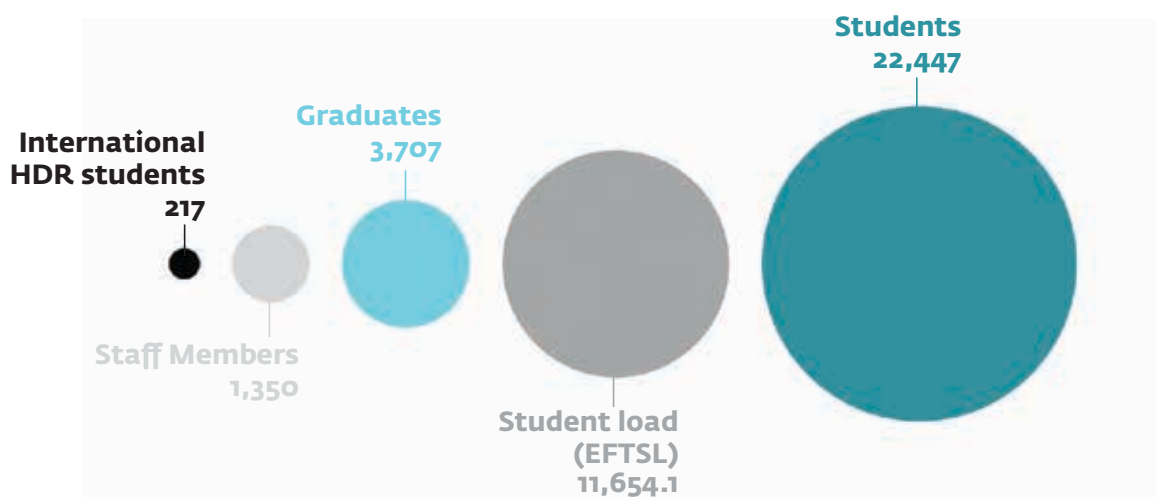
1,029 (4.4%)

Indigenous students

690 (3.0%)

Postgraduate students

6,491 (27.8%)



2015 in Review

January

- The UNE Medical Centre relocated operations to the newly built Tablelands Clinical School next to the Armidale Hospital.
- Dr Brian Denman was elected Secretary-General of the World Council of Comparative Education Societies (WCCE).
- Deputy Chancellor Jan McClelland was named a member of the Order of Australia.
- UNE and Robb College donated \$10,000 to the Buy a Bale Fundraising campaign to assist farmers in need.
- Dr Hamish Campbell led a group of scientists in developing methodology to better predict the occurrence of large aquatic carnivores around areas frequented by humans.

February

- The refurbished UNE Tamworth Centre opened its doors with upgraded fibre optic connectivity improving global collaboration between students and academics.
- UNE researchers led development of a national-scale forecasting model of livestock disease spread and control called the Australian Animal Disease Model (AADIS).
- Construction commenced on UNE's new Agricultural Education Building.
- Researchers at UNE embarked on the first Australian study into antimony contamination and its effects in the aquatic food chains of the Macleay River.

March

- Dr Greg Falzon won the Australian Wool Innovation Award at the 2015 Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry, for his Electronic Shepherd project, a surveillance and warning system for wild dog control.
- Dr Jean Drayton received the Dairy Australia Award at the 2015 Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry, for her research into dung beetles.

- Minister for Agriculture and Federal Member for New England, the Honourable Barnaby Joyce MP, launched the Regional Universities Network (RUN) Precision Agriculture Flagship at UNE.
- Professor Elaine Scott, University of Washington Bothell academic and leading expert in higher education research, visited UNE as part of the Senior Fulbright Scholarship Program.
- Associate Professor Darren Ryder, in partnership with Eco Logical Australia, was awarded two five-year projects to monitor and evaluate the effects of environmental watering of key rivers and wetlands in the northern Murray-Darling Basin.
- The Honourable Barnaby Joyce MP and UNE Vice-Chancellor Annabelle Duncan opened the SMART Farm Innovation Centre.

April

- The newly built Wright Residential College was opened by Chancellor James Harris and Vice-Chancellor Annabelle Duncan.
- Professor Iain Young was appointed onto two National Committees charged by the Federal government with responsibility for the oversight of the development of Primary Industries Research and Development.
- UNE, in conjunction with Queensland Agriculture Training College, provided commercial beef-production systems and feedlot-environment training to 30 industry professionals from Indonesia.
- UNE strengthened its management and leadership credentials with the appointment of four industry leaders to its Senior Executive team.

May

- The Honourable Michael Kirby presented a special lecture at UNE entitled *Whatever Happened to the AIDS Epidemic?*
- Associate Professor Bob Boughton was awarded the Order of East Timor for his contribution and support of East Timor's self-determination struggle.

- Fifteen of Australia's leading research, industry and government organisations working in the area of on-farm profitability, productivity and sustainability through the development of Precision Agriculture Systems (PAS) formed a national Research & Innovation Network for Precision Agriculture Systems (RINPAS).
- Associate Professor Tiffany Jones launched the first Australia-wide survey exploring intersex people's social health, education and life experiences.

June

- Researchers from UNE and the University of Wollongong (UoW) discovered a 2,000-year-old natural marine pearl after archaeological excavations on the remote north-west Kimberley coast of Western Australia.
- A report into the mental health and well-being of transgender and gender diverse children by UNE and La Trobe University recommended broad changes in government, schools and the medical profession.
- The UNE Schools Acquisitive Art Prize (UNESAP) attracted more than 650 entries from students between the ages of five and 19 years across north-west NSW.
- Construction commenced on UNE's Natural History Museum, which forms part of the Integrated Agriculture Education Project.
- The Regional Universities Network (RUN) launched its collaboration with member universities to teach languages and creative and performing arts.

July

- Sidney Jones, world authority on extremism and conflict in Southeast Asia, presented a talk at UNE on *Support Networks for ISIS in Indonesia*.
- Scientists from UNE, in collaboration with elders from the Kamillaroi Nation, discovered a link between traditional indigenous smoking rituals and the treatment of skin fungal problems.

- Dr Alan Baxter joined an international research team that investigated the geological evolution of the Galapagos Islands and the Central America Volcanic Arc to gain a deeper understanding of the relationship between volcanoes and tectonic plates.
- The UNE Enactus team won the 2015 Australian Enactus Championships in Melbourne and represented Australia at the World Championship in Johannesburg, South Africa.
- Research by UNE showed that more than \$20 billion worth of infrastructure in the South Pacific is dangerously close to the coastline and could be at risk to rising sea levels.
- Senator Penny Wong delivered the Earle Page College Annual Politics Lecture entitled *Regulating Rivalry, Mediating Deliberation: The Role of Parties of Government in Australian Democracy*.

August

- UNE was again awarded a five-star rating for Overall Satisfaction and Teaching Quality in the 2016 Good Universities Guide.
- UNE signed a Memorandum of Understanding with The Northern Region Forum – an umbrella group representing 14 local Aboriginal Land Councils – to promote access to education for local Aboriginal people.
- Chemistry and Pharmacy research facilities at UNE received a major upgrade with the installation of a \$650,000 nuclear magnetic resonance (NMR) spectrometer.
- UNE signed an agreement with Wildlife ACT enabling Zoology students to travel to Southern Africa for practical experience in conservation environments.
- A study conducted by the University of New England found that while crime rates generally have fallen across Australia, and in much of the western world, this is not the case for rural crime.

September

- UNE research revealed that over one million people in Sub-Saharan Africa will contract malaria this year because they live near a large dam and that the 78 new dams to be built in this area will lead to an additional 56,000 malaria cases annually.
- Alumni Grant Hehir, Commonwealth Auditor-General, and Professor Michael Smith AM, archaeological expert on Aboriginal histories, were presented with Distinguished Alumni Awards for their outstanding leadership, professional and personal qualities.

- Associate Professor Anne Pender was awarded an Australian Bicentennial Fellowship for 2016 at King's College London.
- The Annual Science Investigation Awards – part of the Growing Regional and Agricultural Students in Science (GRASS) program – attracted 300 high school students interested in careers in agriculture sciences from across New England.
- Australia's Chief Scientist, Professor Ian Chubb, launched the Virtual Institute for Teaching and Learning (VITAL) in Science, Technology, Engineering and Mathematics Education.
- Dr John Moore, Dr Saeed Mahini, Mr Rex Glencross-Grant and Dr Robert Patterson were awarded the 2015 Chapman Medal for best academic journal article by the Board of the College of Structural Engineers, Engineers Australia

October

- UNE student, Mrs Dunya Alruhaimi, won the 2015 NSW International Student Awards in the category of Higher Education for her philanthropic work within the Arab-speaking community in Armidale NSW.
- UNE, in partnership with Cooperative Research Centre for Sheep Industry Innovation (Sheep CRC), received \$1 million in federal funding to develop a new sheep data management system.
- Poultry Hub Australia, the transition body arising out of the Poultry Cooperative Research Centre (Poultry CRC), was established at the University of New England.
- UNE secured more than \$1 million in research funding from the Australian Research Council (ARC).
- UNE's Bachelor of Engineering Technology degree received full accreditation.
- UNE's engineering discipline was awarded the Special Engineering Excellence Award from the Institute of Public Works Engineering Australia (IPWEA).
- The newly introduced Chancellor's Research Medal was awarded to six doctoral students for excellence in theses or research portfolios at the Spring Graduation.
- Vice-Chancellor Annabelle Duncan hosted an inaugural Open Garden Day at her historically significant residence, Trevenna.

November

- The UNE GRASS Teacher Professional Development event was attended by 100 teachers from NSW and Queensland.
- Vice-Chancellor Annabelle Duncan officially opened Stage 3 of the Centre for Animal Research and Teaching (CART).
- Adjunct Professor Diana Eades co-convened an international working group that released guidelines on how to communicate rights to non-native speakers of English in police interviews.
- Associate Professor John Paterson was awarded the 2016 Anton Hales Medal by the Australian Academy of Science (AAS).
- Universities Australia and the nationally funded German Academic Exchange Service (DAAD) awarded funding across four UNE research projects as part of the inaugural round of the Australia-Germany Joint Research Cooperation Scheme.
- The UNE Women's Soccer Team won gold at the Australian University Games defeating Western Sydney University 2-1.

December

- Professor Rhonda Marriott presented the Annual Frank Archibald Memorial Lecture entitled *Valuing Ngaarda Ways in Research*.
- Four Aboriginal students received full postgraduate scholarship funding under UNE's newly-introduced ATSI Creative Practice Scholars Program to assist them to further their studies in Creative Practice.
- Dr Mark Trotter was awarded a grant to develop a new learning hub for the SMART Farm to increase skills of tertiary and vocational students in a range of new agricultural technologies.
- Dr William Billingsley was granted government funding to design a software tool to help distance and on-campus students work together in design studio courses.
- UNE's long-running New England Awards (NEA) program was nationally recognised with a Program that Enhance Learning Award by the Office for Learning and Teaching.
- Professor David Lamb received the 2015 Research Excellence Award at the Cooperative Research Centre for Spatial Information annual awards ceremony.

The University of New England was formed under the *University of New England Act 1993* (NSW) (hereafter 'the Act') and its by-laws. In accordance with the Act, the Body of the University comprises the UNE Council, Convocation, the University's graduates and students as well as full-time members of staff as the by-laws may prescribe. The object of the University, as outlined within the Act, is the promotion (within the limits of the University's resources) of scholarship, research, and free inquiry, the interaction of research and teaching, and academic excellence.

Council

The UNE Council is the University's governing authority and has functions conferred upon it by the Act. Under its powers of delegation, the Council establishes Committees of Council that are responsible for the analysis, review and endorsement of recommendations from the University's management, as well as for the identification of organisational risk and opportunities.

The aim of the University Council and its committees is to oversee the operation of UNE for the benefit of its students, staff, academic community and the wider community as a whole. The Council may make rules in relation to any activity or function of the University provided they are consistent with the *University of New England Act 1993* and the University's By-Laws. The Council seeks to make decisions that contribute to the learning environment and the interests of the University's stakeholders in a positive and transparent manner.

Academic Board

The Act also established an Academic Board, which is the principal academic body of the University and reports to the UNE Council. The Board's functions include the oversight of the academic governance of the University's mission, the oversight of the quality of the University's academic programs, the provision of advice to the Council and the Vice-Chancellor on academic matters, and the provision of a forum for the discussion of issues within the academic community.

During 2015, the Academic Board completed a major revision of the Board and its Committees' roles and terms of reference. This followed on from recommendations arising from an external review conducted in 2014. As a result, the Board now concentrates on academic quality issues and strategic issues affecting the University and the higher education sector. The development of academic rules, policies and procedures are the responsibility of the respective Pro Vice-Chancellors Academic and Research, who are supported by their expert teams, and who report through several University Committees and Subcommittees to the Academic Board.

These changes ensure that the University has a robust academic governance system that meets its responsibilities under the statutory Higher Education Standards Framework (Threshold Standards) 2011.

Dividends are already being realised with strong and contemporary new and revised rules and policies that receive full collegial consultation and debate, and significantly increase opportunities for discussion on the major academic issues affecting the University.

Members

Council Members, Qualifications and Terms of Appointment

APPOINTMENT	COUNCIL MEMBERS	DATE ELECTED*	EXPIRY DATE*	QUALIFICATIONS
OFFICIAL	Chancellor, Mr James Harris	20/11/2014	19/11/2019	HonDUniv (NE)
	Vice-Chancellor, Professor Annabelle Duncan	20/08/2014	19/08/2019	BSc, DipSc, MSc (Otago), PhD (La Trobe), HonDSc (Murdoch), PSM
	Chair Academic Board, Professor Nick Reid	02/04/2013	**/02/2017	BSc (Hons), PhD (Adelaide)
MINISTER	Mr James Harris	17/08/2014	20/11/2014 – Appointed as Chancellor. See above.	
	Ms Rosemary Leamon	17/08/2014	16/08/2016	BFA (NE), CA, GAICD
	Mr Les Ridgeway	17/08/2014	16/08/2017	BEEd, DipTech (NCAE)
	Ms Meredith Symons	17/08/2014	16/08/2016	BFA (NE), ACA
	Ms Patricia Anne Myers	01/12/2014	30/11/2016	MBA AGSM, GAICD
	Dr Geoffrey Fox	17/08/2014	08/02/2015	BRurSc (Hons), PhD (NE), MA (ANU)
EXTERNAL	Ms Janette McClelland AM (Deputy Chancellor – 20/11/2014 to 19/11/2016)	02/10/2014	31/12/2017	BA (Hons) (Syd), BLegS (Macq), FACEL, FAIM, FACID
	Mr Robert Finch	25/11/2012	31/12/2015	ACA, FLGAA
ACADEMIC	Professor Margaret Sims	21/08/2014	20/08/2016	BA, MA, PhD Auckland, DIM NZ, DipEd (Massey)
	Professor Donald Hine	21/08/2014	20/08/2016	BSc (University of Alberta), MA, PhD (University of Victoria)
NON-ACADEMIC	Dr Jeannet van der Lee	21/08/2014	20/08/2016	BNatRes, PhD (NE)
UNDERGRADUATE	Mr Michael Kirk	12/10/2014	11/10/2016	
POSTGRADUATE	Mr Stuart Robertson	5/10/2014	4/10/2016	BSocSc (NE)
GRADUATE	Dr John Hobbs	18/08/2014	17/08/2018	BSc (Hons) (Lond), CertEd (Nott), MSc PhD (NE), FRMetS, JP
	Dr Robyn Muldoon	18/08/2014	17/08/2018	BA DipEd, M.Ed, EdD (NE)

*Council members may have served for previous terms or may be re-elected. The election date and term shown is for the current term.

**Term expires the day before the first Academic Board meeting of 2017.

Committees

Supporting UNE Council are the following Council Committees and the University's Academic Board:

- Standing Committee of Council
- Finance Committee of Council
- Audit and Risk Committee of Council
- Infrastructure Committee of Council
- Remuneration Committee of Council
- Nominations Committee of Council
- Tender Committee of Council (to May 2015)
- Honorary Degrees Titles and Tributes Committee of Council
- Standing Committee of Convocation

University Ombudsman

The University Ombudsman may, consistent with the University Ombudsman Rule, investigate staff or student matters of appeal, where the grounds for an appeal relate to the process or procedure followed to arrive at the decision.

The University Ombudsman deals with complaints that were not resolved through internal complaints handling processes through the Human Resources Unit for staff matters and through the Student Grievance Unit for student matters.

The University's Chief Ombudsman resigned in July 2015 and the University currently has a number of acting Ombudsmen in place. Complainants are entitled to exercise a right of appeal to the NSW Ombudsman without using the University Ombudsman. No recommendations from the NSW Ombudsman were referred to the Council during 2015.

Privacy

The Australian Government's privacy law reform and its subsequent changes to legislation provided a catalyst for the review of UNE's Privacy Management Policy and its associated Privacy Management Plan throughout 2014 - 2015. As a result, the University of New England's Privacy Management Rule was developed, absorbing the two separate policy documents into a single, principles-based Rule. The Rule was approved by UNE Council and published on the UNE website on 1 October 2015.

The UNE Privacy Management Rule, a short video to explain its application to the UNE environment, and contact details for the UNE Privacy Officer, were made available through the Privacy link at the bottom of every page of the UNE website. The Rule can also be accessed through the University's online Policy Register.

The University's Privacy Officer provided ongoing advice and support to staff and students about UNE-related privacy matters in 2015. All privacy issues and concerns were successfully addressed at a local level, with none escalating to the NSW Privacy Commission.

Government Information Public Access

Review of proactive release program – Clause 7(a)

Under section 7 of the *Government Information Public Access Act 2009* (NSW) (the GIPA Act), agencies must review their programs for the release of government information in order to identify the kind of information that can be made publicly available. This review must be undertaken at least once every 12 months.

UNE's program for the proactive release of information involves monitoring the nature of the GIPA applications received and identifying information that may be of interest to the general public. UNE also reviews the relevance and accuracy of the open access information available on its website on an ongoing basis.

During the reporting period, the program was reviewed by identifying and discussing, at a senior level, possible additional open access information. During this review, no further open access information was identified for release.

Number of access applications received – Clause 7(b)

During the reporting period, UNE received four formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, UNE refused no access applications either wholly or in part because the information requested was information referred to in Schedule 1 to the GIPA Act.

Statistical information about access applications – Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	4	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

Table B: Number of applications by type of application and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications**	4	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

** A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Schedule 4 to the Act about the applicant (the applicant being an individual)

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	5

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicate that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications for review
Agency-initiated transfers	0
Applicant-initiated transfers	0

Public Interest Disclosure

During 2015, UNE, as part of its induction program for new employees, provided training on the UNE Public Interest Disclosure Rule and Public Interest Disclosure Procedure. In addition face-to-face compulsory compliance training was provided to existing staff on six key policy areas, including Public Interest Disclosures.

The electronic Performance Planning Development and Review process requires existing staff to certify that they have completed the compulsory compliance training within the required timelines.

Statistical Information on the number of Public Interest Disclosures (PIDs) received and completed is contained in the table below.

Particulars	Period: 1 January to 31 December 2015
Number of public officials who made PIDs	0
Number of PID's received	0
Of the PID's received, number primarily about:	
• Corrupt Conduct	0
• Maladministration	0
• Serious and substantial waste	0
• Government information contravention	0
Number of PID's finalised	0

Legal Change

Pursuant to the Annual Report (Statutory Bodies) Regulation 2010 (NSW), UNE is required to report on changes in Acts and subordinate legislation as well as significant judicial decisions affecting the agency.

Changes in Acts and Subordinate Legislation

Child Protection Legislation Amendment Bill 2015

This Bill amended the *Adoption Act 2000*, the *Child Protection (Working with Children) Act 2012*, the *Children and Young Persons (Care and Protection) Act 1998* and other Acts with respect to the suitability of persons to be carers, adoptive parents and guardians of children and young people; and for other purposes.

Defence Trade Controls Amendment Bill 2015

This Bill amended the *Defence Trade Controls Act 2012* (Cth) in relation to providing an additional 12 month implementation period before offence provisions and record-keeping requirements commence; removing controls on the supply of Defence and Strategic Goods List (DSGL) technology; extending the exception to the offence of supplying DSGL technology without a permit; narrowing the scope of publication and brokering offences; establishing offences for brokering dual-use DSGL goods or technology; including additional exceptions to the brokering offence; prohibiting the brokering of military or dual-use DSGL technology where the supply would prejudice Australia's defence, security or international relations; directing a person to seek a permit for brokering dual-use DSGL goods or technology; requiring the minister to consider prescribed criteria when deciding whether an activity would prejudice Australia's security, defence or international relations; and providing for reviews of the operation of the Act.

Education Services for Overseas Students (Registration Charges) Amendment (Streamlining Regulation) Bill 2015

This Bill amended the *Education Services for Overseas Students (Registration Charges) Act 1997* to clarify that a registered education provider pays all entry to market charges but is not charged more than once if its registration period is less than two years and it seeks renewal of that registration.

Environmental Planning and Assessment Amendment (Public Authorities) Regulation 2015 (NSW)

The Amendment Regulation allows 10 of the 11 NSW Universities recognised under the *Higher Education Act 2001* (NSW) to carry out environmental impact assessment functions required under Part 5 of the *Environmental Planning and Assessment Act 1979* (NSW) (EP&A Act) of development on University land that does not require development consent under the State Environmental Planning Policy (Infrastructure) 2007.

Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015

This Bill amended the *Higher Education Support Act 2003* to require VET FEE-HELP approved training providers to develop and apply appropriate student entry procedure requirements; require students under the age of 18 to seek their parent's approval before requesting a VET FEE-HELP loan; broaden the circumstances in which a student can seek a re-credit of their VET FEE-HELP loan debt balance and remission of a debt; add to the eligibility criteria required for admitting new VET providers to the VET-FEE-HELP loan scheme; provide for an infringement notice scheme with a civil penalty regime for VET providers who engage in inappropriate marketing behaviours and administrative practices; extend the Commonwealth and national VET Regulator's powers with respect to monitoring and investigation; and make consequential amendments.

Intellectual Property Laws Amendment Bill 2014

This Bill amended the:

- *Patents Act 1990* to implement the Protocol amending the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property to enable Australian pharmaceutical manufacturers to supply developing countries with generic versions of patented medicines; and make technical amendments;
- *Plant Breeder's Rights Act 1994* to enable the owners of plant breeder's rights in a plant variety with the option to take action in the Federal Circuit Court against alleged infringers;
- *Designs Act 2003*, *Patents Act 1990*, *Plant Breeder's Rights Act 1994* and *Trade Marks Act 1995* to provide for a single trans-Tasman patent attorney regime and single patent application and examination processes for Australia and New Zealand; and
- *Designs Act 2003*, *Patents Act 1990* and *Trade Marks Act 1995* to remove document retention requirements.

Privacy and Personal Information Protection Amendment (Exemptions Consolidation) Bill 2015

This Bill amended the *Privacy and Personal Information Protection Act 1998* and certain other Acts and an instrument to consolidate and rationalise certain exemptions from the operation of that Act.

Tertiary Education Quality and Standards Agency Amendment Bill 2014

This Bill amends the *Tertiary Education Quality and Standards Agency Act 2011* in relation to quality assessments of higher education providers; the delegation of decisions; extending periods of accreditation or registration; the appointment of commissioners; the roles and responsibilities of the Chief Commissioner and Chief Executive Officer; notifying providers of decisions; the scope of ministerial directions; and ministerial approval being required for legislative instruments which determine fees to be charged.

Significant judicial decisions affecting agency

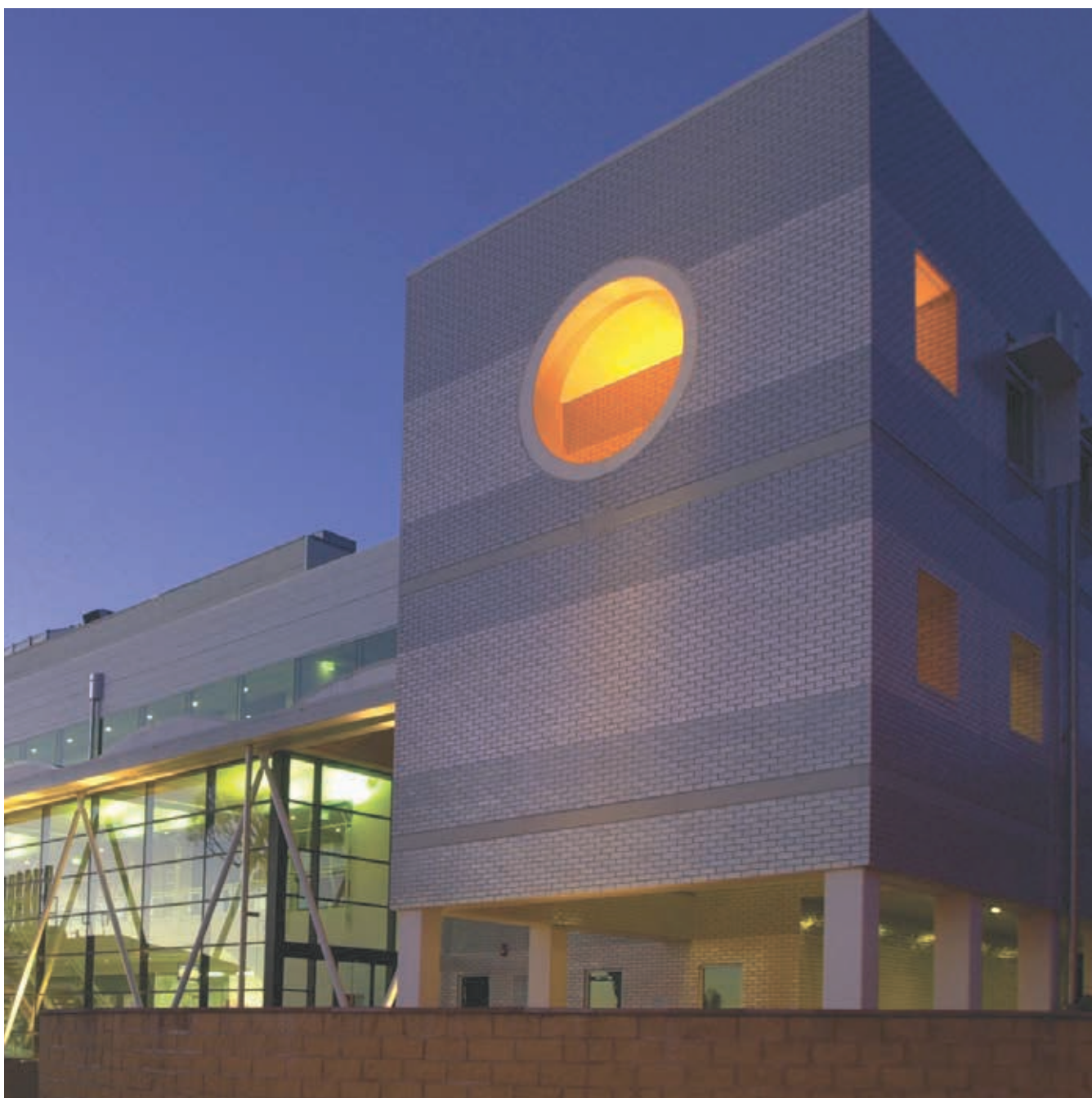
There were no significant judicial decisions affecting UNE.

Digital information security policy attestation

The University's Digital Security Policy consists of a collection of topic specific rules and policies, including:

- Information Communication and Technology Facilities and Services Rule (pending approval)
- Information Security Rule (pending approval)
- General Password Policy
- CCTV Rule
- Information Communication Technology Infrastructure Rule (pending approval)
- Digital Identity Rule (pending approval)

During 2016, UNE's Digital Security Policies will continue to be reviewed in line with UNE's policy framework and the ISO 27001 IT Security Standard.



Leadership

The Vice-Chancellor is the University's Chief Executive Officer (CEO) and is responsible for the management of the University and the implementation of the University's Strategic Plan.

The role of the position of Vice-Chancellor and its functions are determined by the Act and includes official membership of the University's Council. The Vice-Chancellor has charge of UNE's administrative and financial activities as well as managing the direction of the University's corporate planning, budget activities and the implementation of policy.

The Vice-Chancellor reports directly to the Chancellor and the University Council as well as providing supervision to and receiving support from a team of senior executives who provide strategic, policy and operational advice relating to their individual portfolios.

Senior Executive Team

Chancellor

Mr James Harris, HonDUniv (NE)

Deputy Chancellor

Ms Jan McClelland AM BA (Hons)(Syd), BLegStuds (Macquarie), FACEL, FAIM, FAICD

Vice-Chancellor and CEO

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

Provost and Deputy Vice-Chancellor

Professor Sue Thomas, BSc (Hons)(La Trobe), PhD (La Trobe), MBA (Tech Mngt)(APESMA/Deakin), Grad Cert Tert Ed (Flinders)

Pro Vice-Chancellor Academic

Professor Catherine MacKenzie, MA (Oxon), MA (Cantab), MEd (Sydney), PhD (ANU), Grad Cert Higher Ed (ANU), Grad Dip Higher Ed (Oxon), Barrister (England & Wales, NSW, Qld, ACT, High Court of Australia), FHEA.

Pro Vice-Chancellor Research

Professor Heiko Daniel, BSc, MSc (Hannover), PhD (UWA)

Pro Vice-Chancellor External Relations

Mr Trevor Goldstone, B.App.Sc. (SACAE), GradDipManage (UniSA), FAIM, MAICD

Chief Services Officer

Professor Peter Creamer, BSc (Aston), PhD (Nott), CEng, FIMechE, MCMI

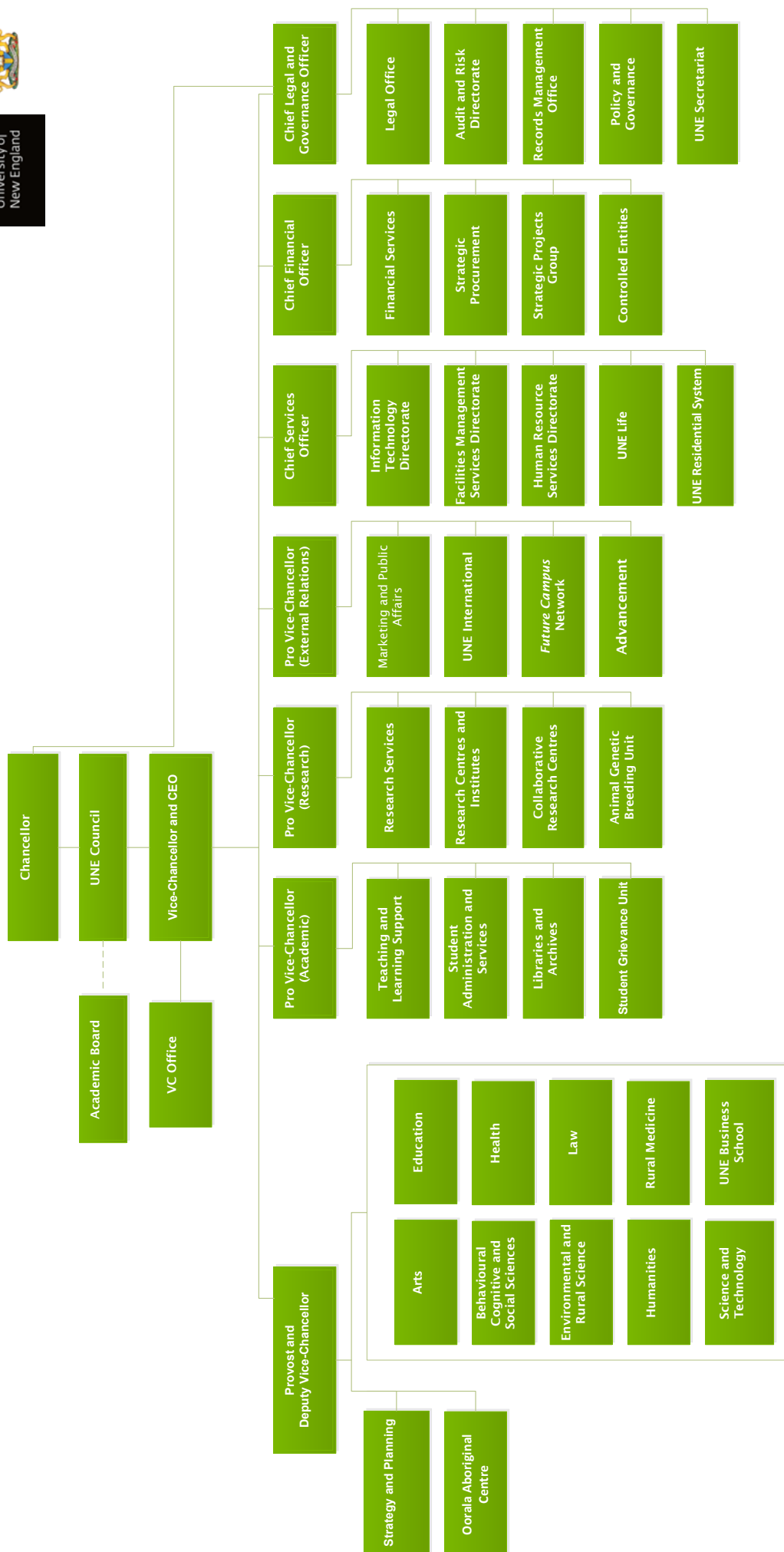
Chief Legal and Governance Officer

Mr Brendan Peet, LLB (QUT)

Chief Financial Officer

Ms Michelle Clarke, BCom (USQ), MCom (USQ), FCPA, GAICD

Organisational Structure



Review of Operations

UNE's Strategic Plan 2011 – 2015 and Business Plan and Budget 2015 – 2017 set a number of strategic priorities against which performance is evaluated on an annual basis.

Students

Student engagement

The drive to develop new market opportunities for UNE and further strengthen engagement with students gained momentum with the deployment of the online UNE MyFutureFinder tool for school leavers and mature-aged students. The past year saw more than 3,600 students and 1,200 adults use the tool and receive a personalised MyFutureFinder report.

In 2015 the new Online Early Entry system for 2016 admission into Trimester 1 (T1) was implemented and deployed. The new system delivered significant improvements in the customer experience of school-leaver applicants whilst simultaneously improving UNE's efficiency in assessing applications and making timely offers, enabling UNE to make more than 2,156 Early Entry Offers for T1, 2016, which represents an increase of over 500 offers from the previous year.

The UNE FutureCampus, located in Parramatta, Western Sydney, hosted a number of student engagement activities that saw visitor numbers rise by 35% from 2014. A total of 10,415 people visited the FutureCampus participating in 444 activities that included lectures, intensives, tutorials and special events. The FutureCampus continues to pilot a range of academic and skills delivery programs to assist entry-level students in business, education and law units.

UNE supported a wide range of projects aimed at improving the participation in higher education of people from low socio-economic status backgrounds, and supporting their retention and academic success. One such example is the highly successful UNE Growing Regional and Agricultural Students in Science (GRASS) project that used 2015 Australian Government's Higher Education Participation Program (HEPP) funds to engage with teachers and students in target schools from rural, remote and low socioeconomic regions across northern New South Wales creating awareness towards careers in science through a range of engagement activities.

UNE and TAFE New England (TNE) have worked together for the past four years to provide improved opportunities and clearer pathways for transition from school to the workforce through the Vocational Education and Training (VET) and Higher Education systems.

- The HEPP funded UNE – TNE Joint Regional Study Centres project is due for completion in early April 2016. The existing UNE regional studies centres, located on TNE campuses in Moree, Inverell, Narrabri, Coonabarabran, Gunnedah, Tenterfield and Glen Innes, are being renovated. The renovation will result in significant improvements to download speeds and will better meet the needs of today's students studying online. The Centres will be re-launched in full partnership with TNE, as TNE moves further into online delivery and as more students choose to study from a distance. This encourages greater interaction between students of both institutions and provides greater reach for both UNE and TNE into our New England/North West



regional communities. The Study Centres webpage is also being redesigned to ensure all students have ready access to information about the Centres and the services accessible at those Centres.

- The TNE Pathways web page is continually updated with information for students wishing to continue their studies past Certificate IV or Diploma level. The University continues to work with Schools and TNE Faculties to identify transition and advanced standing options.

The following activities further contributed to improved student engagement and service delivery:

- The Library expanded and upgraded its range of self-help online tutorials to support students' acquisition of research skills.
- As part of the provision of a range of student peer-support programs, students had access to Study Skills Advisors and First Year Advisors who provided individual consultations on academic literacy, maths literacy and study skills.
- Throughout the year workshops were offered to all UNE students on academic writing, referencing, exam preparation, time management, critical thinking and literature reviews.
- UNE launched an updated academic integrity online module and online academic fact sheets.
- The introduction of 'tUNE up', a two-week online course for ongoing students, allowed students to revisit basic academic and digital literacy skills.
- The Student Grievance Unit (SGU) developed and implemented a service survey for clients to guide SGU service improvement across the University.
- The New England Award program was reviewed in 2015 to increase completions. Recommendations will be implemented in 2016.

International student engagement

During 2015, UNE International increasingly focused on providing the best level of support for international students via targeted events, trips, social activities, and by responding to student feedback from the 2014 International Student Barometer survey.

UNE International also continued to build and capitalise on its existing international students' recruitment channels and partnerships. Existing and new overseas markets were developed through agent networks, partner institutions and via in-country AUSTRADE business development collaboration with Sri Lanka, Philippines, India, Indonesia, Africa, China and South America.

UNE signed an articulation agreement with the International Institute of Health Sciences (IIHS), Sri Lanka, which will see IIHS Biomedical Diploma students come to study UNE's Bachelor of Biomedical Science on campus under a two year + two year articulation model. The first on campus intake is expected in T1 2017 and UNE is now negotiating with IIHS concerning a similar articulation in the business discipline.

UNE International is currently exploring new partnerships in the Philippines (Far Eastern University, Manila and Saint Louis University, Baguio), and is in the exploratory phase in relation to a range of partnership opportunities with a Section 1 Indian institution.

The development and implementation of a University-wide international strategy in line with the new 2016 – 2020 Strategic Plan *Together, we can do this* will begin in 2016.

Alternative entry and exit pathways

A suite of new Integrated Health Degrees in Health Practice and Community Services was introduced in 2014. These degrees allow students to achieve a Certificate IV and a Diploma in their chosen major area of study while also working towards a Bachelor's Degree in just three years. Students enrol at only one institution, UNE, and pay a single HECS debt. This model saves both time and money for the student without compromising quality. Units of study are carefully designed to ensure the hands-on skills development and higher order education are fully integrated from the very beginning. Reviews are now underway to determine whether the model can be used in other areas of the curriculum.

Students graduating from TNE with an appropriate Certificate IV who are wishing to enrol in one of these Integrated Health degrees are guaranteed entry, and those graduating with a relevant Diploma are guaranteed the equivalent of one year of advanced standing towards the degree.

The UNE Pathways enabling course provides students with the skills and knowledge required for entry to most UNE undergraduate degrees. The average transition to an award course over 2009 to 2012 was 76%.

The development of a range of articulated qualifications is currently under review and is expected to progress in 2016 in conjunction with UNE Partnerships (UNEP). UNE is also working with UNEP to produce a tertiary pathways options paper as part of work in the re-design and development of the Maritime Logistics Course for the Royal Australian Navy. This may become the prototype for a range of new Diploma courses, ideally suited to first-in-family and mature age students as pathways to degrees.

ATSI Access and Participation

The Oorala Aboriginal Centre offers support services to Aboriginal and Torres Strait Islander students who study at UNE. Oorala offers two alternative entry programs for Aboriginal and Torres Strait Islander students who would like to apply for admission to UNE undergraduate courses. They are:

- The Internal Selection Program (ISP), a two-day program of workshops, testing and assessment held on campus at Oorala, and
- The TRACKS Tertiary Preparation Program (TRACKS), a 12-month enabling course that prepares Aboriginal and Torres Strait Islander students for university study and offers personalised academic, pastoral and professional support. The number of students enrolled in the TRACKS course has more than doubled in 2015, well above 2014 levels. Based on current results and participation, 23 students should progress to UNE undergraduate courses in 2016.

Commencing numbers for Aboriginal students remained stable in 2015 from the previous year with continuing student numbers showing a slight increase. Seven out of the 10 academic Schools secured 100% retention rates for Aboriginal and Torres Strait Islander students in 2015.

The UNE Aboriginal Employment Strategy assists Aboriginal and Torres Strait Islander students with bridging the gap between learning and employment. It has a strong focus on recruitment, employment retention and career development for current and future staff of UNE. The strategy also guides the development of appropriate workplace culture and practices, employment opportunities, and career development plans and pathways for both staff and students. The Provost and Deputy Vice-Chancellor chairs the ATSI Employment Strategy Governance Committee that provides advice to the Vice-Chancellor in the oversight of the implementation of the strategy.

Consumer Response

The Student Grievance Unit (SGU) made business improvement recommendations across the University and has identified disparities within University policies and procedures that have resulted in amendments being made to the relevant policies.

The SGU, together with other relevant units, are now working to enclose the information loop for complaints through cross unit reporting. The unit is also working closely with Oorala Aboriginal Centre to improve the complaints handling process for Aboriginal and Torres Strait students and to ensure cultural sensitivity.

The unit has reviewed the College Code of Conduct to ensure procedural fairness and has drafted 'Managing Complainant Unreasonable Conduct' procedures to improve transparency.

Teaching and Learning

UNE delivered preparatory, undergraduate and postgraduate courses on campus and online through 10 academic Schools, 10 regional study centres and the UNE FutureCampus.

In 2016 the University will be submitting its application to the Tertiary Education Quality and Standards Agency (TEQSA) for re-registration.

Teaching citations and awards

Five citations were awarded for Outstanding Contribution to Student Learning:

- Dr Subba Reddy Yarram, UNE Business School
- Dr Sascha Morrell, School of Arts
- Dr Susan Feez, School of Education
- Associate Professor Amanda Kennedy, School of Law
- Associate Professor Lillian Corbin, School of Law

Seven Teaching Recognition awards were presented to:

- Dr Tony Ramsay, UNE Business School
- Dr Nathan Wise, School of Humanities
- Dr Adam Rock, School of Behavioural, Cognitive and Social Sciences
- Dr Gavin Clark, School of Behavioural, Cognitive and Social Sciences
- Dr Keita Takayama, School of Education
- Ms Julie Shearer, School of Arts
- Dr Mitch Parkes, School of Education

UNE nominated six staff for the Australian Award for University Teaching in the Citations category. Dr Subba Reddy Yarram, UNE Business School, received a Citation for Outstanding Contribution to Student Learning as part of the Australian Awards for University Teaching. Dr Sascha Morrell, School of Arts, received an Office of Learning and Teaching Citation for inspiring teaching in English and Writing.

Develop innovative partnerships and learning solutions

As a member of the Regional Universities Network (RUN), UNE works cooperatively with other regional universities to improve educational outcomes for regional students. In 2015, UNE launched shared teaching arrangements for creative arts and language units; hosted events which led to a RUN 'Peer Review of Teaching' benchmarking arrangement; and facilitated the RUN Collaboration in Teaching and Learning project.

UNE is also a member of the RUN Transforming Practice Program project and is a partner in the Office of Learning and Teaching project 'Shaping the 21st Century Student Experience in regional universities.'

There is also ongoing collaboration between UNE and the regional study centres to encourage student participation.

Higher Degree Research

During 2015, UNE enhanced its Higher Degree Research (HDR) program by implementing key strategies focused on attracting high-calibre candidates and strengthening existing support services to improve retention and ensure course completion.

- Seven HDR candidates received scholarships under the Hardship and Participation Scholarship program. Three UNE scholars commenced in 2014, and four Aboriginal and Torres Strait Islander scholars commenced in 2015. Investment in these scholarship programs will continue in 2016 – 2017.
- With a view to increasing the number of international HDR students enrolled at UNE, UNE International and the Pro Vice-Chancellor Research developed a country-specific HDR International Recruitment strategy. The strategy uses UNE's research strengths and existing research projects in various countries to boost HDR recruitment efforts. There are currently 68 high-quality International candidates in receipt of scholarships.
- Ten Memoranda of Understanding with Indonesian universities were finalised and have been submitted in support of an agreement for consideration by the Indonesia Endowment Fund for Education (LPDP) and the Directorate General Resources for Science, Technology and Higher Education (DG-RSTHE). This collaboration is expected to increase international HDR student enrolments at UNE.
- Staff development programs to increase the number of qualified HDR supervisors resulted in 75 trained principal supervisors with another 60 expected to be trained by the end of 2017.
- Stage One of the strategy to improve the completion rate of HDR students was completed with Completion Scholarships continuing to be offered through to 2017. Stage Two of the strategy will focus on closer student engagement and monitoring through HDR Progress Reporting and milestone reminders to students and supervisors.



Research

UNE has a proud history of producing high quality research outcomes, with a particular emphasis on tackling regional issues of global significance. Programs such as the Distinguished Research Visitor Program, Participation Fellowships and jointly funded research positions enhanced the portfolio throughout 2015 with continuation plans in place for 2016 and 2017.

Excellence in Research Australia (ERA)

Since the last assessment in 2012, UNE has continued to build its research capacity in key identified areas, such as the agricultural, biological, environmental and health sciences. UNE has sustained world standard excellence across the social sciences, humanities and creative arts.

UNE's 2015 ERA results reflect a significant improvement, with publication output up by 11%, a rise in research income of 31%, and 87% of research areas assessed at or above world standard:

- Nine areas attained the top rating of five (well above world standard) compared to none in 2012;
- 11 areas were rated four (above world standard) compared to three areas in 2012; and
- 20 areas were rated three (world standard) as compared to 26 areas in 2012.

Funding achievements

	Australian Competitive Grants (Cat. 1)	Category 1 Funding	Other Public Sector Research Funding (Cat. 2)	Category 2 Funding	Industry And Other Research Funding (Cat. 3)	Category 3 Funding	CRC Participant Funding (Cat. 4)	Category 4 Funding	TOTAL Research Grants Approved	Funding Total for Research Grants
Agricultural & Genetics Breeding Unit (AGBU)	1	-	1	\$164,621	2	\$277,500	-	-	4	\$442,121
Arts	-	-	-	-	-	-	-	-	-	-
Behavioural, Cognitive & Social Science (BCSS)	2	\$290,133	5	\$308,632	2	\$33,995	-	-	9	\$632,760
Education	1	\$15,165	1	\$255,000	6	\$1,194,490	-	-	8	\$1,464,655
Environment & Rural Science (ERS)	17	\$4,185,026	14	\$2,148,220	10	\$1,020,643	12	\$1,495,994	53	\$8,849,883
Health	-	-	-	-	1	\$92,573	-	-	1	\$92,573
Humanities	2	\$21,469	1	\$15,000	-	-	-	-	3	\$36,469
Law	1	\$283,245	1	\$27,500	-	-	-	-	2	\$310,745
Rural Medicine	-	-	-	-	-	-	-	-	-	-
Science & Technology	4	\$1,594,831	2	\$173,772	1	\$2,000	1	\$138,231	8	\$1,908,834
UNE Business School	3	\$164,373	-	-	1	\$138,431	-	-	4	\$302,804
TOTAL	31	\$6,554,242	25	\$3,092,745	23	\$2,759,632	13	\$1,634,225	92	\$14,040,844

Source: Research Services – Approved Grants 1 Jan – 31 Dec 2015

Excludes Travel Grants, Scholarships and UNE Seed Grants. Includes Grants where UNE is not the lead institution

Top ten funded research grants in terms of funding amount

Rank	Amount Awarded	Principal Researcher	Project Title	Funding Body	Category of Funding	School
1	\$1,542,671	A/Prof Andrew Robson	Multi-scale Monitoring Tools for Managing Australian Tree Crops - Industry Meets Innovation	Horticulture Innovation Australia Limited (HIAL)	1	School of Science and Technology
2	\$551,350	A/Prof Pep Serow	Pacific Community Health and Wellbeing Education Project	Department of Foreign Affairs and Trade (DFAT)	3	School of Education
3	\$547,737	Mr Brendan Griffiths	Cotton Production Course	Cotton Research and Development Corporation (CRDC)	1	School of Environmental and Rural Science
4	\$539,000	Prof Geoff Hinch	Smart data management for Smart livestock production	Department of Agriculture (DoAG)	2	School of Environmental and Rural Science
5	\$517,251	Dr Brian Wilson	Soil Systems Research - physical, chemical and biological processes for plant growth and nutrient cycling down the whole soil profile	Cotton Research and Development Corporation (CRDC)	1	School of Environmental and Rural Science
6	\$425,116	Dr Isabelle Ruhnke	Nutritional Management of Free-Range Laying Hens	Australian Egg Corporation Limited (AECL)	1	School of Environmental and Rural Science
7	\$404,999	Dr Rhiannon Smith	Managing riparian corridors on cotton farms for multiple benefits	Cotton Research and Development Corporation (CRDC)	1	School of Environmental and Rural Science
8	\$387,822	A/Prof Cedric Gondro	Development of new strategies to improve genomic selection in Hanwoo (Korean cattle)	National Institute of Animal Science of the Rural Development Association, Korea (NIAS/RDA)	3	School of Environmental and Rural Science
9	\$375,000	Dr Sang Hong Lee	Novel statistical algorithms and methods to quantify and partition pleiotropy between complex traits in populations	Australian Research Council (ARC)	1	School of Environmental and Rural Science
10	\$372,000	Dr Clare Stawski	Key mammalian survival strategies in a rapidly changing environment	Australian Research Council (ARC)	1	School of Environmental and Rural Science
TOTAL	\$5,662,946					

Source: Research Services – Approved Grants 1 Jan – 31 Dec 2015; results are based on funding amount awarded and includes grants which are funded externally

Research facilities

- The fully connected SMART Farm Innovation Centre was opened in March 2015. The Innovation Centre is the electronic heart of the highly regarded UNE SMART Farm and serves as a research, education and community engagement facility showcasing the integration of technology, science and farming.
- Following the successful unveiling of Stages 1 and 2 of the \$8.3m Centre for Animal Research and Teaching (CART) at its Armidale campus in 2014, UNE officially opened Stage 3 in November 2015. Stage 3 marks the completion of CART, with state of the art teaching facilities, post mortem laboratories, a new surgery, a large modern feed mill to manufacture pelleted feed, and expanded facilities for sheep research.

Research Partnerships and Grants

- Grant development workshops were offered for both targeted and general cohorts to develop competitive Category 1 applications and included strong mentoring support sessions, as well as vigorous peer review assessments.
- UNE successfully applied to the Australian Research Council (ARC) with one Discovery Early Career Research Award (DECRA), two Discovery Projects and one admission to the College of Experts to the Australian Research Council this year.
- The Seed Grants scheme was not offered in 2015, as it is under review by the UNE Research Committee. It is anticipated that the new scheme will be more targeted towards the aims of the UNE Strategic Research Plan. Support funding continues to be offered strategically on a case-by-case basis.
- Although UNE did not enter into any partnerships in 2015, three ARC Linkage Program applications were submitted in 2015 with the outcome to be advised in 2016. UNE was successful in gaining one externally funded ARC Linkage Infrastructure, Equipment and Facilities (LIEF) grant through the University of Sydney.

Research matters

UNE academic staff engaged in a number of high profile research projects during 2015:

- The Precision Agriculture Research Group in the School of Science and Technology led a successful bid for \$7,542,147 to the Commonwealth Department of Agriculture Rural R&D for Profit program. This project was one of 12 awarded nationally, and the only one awarded to UNE. It seeks to develop and utilise the latest high resolution satellite imaging systems, cloud-based computing, data discovery and computationally efficient analytics, on-ground robotics and an increasingly 'connected' producer base offering two key innovation pathways to improved production, auditing, biosecurity and disaster recovery for Australia's tree crop industries.
- The Computational Science group, led by Associate Professor Paul Kwan, Dr William Billingsley and Dr David Paul, are collaborating with the Sheep Cooperative Research Centre to develop easier ways to use complex data to improve industry productivity. Two major innovation projects are currently underway and include the development of 'smart' mobile livestock apps and the creation of a world leading big data platform. The research project is worth approximately \$1.1 million in 2016 with the potential for a multi-year extension that will bring at least six new staff into UNE.
- Dr Greg Falzon, leader of the Intelligent Systems group in computational science, received considerable research funding this year in the field of biosecurity with five grants awarded (four external) totalling \$1,649,160, along with receiving a prestigious national award (the Science and Innovation Award for Young People in Agriculture, Fisheries and Forestry). The Wild Dog Alert project received \$1,403,270 worth of funding over three years to develop technology to alert producers to the presence of wild dogs on their property and also provide biometric identification for population size estimates. Wild Dog Alert is a collaboration between UNE, the Invasive Animals Cooperative Research Centre, NSW Department of Primary Industries (DPI), Australian Wool Innovation and Meat & Livestock Australia.



- Dr Susie Hester, UNE Business School, obtained over \$160,000 from the Centre of Excellence for Biosecurity Risk Analysis (CEBRA) for two projects, one to develop a pest-prioritisation system and another that applies game theory to border inspections. In the latter, game theory and economic experiments are used to improve the efficiency of Australia's border inspection rules. This project involves collaboration with academics at Monash University, The University of Melbourne and the Victorian Department of Treasury and Finance.
- Professor Derek Baker from the UNE Business School, and Institute for Rural Futures' Research Fellow Dr Philip Morley, progressed a \$500,000 Food and Agriculture Organisation of the United Nations-funded project, to develop and test new methods for livestock data recording in Tanzania, Botswana and Indonesia.
- The School of Health played a significant role in the Collaborative Research Network (CRN), which ended in 2015. The researchers and capability from the CRN were incorporated in to one of two newly established research groups within the School. The first, the Mental Health and Wellbeing Research Group, focuses their research on key populations taking into account the layered contexts in which people live and work. Researchers in this group work in collaboration with community organisations and are actively involved in the evaluation of several service providers including the national StandBy Response Service and BackTrack youth works. The second research group focuses on Patient Safety and Leadership, working closely with the Hunter New England Local Health District and other health providers.
- In December, the School of Arts launched the Aboriginal and Torres Strait Islander Creative Practice Scholars program. This initiative, supported by Research Services, assisted four Indigenous scholars to dedicate their time to full-time studies in creative practice. The program also promotes discussions about the idea of indigenising academia and the importance of the Arts in current discussions around knowledge and culture.
- Dr Jason Stoessel, from the School of Arts, commenced work as a Chief Investigator on a University of Queensland administered Australian Research Council Discovery grant project on canonic techniques and musical changes from c.1330 – c.1530. Using innovative computer-assisted music analysis, this project will throw light on undocumented compositional techniques used to create some of the most magnificent examples of polyphonic or multipart vocal music from this period.
- The UNE-led Saruq al-Hadid Archaeological Research Project (SHARP) in the School of Humanities commenced, with excavations in Dubai from January to April 2015. This multi-million dollar, three-year research project has brought two post-doctoral fellows and two PhD students to UNE to study the abundant gold, silver, bronze, iron and organic remains from the site and to work in the newly equipped and refurbished Archaeology Laboratory, as well as funding the work of two full-time artefact conservators in Dubai and collaborations with university researchers in America, Canada, Italy and the UK.
- Lawyers from Australia, Brazil, Costa Rica, Nigeria, South Africa, USA, France, Argentina and Singapore met in Bonn, Germany to consider the next stage of a major project being led by Professor Paul Martin from the Australian Centre for Agriculture and Law (AgLaw) at UNE. That project involves the development and implementation of a methodology for objective evaluation of the effectiveness of environmental laws. The method has been applied to evaluate laws in Australia, Brazil, China, South Africa and New Zealand. Further projects are underway applying the method to different environmental law issues. The work on evaluation will be the foundation for new directions in empirical investigation of the law as an environmental governance instrument.

Community Engagement and Advancement

Public Relations

Community engagement, as set out in the corporate communications strategy, was significantly broadened through initiatives such as the development and distribution of corporate documentation, for example, Expert Guides; improved utilisation of social media to communicate news internally and externally; and the introduction of local business community briefings and Open Days to foster rapport with the Armidale community.

Following on from the very successful Booloominbah Open Day held in 2014, Trevena Garden was opened to the public this year with more than 500 people attending on the day. A UNE SMART Farm Open Day will feature in 2016, showcasing cutting-edge research and applications for the broader community.

The University of New England participated in the higher education policy debate through its membership of the Regional Universities Network, the NSW Vice-Chancellor's Committee and Universities Australia.

Advancement

Fundraising

Donors to the University continued to support a wide variety of programs including scholarships, academic prizes, research, residential colleges, individual UNE Schools and disciplines, study tours and the Dixon library. Fundraising activity was conducted through the tax appeal, workplace giving program, scholarships support, graduate's walk, bequests and major gifts. UNE acknowledges the ongoing generosity of its donors with the tax appeal attracting 30% more than the donations received for the same appeal in 2014.

The University received several large bequests in 2015. These bequests to fund numerous scholarships will enable many students to benefit from a tertiary education at UNE that they may not have otherwise received.

Donor recognition and engagement activities included inviting donors to our supporter events held in Brisbane, Sydney, Melbourne and Canberra. Scholarship donors were also invited to attend the graduation ceremonies and Chancellor's luncheon when the recipient of the scholarship graduated.

Alumni engagement and awards

Alumni continue to be engaged with UNE through participation in social and networking activities, course reviews, delivering lectures and seminars, financially supporting scholarships and prizes, mentoring, and representing the Vice-Chancellor at regional school presentations.

- Events were held in Brisbane, where Dr Jack Hobbs represented the Vice-Chancellor in his roles as both graduate representative on UNE Council and as Chair of the Standing Committee of Convocation (speaker Kas Tebbutt OAM); in Sydney (speaker, Rod McLean AM); in Canberra and in Melbourne (speaker, Marina Jury).
- Apart from individual donations, the South Australian UNE Alumni Association continued to support a scholarship and the UNE Alumni Association in Armidale instituted a new award for an international student.
- Twenty one graduates took part in this year's Women in Science, Technology, Engineering and Maths (WSTEM) project as mentors of first year women enrolled in Science, Technology, Engineering and Maths (STEM) courses.
- Damasa Magcale-Macandog was also recognised by the Philippine Australian Alumni Association as the Most Outstanding Australian Alumna of 2015 during a ceremony held in Manila, Philippines.

Eight graduates were formally recognised by the University in 2015:

Doctor of Science (honoris causa)

- Professor Alan Gaius Ramsay McIntosh – mathematician

Honorary degree recipients were invited to present the Occasional Address at graduation, as well as two other UNE graduates, Mr Warrick McLean and Dr James White PSM.

Distinguished Alumni Award (DAA)

- Paul Brock AM – learning and development researcher
- Sean Grimmond – cancer researcher and administrator
- Grant Hehir – Australian Commonwealth Auditor General
- Damasa Magcale-Macandog – biology and agriculture researcher
- Ronny Noor – Education and Cultural Attaché for Indonesia in Australia
- Mike Smith AM – archaeologist

Young Distinguished Alumni Award (YDAA)

- Jennifer Star – founder of Tara-Ed, a Non-Governmental Organisation (NGO) promoting sustainable quality education in rural India by training teachers.

Organisational Processes and Staff

Improved organisational services

UNE's capacity for evidence-based decision-making through the roll-out of new data analysis and reporting tools was significantly improved by the Infrastructure Redevelopment Project, that delivered the infrastructure and technology to enable flexible, integrated and timely reporting via a range of advanced and sophisticated analytical tools. The technology and data processing architectures utilised are industry best practice frameworks which have been independently audited and verified. The project delivered an Enterprise Data Vault (EDV), where source system data is collated and stored in a single database. The EDV enables improved interrogation and reporting of data within and between systems. It also enables quicker and more cost effective development of new reporting initiatives. The migration and redevelopment also means critical UNE data is curated in a format that simplifies access. There are new, easy to use and familiar data analysis and visualisation tools that simplify finding insights to support strategy imperatives. The capacity and capabilities delivered by the Infrastructure Redevelopment Project gives UNE the opportunity to benefit from its significant data assets and execute the newly developed strategy and associated enabling plans using an evidence-based approach.

Workforce Planning

A Workforce Planning Framework was rolled out across the University with two Schools and two Directorates commencing detailed workforce planning in 2015. In 2016, all operational units will have access to detailed staffing data online, as the staffing data warehouse is now fully operational and accessible.

A draft enterprise-wide integrated planning, resourcing, performance review and continuous improvement framework was developed in 2015.

Development and Promotion

UNE developed and fully implemented a Performance Management Framework in 2015 resulting in:

- A revised induction program for all staff including casual staff.
- The development and implementation of a 'Managing to Improve Performance' training program.
- The introduction of compulsory performance planning processes.

The last quarter of 2015 also saw a review of the performance planning development and review (PPDR) process completed, resulting in changes to the template to ensure that it is more user friendly for the next PPDR cycle.

University leadership development was strengthened by the creation of an integrated learning and development plan, which identifies leadership program requirements. Senior management endorsed a business case for a comprehensive and multi-faceted leadership program and more detailed program planning has commenced. An emerging leaders training program was successfully run in 2015.

Staff development in learning and teaching

UNE invested significantly in staff development by enabling staff to apply for Fellowship, Senior Fellowship and Principal Fellowship of the Higher Education Academy. Staff development in learning and teaching was also increased through the implementation of a formative peer review program with a focus on online teaching and learning.

UNE hosted an inaugural colloquium on 'Celebrating and Sharing Quality Teaching and Learning' in 2015. It featured nationally recognised keynote speakers, and allowed for benchmarking best practices and sharing of ideas amongst academics.

UNE is currently developing a set of 'Principles of Good Teaching at UNE' with implementation to follow.

Workforce Diversity

2015 saw the development of a comprehensive UNE Diversity Framework. The Framework ties together all existing University programs and plans related to diversity as well as providing strategies and actions for new initiatives that have been identified. Implementation of this Framework will be undertaken during 2016. The existing Equal Opportunity Policy has been reviewed and updated as the Equal Opportunity and Diversity Policy.

UNE has been assessed as compliant under the *Workplace Gender Equity Act* 2012. In 2016 senior and middle management positions will be the focus of Leadership Development for women with the aim of increasing representation at these levels. This is in line with the Workplace Gender Equality Agency (WGEA) benchmarking report for UNE. Performance measures for senior executives and senior managers will be introduced in 2016 in relation to the diversity framework.

Implementation of the Aboriginal and Torres Strait Islander Employment Strategy continued during 2015 with a renewed focus on retention of existing employees. Development and delivery of a cultural immersion program is a key initiative and aimed at raising awareness and understanding of Aboriginal cultures for academic and professional staff. The program has been run a number of times during 2015 and has been successful both in terms of demand and positive feedback from participants.

UNE has continued the delivery of disability awareness programs for staff during 2015.

Trends in the representation of EEO groups - academic staff*

EEO group	NSW benchmark or target	2008	2009	2010	2011	2012	2013	2014	2015
Women	50%	40%	42%	44%	45%	46%	45%	47%	46.7%
Aboriginal people & Torres Strait islanders	2.63%	1%	0.5%	1.1%	1%	1%	1%	1%	0.7%
People whose first language was not English	19%	20%	21%	20%	18%	18%	18%	16%	15%
People with disability	n/a**	8%	8%	7%	6%	5%	5%	4%	3.8%
People with a disability requiring work-related adjustment (targeted increase)	1.1% (2011) 1.3% (2012) 1.5% (2013)	2%	2%	2.3%	1.8%	2%	n/a	n/a	n/a

*Excludes casual staff

** Per cent employment levels are reported but a benchmark level has not been set

Trends in the representation of EEO groups - general staff*

EEO group	NSW benchmark or target	2008	2009	2010	2011	2012	2013	2014	2015
Women	50%	61%	61%	61%	61%	61%	63%	62%	62.1%
Aboriginal people & Torres Strait islanders	2.63%	2%	2%	2.2%	2.3%	2%	2%	2%	1.8%
People whose first language was not English	19%	5%	3%	3%	3%	4%	4%	5%	4.6%
People with disability	n/a**	6%	7%	6%	6%	6%	5%	5%	4.8%
People with a disability requiring work-related adjustment (targeted increase)	1.1% (2011)								
1.3% (2012) 1.5% (2013)	2%	2%	2.2%	2.3%	3%	n/a	n/a	n/a	

*Excludes casual staff

** Per cent employment levels are reported but a benchmark level has not been set

Trends in the distribution of EEO groups - academic staff*

EEO group	NSW benchmark or target	2008	2009	2010	2011	2012	2013	2014	2015
Women	100	79	80	81	81	94	95	95	94
Aboriginal people & Torres Strait islanders	100	n/a	n/a	n/a	n/a	n/a	84	84	88
People whose first language was not English	100	93	96	99	97	99	100	101	103
People with disability	100	93	93	96	101	103	109	107	106
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Trends in the distribution of EEO groups - general staff*

EEO group	NSW benchmark or target	2008	2009	2010	2011	2012	2013	2014	2015
Women	100	85	86	88	87	88	86	88	89
Aboriginal people & Torres Strait islanders	100	n/a	n/a	n/a	n/a	83	87	87	80
People whose first language was not English	100	94	107	106	110	112	99	101	103
People with disability	100	94	93	92	91	93	99	94	98
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Multicultural Policies and Services

UNE's Multicultural Statement and Plan (2015) incorporates targets and activities relating to students and staff which are cross-referenced against UNE's Teaching and Learning Plan, Research Plan, Indigenous Advancement Strategy and the Aboriginal Employment Strategy.

UNE's values in relation to multiculturalism are embedded, where relevant, in all policy and procedure, with specific reference to the UNE Student Charter, Staff Code of Conduct, Student Behavioural Misconduct Rules and Residential Code of Conduct. These values are also embedded within our curriculum via UNE's Graduate Attributes.

Of particular note are projects with long-term benefits in terms of:

- equality of access, service and employment for Culturally and Linguistically Diverse (CALD) staff, students and the members of the wider community;
- the renewal of UNE's Workforce Diversity Framework 2016 – 2018; and
- the development of the Student Progress and Success tool.

In 2015 UNE worked toward renewing its Workforce Diversity Framework 2016 – 2018, implementation of which will commence in 2016. The Framework includes specific strategies to:

- recruit, develop and retain staff who reflect the diverse nature of the community;
- maintain diversity practices in developmental activities; and
- provide an inclusive environment for our staff that supports and embraces a knowledge of, and respect for, diversity and inclusion, and which is free from harassment and discrimination.

This document will become UNE's vehicle for driving improvement in terms of multiculturalism and diversity in relation to its workforce.

UNE also worked towards the development of a Student Progress and Success business intelligence solution to enable the University to monitor student outcomes by various admission pathways and demographics. This will enable UNE, over time, to better target academic and pastoral support to meet the needs of our diverse student cohort.

Other activities and outcomes will be reporting against specific areas of UNE's operations, including:

- Scholarships awarded under the ATSI Creative Practice Scholars Program.
- Review of UNE's internationalisation strategy (Internationalisation at Home and Internationalisation Abroad).
- Annual Frank Archibald Memorial Lecture with 2015 guest speaker Professor Rhonda Marriott.

With the approval of UNE's new Strategic Plan *Together, we can do this*, due to commence in 2016, a new Multicultural Plan will be developed over the course of the year.

Disability Inclusion Action Plan

The Disability Action Plan (DAP) was first implemented in November 2014. The plan is currently under review including a student survey to assess awareness and familiarity of DAP with the student body.

Student Administration and Services (SAS) is also working with Human Resources and the UNE Compliance Officer to review equity committees. The outcome of the review will inform the update of the DAP.

Workplace Health and Safety

Workers Compensation

■ Total number of reported Incidents in 2015	181
■ Total number of claims in 2015	11
■ Total Paid to Date for policy year 2015	\$57,043.50
■ Total paid to date for policy year 2014	\$34,309.00
■ Total paid to date for policy year 2013	\$202,401.66
■ Time lost in 2015	1,188 hours

Staff Numbers

Staff in schools		Female	Male	Total
	Professor (E)	13	42	55
	Associate Professor (D)	26	38	64
	Senior Lecturer (C)	64	76	140
	Lecturer (B)	117	97	214
	Tutor (A)	22	16	38
Total academics in schools		242	269	511

	HEO 10+	3	7	10
	HEO 09		2	2
	HEO 08	6	8	14
	HEO 07	20	9	29
	HEO 06	26	17	43
	HEO 05	31	17	48
	HEO 04	30	5	35
	HEO 03	5		5
Total non-academic staff		121	65	186
Total staff in schools		363	334	697

Staff in management, administration and support units

	Professor (E) and above	3	3	6
	Associate Professor (D)	2	5	7
	Senior Lecturer (C)	4	6	10
	Lecturer (B)	6	9	15
	Tutor (A)	9	6	15
Total academics		24	29	53

	HEO 10+	22	26	48
	HEO 09	18	17	35
	HEO 08	28	27	55
	HEO 07	38	49	87
	HEO 06	73	32	105
	HEO 05	88	42	130
	HEO 04	49	15	64
	HEO 03	9	9	18
	HEO 02	14	6	20
	HEO 01+	3		3

Total non-academic staff **342** **223** **565**

Total staff outside schools **366** **252** **618**

Staff in Controlled Entities 19 16 35

UNE Total at 31 March, 2015 **748** **602** **1,350**

UNE Total at 31 March, 2014 **759** **605** **1,364**

Finance

UNE Budget

Comparison to Budget Parent Entity University of New England	2015 Budget \$M	2015 Actual \$M	2016 Budget \$M
Teaching Income	202.2	200.2	202.5
Research & Grant Income	52.5	52.2	46.6
Other Income	33.2	36.2	39.0
Total Income	287.9	288.6	288.1
Employee Related Expenses	168.9	170.6	173.1
Non Payroll Expenses	89.6	90.5	89.4
Underlying Result	29.4	27.5	25.6
Interest Income	3.2	3.8	2.8
Interest Expense	0.8	1.1	1.2
Depreciation & Amortisation	21.2	24.1	23.9
Operating Profit	10.6	6.1	3.3
One Off Income	13.4	14.1	2.6
One Off Expenditure	0.2	4.0	
Operating Result attributable to members of the University of New England	23.8	16.1	6.0

Structural Surplus

Description	2015		
Financials	Budget \$M	Actual \$M	Variance \$M
Teaching Revenue	199.1	200.2	1.1
Operating Revenue	290.4	288.6	(1.8)
Payroll Costs	168.0	170.6	(2.6)
Non-Payroll Costs	92.9	90.5	2.4
Operating Surplus	30.7	27.5	(3.2)
Interest Income & Expenditure & Depreciation	21.9	21.4	0.5
Underlying Surplus/(Deficit)	7.6	6.1	(1.5)
Net Result	21.6	16.1	(5.5)

Overseas travel

There was no overseas travel by the Vice-Chancellor or the Provost & Deputy Vice-Chancellor to promote the University of New England in 2015.

Funds to non-governmental community organisations

UNE contributed \$53,921 in sponsorships and events during 2015.

Total	36,864	17,057	53,921	
--------------	---------------	---------------	---------------	--

Non- Government Community Group	Sponsorship	Event	Total	Event Description
Armidale and New England Show Society	-	1,000	1,000	Sponsorship of the Armidale and New England Inc. Show 2015
Armidale Business Chamber	8,000	1,625	9,625	Women's Breakfast
Armidale Sheep Dog Club	2,000	-	2,000	
Australian Society for Biophysics	1,000	-	1,000	
Beach Soccer Tournament	-	125	125	Beach Soccer Tournament
Bhutanese Students Association	-	812	812	Sponsorship of Bhutanese Students Association to hold cultural event for the Kings 60th birthday
Country Rugby Union of NSW Referees Association	15,500	-	55,500	
K Wright Community Garden	-	4,279	4,279	K Wright Community Garden
Narwan knockout	-	2,022	2,022	Narwan knockout
New England Writers Centre	-	455	455	Thunderbolt Prize
Opera New England	4,000	4,000	8,000	Performance of Carmen
Rotary Club of Armidale North Inc.	-	1,640	1,640	Techfest
Royal National Capital Agricultural Society	-	1,100	1,100	Canberra Show
Rural Science Undergraduate Society	5,000	-	5,000	
Sheep Breeders Society	1,364	-	1,364	

Insurances

The primary areas of the university's insurance program were renewed through Unimutual Limited, Austbrokers Canberra Pty Ltd and Employers Mutual. These include property protection, general and products liability, professional indemnity, malpractice, management liability and workers compensation. Other classes of insurance held include, but are not limited to, corporate travel, student group personal accident and comprehensive motor vehicle.

Land sales

There were no land sales in 2015.

UNE investments

The majority of UNE investments were placed in term deposits for periods of less than 12 months. Our weighted average return for 2015 was 3.15%, which outperformed the Hour-Glass Cash Facility of NSW Treasury Corporation benchmark of 2.42%.

Consultants

Consultant Engagements Less Than \$50,000

Category	No of Engagements	Value \$'000
Engineering	3	69
Finance and Accounting	1	15
Finance and Accounting	1	9
Information Technology	5	59
Management Services	7	88
Organisational Review	2	13
Total	19	253

Consultant engagements greater than \$50,000

Consultant	Project	Amount \$,000	Category
Altis Consulting Pty Ltd	The development and pilot of a student experience system.	127	Information Technology
Scientific Interiors (Australia) Pty Ltd	Design and construction consultancy for Animal Husbandry facility.	137	Engineering
		264	

Infrastructure

Asset Management strategy

The UNE Organisational Asset Management Strategy (OAMS) commenced with the implementation of the Asset Management (Backlog Infrastructure) Plan. This plan provided funding to address the backlog maintenance liability primarily relating to above-ground infrastructure that supports the operations of the University. Implementation of subsequent asset management plans for building interiors and the renewal of in-ground services will follow the 2016 – 2020 Strategic Plan and Campus Master Plan.

Integrated Agricultural Education Project

The Integrated Agricultural Education Project (IAEP) consists of five projects that will enhance UNE's international competitiveness in education and research and allow UNE to proactively engage in training the next generation of agricultural and environmental scientists and industry business leaders to meet a critical shortage of skilled professionals across the sector.

- Component 1 – Construction of a new Agricultural Education Building (\$27m) is due for completion in March 2016.
- Component 2 – Lecture Theatre and Tutorial Room Upgrades in the Natural Resources building (\$1.5m) is now complete.
- Component 3 – Development of the SMART Farm Innovation Centre at Kirby farm (\$2.9m) is now complete.
- Component 4 – Tamworth Study Centre Upgrades (\$2.5m) is now complete.
- Component 5 – Development of the Centre for Animal Research and Teaching (\$8.3m) is now complete

Information Technology and Communication

UNE deployed the Skype for Business collaboration platform (initially Microsoft Lync) to 1,213 professional and academic staff in early 2015 and to 22,000 students in late 2015. This powerful collaboration suite is now fully operational for staff-to-staff, staff-to-student and student-to-student communication. Skype for Business also integrates with the consumer Skype application, allowing staff to communicate with external parties such as non-UNE researchers without incurring additional telecommunication costs. UNE is the first university in Australia to deploy Skype for Business to all of its staff and students, supporting UNE's commitment to being an innovative online university.

Factors affecting operations

The implementation of Callista CAPS and course structure functions was not funded as a strategic project and did not progress.

Access Arrangements

- The University of New England's Annual Report is an official document and a key information resource, listing the University's major activities, statistics, financial statements, its principal officers and services, as well as providing highlights of its community involvement and outreach. The Annual Report is available in electronic form on the University's corporate website, **www.une.edu.au**
- UNE is located approximately 2 km from the GPO on the western edge of the city of Armidale in northern New South Wales. The University can be accessed from the east by Madgwick Drive and from the south by Queen Elizabeth Drive.
- The UNE website contains a wealth of organisation-specific material and is a key resource for current and prospective staff and students, as well as a reference point for visitors and the media. Go to **www.une.edu.au**
- Office hours at UNE are generally from 9.00 am to 5.00 pm, Monday to Friday (AEST). Telephone enquiries can be made to the University's switchboard at +612 6773 3333 during office hours.
- Items for postal delivery should be addressed to the relevant officer or department at the University of New England, Armidale, NSW 2351.
- General enquires about UNE's publicly available publications can be directed to the Executive Director, Marketing and Strategy, by phone +612 6773 2777 or email **marketing@une.edu.au**
- General enquiries about UNE's corporate documents or student files can be made to the Manager, Records Management Office by phone +612 6773 2140 or email **rmo@une.edu.au**
- General enquires about UNE's staffing matters can be made to the Director, Human Resource Services by phone +612 6773 2100 or email **staffequity@une.edu.au**
- General information about the Human Services Directorate and staffing matters can also be found on the Directorate's website at **www.une.edu.au/about-une/areas/administration/human-resource-services**
- Enquiries on information about the University's governance, its policies, as well as arrangements for addressing privacy and GIPA matters, can be made to the Legal and Governance Office. The University's Chief Legal and Governance Officer/ University Secretary can be contacted by phone on +612 6773 3729 or email **legalandgovernance@une.edu.au**

University of New England



ABN: 75 792 454 315
Financial Report
for the year ended
31 December 2015



INDEPENDENT AUDITOR'S REPORT

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 2015, the 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 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

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.

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 management, 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 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.

S Bond .

Sally Bond
Director, Financial Audit Services

21 March 2016
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 2015.

Members

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

Mr James Harris - Chancellor
Ms Jan McClelland - Deputy-Chancellor
Professor Annabelle Duncan - Vice-Chancellor
Mr Robert Finch
Professor Donald Hine
Dr Jack Hobbs
Mr Michael Kirk
Ms Rosemary Leamon
Dr Robyn Muldoon
Ms Anne Myers
Professor Margaret Sims
Professor Nick Reid
Mr Les Ridgeway
Mr Stuart Robertson
Ms Meredith Symons
Dr Jeannet van der Lee

The following persons were members in 2015:

Dr Geoffrey Fox - resigned 08/02/2015

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 2015, 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

The year 2016 will be the first of the new 'UNE strategic plan 2016-2020: Together we can do this'. The new integrated agricultural education precinct is nearing completion. Changes as a result of the May 2014 Australian Government budget were deferred one year and UNE expects any changes 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
Noxious Weeds Act 1993
 Noxious Weeds Amendment Act 2012
Pesticides Act 1999

Environmental Regulation (continued)

State – New South Wales (continued)

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

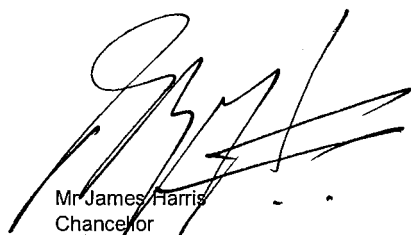
Insurance of Officers

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 2014 to 31 October 2015. Insurance has been renewed for the period 1 November 2015 to 31 October 2016 at a cost of \$36,200. 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
18 March 2016

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committees held during the year ended 31 December 2015, and the numbers of meetings attended by each Council member were:

Council Member	Meetings of committees															
	Council		Infrastructure		Finance		Audit & Risk		Standing*		HDITT**		Remuneration		Tender	
	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)	5	5	6	6	6	6					2	2	4	4	2	2
The Deputy-Chancellor																
Ms Jan McClelland (from 20/11/14)	5	5	6	6	6	6					2	2	4	4	2	2
Official Members																
Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14)	5	5	6	6	6	6	6	6			2	2	4	4	2	2
Professor Nick Reid, Chair Academic Board	5	5	6	6	6	6	6	6			2	2			2	2
Members appointed by the Minister																
Ms Anne Myers	5	5	4	5			1	1	Flying minutes only				2	2		
Ms Meredith Symons	5	5			6	6										
Ms Rosemary Leamon	5	5	6	6	6	6	1	1								
Mr Les Ridgeway	5	5	5	6												
Members elected by academic staff																
Professor Donald Hine	5	5														
Professor Margaret Sims	5	5	4	6												
Members elected by the graduates																
Professor Robyn Muldoon	5	5									2	2	4	4		
Dr Jack Hobbs	5	5					6	6							3	3
Member elected by non-academic staff																
Dr Jeannet van der Lee	5	5														
Member elected by the post graduate students																
Mr Stuart Robertson	5	5														
Member elected by the undergraduate students																
Mr Michael Kirk	4	5														
Additional external members																
Mr Robert Finch	4	5			6	6	6	6					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.


** Honorary Degrees, Titles and Tributes Committee

University of New England


FINANCIAL STATEMENT

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

- 1 The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2015 and the result of their operations and transactions of the economic entity for the year then ended;
- 2 The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period" issued by the Australian Government Department of Education and Training;
- 3 The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;
- 4 We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate;
- 5 There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
- 6 The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- 7 The University has complied in full with the requirements of various programme guidelines that apply to the Commonwealth financial assistance identified in these financial reports.



Mr James Harris
Chancellor



Professor Annabelle Duncan
Vice-Chancellor

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

University of New England
Armidale, NSW
18 March 2016

Income Statement

for the year ended 31 December 2015

		Consolidated		Parent entity	
	Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	163,749	154,772	163,749	154,772
HELP - Australian Government payments	3	72,770	71,641	72,770	71,641
State and local government financial assistance	4	2,557	3,043	2,557	3,043
HECS-HELP - Student payments		8,987	8,886	8,987	8,886
Fees and charges	5	45,388	43,518	41,512	39,531
Investment revenue	6	5,089	4,750	4,159	3,744
Royalties, trademarks and licences	7	263	99	270	110
Consultancy and contracts	8	2,035	1,376	668	704
Other revenue	9	24,243	20,568	9,256	6,360
Gains on disposal of assets		4	271	-	271
Share of profit or loss on investments accounted for using the equity method	21	-	-	-	-
Other income	9	228	78	2,563	2,386
Total income from continuing operations		325,313	309,002	306,491	291,448
Expenses from continuing operations					
Employee related expenses	10	179,721	179,270	170,347	168,994
Depreciation and amortisation	11	24,817	21,265	24,073	20,219
Repairs and maintenance	12	8,657	6,450	8,197	6,143
Borrowing costs	13	1,126	523	1,126	523
Impairment of assets	14	450	294	1,624	281
Losses on disposal of assets		55	-	55	-
Investment losses	6	188	48	-	-
Deferred superannuation expense	10, 40	225	371	225	371
Other expenses	15	92,865	96,071	84,717	94,041
Total expenses from continuing operations		308,104	304,292	290,364	290,572
Net result before income tax		17,209	4,710	16,127	876
Income tax expense		-	-	-	-
Net result after income tax for the period attributable to members of the University of New England	29(b)	17,209	4,710	16,127	876

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

Statement of Comprehensive Income

for the year ended 31 December 2015

	Consolidated		Parent entity	
Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Net result after income tax for the period	17,209	4,709	16,127	876
Items that may be reclassified to profit or loss				
Gain (loss) on value of available-for-sale financial assets	4,891	3,392	4,902	2,645
Total	4,891	3,392	4,902	2,645
Items that will not be reclassified to profit or loss				
Gain (loss) on revaluation of land, buildings and infrastructure	5,274	17,226	4,903	17,521
Net Actuarial losses (gains) recognised in respect of defined benefit plans	373	(573)	373	(573)
Transfer from reserves	-	835	-	811
Total	5,647	17,488	5,276	17,759
Total other comprehensive income	10,538	20,880	10,178	20,404
Total comprehensive income attributable to members of the University of New England	<u>27,747</u>	<u>25,589</u>	<u>26,305</u>	<u>21,280</u>

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

Statement of Financial Position

as at 31 December 2015

		Consolidated		Parent entity	
	Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Assets					
Current assets					
Cash and cash equivalents	16	74,487	59,990	63,064	49,264
Receivables	17	13,167	11,569	10,725	9,738
Inventories	18	357	403	132	143
Other financial assets	19	60,360	53,480	57,000	51,000
Other non-financial assets	20	6,840	7,230	5,897	6,830
Biological assets	22	927	605	927	605
Total current assets		156,138	133,277	137,745	117,580
Non-current assets					
Receivables	17	342,579	328,597	342,612	328,656
Other financial assets	19	19,367	15,221	9,798	6,086
Investments accounted for using the equity method	21	-	-	-	-
Property, plant and equipment	23	309,522	306,335	305,545	302,217
Intangible assets	24	1,541	1,967	836	980
Total non-current assets		673,009	652,120	658,791	637,939
Total assets		829,147	785,397	796,536	755,519
Liabilities					
Current liabilities					
Trade and other payables	25	9,284	7,001	7,858	6,052
Provisions	27	33,691	33,046	32,085	31,453
Other liabilities	28	15,727	16,793	14,072	15,448
Total current liabilities		58,702	56,840	54,015	52,953
Non-current liabilities					
Borrowings	26	20,000	20,000	20,000	20,000
Provisions	27	350,105	336,463	349,918	336,268
Other liabilities	28	425	-	-	-
Total non-current liabilities		370,530	356,463	369,918	356,268
Total liabilities		429,232	413,303	423,933	409,221
Net assets		399,915	372,094	372,603	346,298
Equity					
Reserves	29(a)	82,543	72,393	81,249	71,444
Retained earnings	29(b)	317,372	299,701	291,354	274,854
Parent entity interest		399,915	372,094	372,603	346,298
Total equity		399,915	372,094	372,603	346,298

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

Statement of Changes in Equity for the year ended 31 December 2015

	Consolidated		Parent entity	
	Reserves \$'000	Retained earnings \$'000	Reserves \$'000	Retained earnings \$'000
Balance at 1 January 2014	52,610	294,651	52,089	273,740
Retrospective changes	-	-	-	-
Balance as restated	52,610	294,651	52,089	273,740
Net result	-	4,709	-	876
Gain/(loss) on revaluation of land, buildings and infrastructure	17,226	-	17,521	-
Gain / (loss) on revaluation of available-for-sale financial assets	3,392	-	2,645	-
Remeasurements of Defined Benefit Plans	-	(573)	-	(573)
Transfers to / (from) reserves	(835)	814	(811)	811
Total comprehensive income	19,783	4,950	19,355	1,114
Transfer to / (from) retained earnings	-	-	-	-
Distributions to owners	-	100	-	-
Balance at 31 December 2014	72,393	299,701	71,444	274,854
Balance at 1 January 2015	72,393	299,701	71,444	274,854
Retrospective changes	(15)	89	-	-
Net result	-	17,209	-	16,127
Gain / (loss) on revaluation of land, buildings and infrastructure	5,274	-	4,903	-
Gain / (loss) on revaluation of available-for-sale financial assets	4,891	-	4,902	-
Remeasurements of Defined Benefit Plans	-	373	-	373
Transfers to / (from) reserves	-	-	-	-
Total comprehensive income	10,150	17,671	9,805	16,500
Transfer to / (from) retained earnings	-	-	-	-
Distributions to owners	-	-	-	-
Balance at 31 December 2015	82,543	317,372	81,249	291,354
		399,915		372,603

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 2015

		Consolidated		Parent entity	
	Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Cash flows from operating activities					
Australian Government grants	3(g)	236,191	228,754	236,191	228,754
OS-Help (net)	3(g)	631	388	631	388
Superannuation supplementation	3(g)	2,526	-	2,526	-
State Government grants		2,556	3,043	2,556	3,043
HECS-HELP - Student payments		8,484	8,296	8,484	8,296
Receipts from student fees and other customers		71,616	65,933	53,267	48,409
Dividends received		539	246	310	39
Interest received		4,208	4,361	3,666	3,935
Payments to suppliers and employees (inclusive of GST)		(284,811)	(293,773)	(265,315)	(279,761)
Interest and other costs of finance		(1,126)	(523)	(1,126)	(523)
GST recovered		5,336	6,441	5,357	6,398
Net cash provided by / (used in) operating activities	36	46,150	23,166	46,547	18,978
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		6	2,377	3	2,377
Payments for property, plant and equipment		(27,035)	(34,022)	(26,750)	(33,949)
Proceeds from sale of financial assets		56,737	332	51,000	27,000
Payments for financial assets		(61,362)	(59,734)	(57,000)	(51,000)
Loans to related parties		-	-	-	(150)
Net cash provided by / (used in) investing activities		(31,654)	(91,047)	(32,747)	(55,722)
Cash flows from financing activities					
Proceeds from borrowings		-	20,000	-	20,000
Net cash provided by / (used in) financing activities		-	20,000	-	20,000
Net increase / (decrease) in cash and cash equivalents		14,496	(47,881)	13,800	(16,744)
Cash and cash equivalents at the beginning of the financial year		59,991	107,871	49,264	66,008
Cash and cash equivalents at the end of the financial year		74,487	59,990	63,064	49,264

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

Notes to the financial statements

Note		Page
1	Summary of significant accounting policies	47
2	Disaggregated information	55
	Income	
3	Australian Government financial assistance including Australian Government loan programs (HELP)	55
4	State and Local Government financial assistance	57
5	Fees and charges	57
6	Investment revenue and other investment income	57
7	Royalties, trademarks and licences	58
8	Consultancy and contracts	58
9	Other revenue and income	58
	Expenses	
10	Employee related expenses	58
11	Depreciation and amortisation	59
12	Repairs and maintenance	59
13	Borrowing costs	59
14	Impairment of assets	59
15	Other expenses	60
	Assets	
16	Cash and cash equivalents	60
17	Receivables	60
18	Inventories	62
19	Other financial assets	62
20	Other non-financial assets	62
21	Investments accounted for using the equity method	62
22	Biological assets	62
23	Property, plant and equipment	63
24	Intangible assets	67
	Liabilities	
25	Trade and other payables	68
26	Borrowings	68
27	Provisions	69
28	Other liabilities	69
	Equity	
29	Reserves and retained earnings	70
	Note Disclosures	
30	Key management personnel disclosures	71
31	Remuneration of auditors	72
32	Contingencies	72
33	Commitments	72
34	Related parties	73
35	Subsidiaries	74
36	Reconciliation of operating result after income tax to net cash flows from operating activities	74
37	Events occurring after the balance date	74
38	Financial risk management	75
39	Fair value measurements	78
40	Defined benefits plans	81
41	Acquittal of Australian Government financial assistance	88

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), and
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015.

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

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University Council on 18 March 2016.

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 2015 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

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

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

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, 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.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

When the 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) Collaborations

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

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

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. 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 receipts (portion thereof) is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Note 1. Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(iv) Royalties, trademarks and licences

Revenue from royalties, trademarks and licences is recognised as income when earned.

(v) Consultancy and Contracts/ Fee for Service

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Other human resources revenue is recognised when the service is provided.

(vi) Investment income

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

(vii) Other revenue

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

(e) Income tax

The University of New England and its controlled entities do not provide for Australian income tax as the University of New England is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997.

(f) Leases

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 33). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

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

(g) Impairment of assets

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

(h) Cash and cash equivalents

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

(i) Trade receivables

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

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

Note 1. Summary of significant accounting policies (continued)

(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.

(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 statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(l) Investments and other financial assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

Changes in the fair value of a monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (other than interest). The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount (other than interest) are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Note 1. Summary of significant accounting policies (continued)

(l) Investments and other financial assets (continued)

Fair Value

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

Impairment

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

(m) Fair value measurement

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

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

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

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

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

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

(n) Biological assets

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

(o) Property, infrastructure, plant and equipment

Land and buildings and Infrastructure are shown at fair value based on periodic, but at least triennial, valuations by external independent valuers less subsequent depreciation for buildings. 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	Furniture and Fittings - 7-20 yrs
Infrastructure 5 - 20 yrs	Other Plant and Equipment - 5 - 15 yrs
Computing Implementation Costs & Software - 10 yrs	Computing Equipment / Software - 5 - 15 yrs
Motor Vehicles - 5 yrs	
Library Collection - 10 yrs	

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

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

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

Land controlled by the University was revalued as at 31 December 2015 by Global Valuation Services Pty Ltd.

Buildings controlled by the University were revalued as at 31 December 2015, by Global Valuation Services Pty Ltd.

Infrastructure assets, existing at 31 December 2015, were revalued by Global Valuation Services Pty Ltd.

(p) Repairs and Maintenance

Repairs and maintenance costs are recognised as expenses are incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses are incurred.

(q) Intangible assets

(i) Research

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

(ii) Development

Expenditure on development activities is capitalised when incurred. The capitalised amount comprises all directly attributable costs, including costs of materials, services, direct labour and a proportion of overheads. The capitalised amount is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocated the cost over the life of the expected benefit.

(iii) Goodwill

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

(iv) Licences

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

(v) Leasehold improvements

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

(r) Trade and other payables

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

(s) Borrowings

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

Note 1. Summary of significant accounting policies (continued)

(s) Borrowings (continued)

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 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 and long service leave liabilities.

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

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

(iii) Retirement benefit obligations

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

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

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

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

Past service costs are recognised in income immediately.

Note 1. Summary of significant accounting policies (continued)

(v) Employee benefits (continued)

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

(w) Deferred government benefit for superannuation

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

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by Pillar Administration and relate to the defined benefit superannuation plan's of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund. For details relating to methodology of measurement by the actuary and treatment of actuarial gains and losses, refer note 40.

An arrangement exists between the Australian Government and the NSW 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 31 December 2015 net asset position of the University and its controlled entities. The Australian Government arrangement previously excluded SANCS. However a Memorandum of Understanding was agreed and this scheme is now recognised as a liability with a corresponding receivable.

(x) Termination benefits

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

(y) Goods and Services Tax (GST)

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

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

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

(z) Key Management Personnel

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

(aa) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 issued by the Australian Securities and Investment Commission (ASIC), relating to the rounding off of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(ab) Comparative amounts

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

(ac) New accounting standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 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 2015 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 2015.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2015	2014	2015	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000	\$000
Australia	323,927	307,801	17,073	4,619	829,147	785,397
US/Canada	641	582	63	44	-	-
Unallocated	745	619	73	47	-	-
Total	325,313	309,002	17,209	4,710	829,147	785,397

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

	Notes	Consolidated		Parent entity	
		2015	2014	2015	2014
		\$000	\$000	\$000	\$000
(a) Commonwealth Grant Scheme and Other Grants	41a				
Commonwealth Grant Scheme #1		104,448	100,321	104,448	100,321
Indigenous Support Program		1,239	1,219	1,239	1,219
Partnership & Participation Program # 2		4,392	2,799	4,392	2,799
Disability Support Program		257	145	257	145
Diversity and Structural Adjustment Fund #3		-	-	-	-
Promotion of Excellence in Learning and Teaching		554	153	554	153
Total Commonwealth Grant Scheme and Other Grants		110,890	104,637	110,890	104,637
(b) Higher Education Loan Programs	41b				
HECS-HELP		64,866	62,671	64,866	62,671
FEE-HELP #4		7,595	8,611	7,595	8,611
SA-HELP		309	359	309	359
Total Higher Education Loan Programs		72,770	71,641	72,770	71,641
(c) Scholarships	41c				
Australian Postgraduate Awards		2,581	2,563	2,581	2,563
International Postgraduate Research Scholarship		202	201	202	201
Commonwealth Education Cost Scholarships #5		85	(69)	85	(69)
Commonwealth Accommodation Scholarships #5		51	45	51	45
Indigenous Access Scholarships		130	78	130	78
Total Scholarships		3,049	2,818	3,049	2,818
(d) EDUCATION Research	41d				
Joint Research Engagement Program		3,388	3,134	3,388	3,134
Research Training Scheme		6,307	6,604	6,307	6,604
Research Infrastructure Block Grants		1,507	1,092	1,507	1,092
Sustainable Research Excellence in Universities		1,266	993	1,266	993
Total EDUCATION Research Grants		12,468	11,823	12,468	11,823

		Consolidated		Parent entity	
	Notes	2015	2014	2015	2014
		\$000	\$000	\$000	\$000
Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
(e) Australian Research Council	41f				
(i) Discovery	41f(a)				
Project		1,569	1,788	1,569	1,788
Fellowships #6		278	270	278	270
Total Discovery		1,847	2,058	1,847	2,058
(ii) Linkages	41f(b)				
Projects		201	295	201	295
Future fellowships		290	670	290	670
Total linkages		491	965	491	965
Total ARC		2,338	3,023	2,338	3,023
(f) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		4,235	4,691	4,235	4,691
Other Research Financial Assistance		14,237	14,729	14,237	14,729
Non-Research Financial Assistance		16,531	13,051	16,531	13,051
Total		35,003	32,471	35,003	32,471
Capital					
Non-Research Financial Assistance		-	-	-	-
Total		-	-	-	-
Total other Australian Government financial assistance		35,003	32,471	35,003	32,471
Total Australian Government financial assistance		236,518	226,413	236,518	226,413

#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

Australian Government grants	163,749	154,772	163,749	154,772
HECS-HELP payments	64,866	62,671	64,866	62,671
FEE-HELP payments	7,595	8,611	7,595	8,611
SA-HELP payments	309	359	309	359
Total Australian Government financial assistance	236,519	226,413	236,519	226,413

	Consolidated		Parent entity	
Notes	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)				
(g) Australian Government Grants received - cash				
CGS and other EDUCATION Grants	110,747	105,411	110,747	105,411
Higher Education Loan Programs	71,773	72,259	71,773	72,259
Scholarships	3,050	2,819	3,050	2,819
EDUCATION research	12,468	11,822	12,468	11,822
ARC grants - Discovery	1,846	2,058	1,846	2,058
ARC grants - Linkages	492	965	492	965
Other Australian Government grants	35,815	33,420	35,815	33,420
Total Australian Government grants received - cash basis	236,191	228,754	236,191	228,754
OS-HELP (Net)	631	388	631	388
Superannuation Supplementation	2,526	-	2,526	-
Total Australian Government funding received - cash basis	239,348	229,142	239,348	229,142
Note 4. State and Local Government financial assistance				
Non-capital	2,557	3,043	2,557	3,043
Capital	-	-	-	-
Total State and Local Government financial assistance	2,557	3,043	2,557	3,043
Note 5. Fees and charges				
Course fees and charges				
Fee-paying onshore overseas students	13,962	12,992	13,962	12,992
Fee-paying domestic postgraduate students	3,061	3,442	3,088	3,442
Fee-paying domestic undergraduate students	238	151	238	151
Fee-paying domestic non-award students	278	201	278	201
Other domestic course fees and charges	4,771	5,745	1,826	1,440
Total course fees and charges	22,310	22,531	19,392	18,226
Other non-course fees and charges				
Amenities and service fees	23	68	61	192
Student service fees from students	46	43	46	43
Parking fees	363	370	364	373
Conference income	101	72	101	72
College residential rental	13,900	13,107	13,961	13,170
Other fees and charges	8,645	7,327	7,587	7,455
Total other fees and charges	23,078	20,987	22,120	21,305
Total fees and charges	45,388	43,518	41,512	39,531
Note 6. Investment revenue and other investment income				
Interest income:				
Interest	4,320	4,177	3,849	3,705
Dividend from equity investments	769	573	310	39
Total investment revenue	5,089	4,750	4,159	3,744
Other investment gains and losses				
Net gain/(loss) arising on financial assets designated at fair value through profit or loss	(188)	(48)	-	-
Total other investment income/(loss)	(188)	(48)	-	-
Net investment income	4,901	4,702	4,159	3,744

	Notes	Consolidated		Parent entity	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 7. Royalties, trademarks and licences					
Royalties		212	59	219	70
Licences		3	3	3	3
Commission fees		48	37	48	37
Total royalties, trademarks and licences		263	99	270	110
Note 8. Consultancy and contracts					
Consultancy		1,858	1,205	491	533
Contract research		177	171	177	171
Total consultancy and contracts		2,035	1,376	668	704
Note 9. Other revenue and income					
Other revenue					
Donations and bequests		1,141	781	513	108
Scholarships and prizes		10	18	10	18
Non-government grants		5,494	2,349	5,494	2,349
Sundry trading income		17,598	17,420	3,239	3,885
Total other revenue		24,243	20,568	9,256	6,360
Other income					
Other income		228	78	2,563	2,386
Total other income		228	78	2,563	2,386
Total other revenue and income		24,471	20,646	11,819	8,746
Note 10. Employee related expenses					
Academic					
Salaries		62,015	60,027	62,015	59,782
Contribution to superannuation and pension schemes					
Contributions to funded schemes		10,885	8,433	10,885	8,433
Contributions to unfunded schemes		-	-	-	-
Payroll tax		4,386	4,227	4,386	4,227
Worker's compensation		277	410	277	410
Long service leave expense		1,272	3,116	1,272	3,116
Annual leave		4,758	5,166	4,758	5,166
Other (allowances, penalties and fringe benefits tax)		71	82	71	82
Total academic		83,664	81,461	83,664	81,216
Non-academic					
Salaries		73,064	73,805	65,113	65,316
Contribution to superannuation and pension schemes					
Contributions to funded schemes		11,209	9,623	10,414	8,834
Contributions to unfunded schemes		-	-	-	-
Payroll tax		4,763	4,894	4,298	4,425
Worker's compensation		289	434	267	422
Long service leave expense		1,196	3,107	1,218	3,098
Annual leave		5,441	5,821	5,306	5,598
Other (allowances, penalties and fringe benefits tax)		95	125	67	85
Total non-academic		96,057	97,809	86,683	87,778
Total employee related expenses		179,721	179,270	170,347	168,994
Deferred superannuation expense	40	225	371	225	371
Total employee related expenses, including deferred government employee benefits for superannuation		179,946	179,641	170,572	169,365

		Consolidated		Parent entity	
	Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 11. Depreciation and amortisation					
Depreciation					
Buildings		10,884	9,002	10,801	8,915
Infrastructure		2,182	773	2,178	762
Plant and equipment		7,641	6,485	7,375	6,218
Leased plant and equipment		-	24	-	24
Library		3,582	3,589	3,582	3,589
Total depreciation		24,289	19,873	23,936	19,508
Amortisation					
Leasehold improvements		106	74	-	-
Intangibles		422	1,318	137	711
Total amortisation		528	1,392	137	711
Total depreciation and amortisation		24,817	21,265	24,073	20,219
Note 12. Repairs and maintenance					
Buildings		893	1,125	890	1,125
Heritage assets		33	9	33	9
Infrastructure		961	883	961	883
Library collection		2	83	2	-
Plant, furniture and equipment		1,117	1,499	746	1,339
Contracts		4,654	2,052	4,654	2,052
Grounds		214	215	128	151
Computer service costs		783	584	783	584
Total repairs and maintenance		8,657	6,450	8,197	6,143
Note 13. Borrowing costs					
Interest expense		1,126	523	1,126	523
Total borrowing costs expensed		1,126	523	1,126	523
Note 14. Impairment of assets					
Bad debts		247	1,515	232	1,505
Doubtful debts		203	(1,221)	203	(1,224)
Impairment of investments		-	-	1,189	-
Total impairment of assets		450	294	1,624	281

	Notes	Consolidated		Parent entity	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 15. Other expenses					
Scholarships, grants and prizes		9,809	11,283	9,802	11,174
Non-capitalised equipment		2,774	3,529	2,683	3,434
Advertising, marketing and promotional expenses		8,100	6,257	7,871	5,988
Utilities		6,466	7,221	5,866	6,667
Inventory used		6,365	7,177	4,025	5,283
Postal and telecommunications		1,874	2,356	1,355	1,806
Travel and entertainment		7,638	8,432	7,434	8,106
Books, serials and other library media		6,096	7,060	5,946	6,969
Operating lease rental charges		455	148	332	4
Consultants		9,786	11,711	7,921	10,716
External contributions		7,596	7,105	9,632	9,103
Catering services		2,245	3,115	2,309	3,158
Fees for services		8,530	11,486	6,562	9,754
Asset derecognition		4,934	436	4,018	-
Computer licensing		6,344	4,311	6,344	4,311
Inter entity transfer		38	-	38	4,289
Other expenditure		3,815	4,444	2,579	3,279
Total other expenses		92,865	96,071	84,717	94,041

Note 16. Cash and cash equivalents

1(h)

Cash at bank and on hand	8,767	5,209	4,064	3,264
Short-term deposits at call	65,720	54,781	59,000	46,000
Total cash and cash equivalents	74,487	59,990	63,064	49,264

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

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

Balances as above	74,487	59,990	63,064	49,264
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	74,487	59,990	63,064	49,264

(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 2.83% and 3.00% (2014: 3.55% and 3.65%).

These deposits have an average maturity of 193 days (2014: 181 days).

Deposits throughout the year were bearing floating interest rates between 2.80% and 3.65% (2014 - 3.50% and 4.30%) with an average maturity of 186 days (2014: 173 days).

Note 17. Receivables

Current

Trade and other debtors	1(i)	14,430	12,631	11,851	10,667
Less: Provision for impaired receivables		(1,263)	(1,062)	(1,242)	(1,039)
Subtotal		13,167	11,569	10,609	9,628
Other receivables		-	-	116	110
Total current receivables		13,167	11,569	10,725	9,738

	Notes	Consolidated		Parent entity	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 17. Receivables (continued)					
Non-current					
Other receivables		-	-	33	59
Deferred government benefit for superannuation defined benefit plan	40	342,579	328,597	342,579	328,597
Total non-current receivables		<u>342,579</u>	<u>328,597</u>	<u>342,612</u>	<u>328,656</u>
Total receivables		<u>355,746</u>	<u>340,166</u>	<u>353,337</u>	<u>338,394</u>

As of 31 December 2015, current receivables of \$0.173m (2014: \$0.265m) 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	367	693	173	256
6 to 12 months	289	101	-	-
Over 12 months	-	-	-	-
Total past due but not impaired current receivables	<u>656</u>	<u>794</u>	<u>173</u>	<u>256</u>

(a) Impaired receivables

As at 31 December 2015 current receivables of the group with a nominal value of \$1.415m (2014: \$1.300m) were impaired. The amount of the provision was \$1.242m (2014: \$1.062m). The individually impaired receivables mainly relate to international entities, 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 entity in 2015 was \$1.415m (2014:\$1.295m).

The ageing of these receivables is as follows:

3 to 6 months	1,130	939	1,004	939
6 to 12 months	522	375	411	356
Over 12 months	-	-	-	-
Total current impaired receivables	<u>1,652</u>	<u>1,314</u>	<u>1,415</u>	<u>1,295</u>

Movements in the provision for impaired receivables are as follows:

As at 1 January	(1,093)	(2,320)	(1,039)	(2,264)
Provision for impairment recognised during the year	(769)	(1,028)	(780)	(1,039)
Receivables written off during the year as uncollectible	219	1,496	232	1,505
Unused amount reversed	345	759	345	759
At 31 December	<u>(1,298)</u>	<u>(1,093)</u>	<u>(1,242)</u>	<u>(1,039)</u>

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		Parent entity	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 18. Inventories	1(j)				
Current					
Petrol and oils		-	3	-	3
Motor pool		-	7	-	7
College larder		-	3	-	3
Fodder and produce		132	130	132	130
Other stocks		225	260	-	-
Total current inventories		<u>357</u>	<u>403</u>	<u>132</u>	<u>143</u>

Note 19. Other financial assets	1(i)				
Current					
Held-to-maturity		60,360	53,480	57,000	51,000
Total current other financial assets		<u>60,360</u>	<u>53,480</u>	<u>57,000</u>	<u>51,000</u>
Non-current					
Held-to-maturity		546	1,734	-	-
Investments in subsidiaries		-	-	10	1,569
Shares in private companies		1	3,685	1	3,686
Available for sale		18,820	9,802	9,787	831
Total non-current other financial assets		<u>19,367</u>	<u>15,221</u>	<u>9,798</u>	<u>6,086</u>

Note 20. Other non-financial assets					
Current					
Accrued income		3,147	2,422	2,664	2,094
Prepaid expenses		3,693	4,808	3,233	4,736
Total current other non-financial assets		<u>6,840</u>	<u>7,230</u>	<u>5,897</u>	<u>6,830</u>

Note 21. Investments accounted for using the equity method

Name of associated entity	Place of business and country of incorporation	Measurement Method	Ownership Interest %	
			2015	2014
Remarkspdf Pty Ltd	Australia	Cost	30	30

The investment in Remarkspdf Pty Ltd accounted for using the equity method is immaterial and no value was taken up in 2015.

Note 22. Biological assets

Trees	-	5	-	5
Livestock	927	600	927	600
Total biological assets	<u>927</u>	<u>605</u>	<u>927</u>	<u>605</u>
Reconciliation of changes in the carrying amount of biological assets				
Trees - Balance at 31 December	-	5	-	5
Livestock - Balance as at 1 January	600	620	600	620
Purchases	96	8	96	8
Natural increases	115	355	115	355
Sales	(211)	(362)	(211)	(362)
Increment/(decrement) in fair value of biological assets	327	(21)	327	(21)
Balance as at 31 December	<u>927</u>	<u>600</u>	<u>927</u>	<u>600</u>
Total biological assets	<u>927</u>	<u>605</u>	<u>927</u>	<u>605</u>

At 31 December 2015 livestock held for sale comprised 210 cattle and 7,381 sheep (2014: 137 cattle and 6,954 sheep).

Note 23. Property, plant and equipment

Consolidated	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library Collections \$'000	Library rare books \$'000	Other** \$'000	Work in Progress \$'000	Total \$'000
At 1 January 2014											
- Cost	866	-	18,748	54,310	760	2,756	35,892	-	1,111	21,111	135,554
- Valuation	22,217	20,906	169,995	-	-	-	-	1,769	1,647	-	216,534
Accumulated depreciation and impairment	(1,468)	-	(16,649)	(30,091)	(378)	(2,732)	(24,702)	-	-	-	(76,020)
Net book amount	21,615	20,906	172,094	24,219	382	24	11,190	1,769	2,758	21,111	276,068
Year ended 31 December 2014											
Opening net book amount	21,615	20,906	172,094	24,219	382	24	11,190	1,769	2,758	21,111	276,068
Depreciation written back on disposal	-	-	147	2,741	-	-	-	-	-	-	2,888
Impaired assets disposed	-	-	244	-	-	-	-	-	-	-	244
Transfers	-	-	9,653	-	82	-	-	-	-	(9,653)	82
Disposals	-	-	(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	9,985	-	-	-	-	(170)	1,313	34,021
Depreciation charge	(773)	-	(9,002)	(6,460)	(87)	(24)	(3,589)	-	-	-	(19,935)
Closing net book amount	22,119	20,012	212,703	26,963	300	-	7,601	1,769	2,097	12,771	306,335
At 31 December 2014											
- Cost	1,239	-	30,563	62,596	786	2,756	35,892	-	2,097	12,771	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	26,963	300	-	7,601	1,769	2,097	12,771	306,335

Note 23. Property, plant and equipment (continued)

Consolidated	Infrastructure \$'000	Freehold land \$'000	Freehold buildings \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library Collections \$'000	Library rare books \$'000	Other** \$'000	Work in Progress \$'000	Total \$'000
Year ended 31 December 2015											
Opening net book amount	22,119	20,012	212,703	26,963	300	-	7,601	1,769	2,097	12,771	306,335
Depreciation written back on disposal	-	-	-	7,913	-	-	-	-	-	-	7,913
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	-
Impaired assets disposed	-	-	-	-	-	-	-	-	-	-	-
Transfers	130	-	-	-	-	-	-	-	-	-	-
Derecognition	-	-	8,793	488	-	-	-	-	-	(9,411)	-
Disposals	-	-	-	-	-	-	(4,018)	-	-	-	(4,018)
Revaluation surplus	580	-	-	(7,957)	-	-	-	-	-	-	(7,957)
Additions	885	-	4,324	-	-	-	-	-	-	-	4,904
Impairment losses	-	-	2,027	7,632	9	-	-	-	-	16,137	26,690
Depreciation charge	(2,182)	-	(10,883)	(7,617)	(79)	-	(3,583)	-	-	-	(24,344)
Closing net book amount	21,532	20,012	216,963	27,422	230	-	-	1,769	2,097	19,497	309,522
At 31 December 2015											
- Cost	2,254	-	41,305	58,131	795	2,756	-	-	2,097	19,497	126,835
- Valuation	19,695	20,012	177,544	-	-	-	-	1,769	-	-	219,020
Accumulated depreciation and impairment	(417)	-	(1,886)	(30,709)	(565)	(2,756)	-	-	-	-	(36,333)
Net book amount	21,532	20,012	216,963	27,422	230	-	-	1,769	2,097	19,497	309,522

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure \$000	Freehold land \$000	Freehold buildings \$000	Plant and equipment* \$000	Leased plant & equipment \$000	Library collections \$000	Library rare books \$000	Other** \$000	Work in Progress \$000	Total \$000
At 1 January 2014										
- Cost	786	-	18,657	49,729	2,756	35,892	-	1,017	21,111	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	22,829	24	11,190	1,769	2,664	21,111	270,942
Year ended 31 December 2014										
Opening net book amount	21,483	20,506	169,367	22,829	24	11,190	1,769	2,664	21,111	270,942
Depreciation written back on disposal	-	-	147	2,741	-	-	-	-	-	2,888
Impaired assets disposed	-	-	244	-	-	-	-	-	-	244
Transfers	-	-	9,653	-	-	-	-	-	(9,653)	-
Disposals	-	-	(566)	(3,149)	-	-	-	-	-	(3,715)
Land and buildings held for sale	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	637	(894)	18,175	-	-	-	-	(398)	-	17,520
Additions	682	-	22,178	9,841	-	-	-	(170)	1,313	33,844
Depreciation charge	(763)	-	(8,915)	(6,217)	(24)	(3,589)	-	-	-	(19,509)
Closing net book amount	22,039	19,612	210,283	26,046	-	7,601	1,769	2,097	12,771	302,217
At 31 December 2014										
- Cost	1,239	-	30,563	56,422	2,756	35,892	-	2,097	12,771	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	26,046	-	7,601	1,769	2,097	12,771	302,217

Note 23. Property, plant and equipment (continued)

Parent entity

Year ended 31 December 2015

Opening net book amount	22,039	19,612	210,283	26,046	-	7,601	1,769	2,097	12,771	302,217
Depreciation written back on disposal	-	-	-	7,913	-	-	-	-	-	7,913
Transfers	130	-	8,793	488	-	-	-	-	(9,411)	-
Derecognition	-	-	-	-	-	(4,018)	-	-	-	(4,018)
Disposals	-	-	-	(7,957)	-	-	-	-	-	(7,957)
Revaluation surplus	580	-	4,324	-	-	-	-	-	-	4,904
Additions	885	-	2,027	7,373	-	-	-	-	16,137	26,422
Depreciation charge	(2,178)	-	(10,801)	(7,375)	-	(3,583)	-	-	-	(23,937)
Closing net book amount	21,456	19,612	214,626	26,488	-	-	1,769	2,097	19,497	305,545

At 31 December 2015

- Cost	2,254	-	41,305	56,327	2,756	-	-	2,097	19,497	124,236
- Valuation	19,615	19,612	175,124	-	-	-	1,769	-	-	216,120
Accumulated depreciation and impairment	(413)	-	(1,803)	(29,839)	(2,756)	-	-	-	-	(34,811)
Net book amount	21,456	19,612	214,626	26,488	-	-	1,769	2,097	19,497	305,545

* Plant & equipment includes all operational assets.

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

Note 24.	Intangible assets	Notes	Software		Goodwill	Course		Total
			Development	Licences		Development		
		1(q)	\$000	\$000	\$000	\$000		\$000
	Consolidated							
	At 1 January 2014							
	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 losses		-	-	(317)	-		(316)
	Amortisation charge		(892)	-	-	(86)		(977)
	Closing net book amount		764	525	476	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
	Year ended 31 December 2015							
	Opening net book amount		764	525	477	201		1,967
	Additions - internal development		221	-	-	8		229
	Disposals		(161)	-	-	(53)		(214)
	Impairment losses		-	-	(86)	-		(86)
	Amortisation charge		(269)	-	-	(86)		(355)
	Closing net book amount		555	525	391	70		1,541
	At 31 December 2015							
	Cost		11,987	525	477	209		13,198
	Accumulated amortisation and impairment		(11,431)	-	(86)	(140)		(11,657)
	Net book amount		556	525	391	69		1,541

Intangible assets	Notes	Software		Licences	Total
		Development			
	1(q)	\$000	\$000	\$000	\$000
Parent					
At 1 January 2014					
Cost		12,858	500		13,358
Accumulated amortisation and impairment		(11,680)	-		(11,680)
Net book amount		1,178	500		1,678
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 24.	Intangible assets (continued)	Notes	Software		
			Development	Licences	Total
	Parent	1(q)	\$000	\$000	\$000
Year ended 31 December 2015					
	Opening net book amount		480	500	980
	Additions		152	-	152
	Disposals		(160)	-	(160)
	Amortisation charge		(136)	-	(136)
	Closing net book amount		336	500	836
At 31 December 2015					
	Cost		11,635	500	12,135
	Accumulated amortisation and impairment		(11,299)	-	(11,299)
	Net book amount		336	500	836

		Consolidated		Parent entity	
	Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 25.	Trade and other payables				
	Current				
	Trade payables	1(r)	8,211 6,563	6,785	5,614
	Refundable receipts		10 6	10	6
	OS-HELP liability to Australian Government		1,063 432	1,063	432
	Total current trade and other payables		9,284 7,001	7,858	6,052

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:

US dollars	-	-	-	-
Australian dollars	9,284	7,001	7,858	6,052
Total current trade and other payables	9,284	7,001	7,858	6,052

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

Note 26. Borrowings

Non-current

Unsecured bank loans	20,000	20,000	20,000	20,000
Total non-current borrowings	20,000	20,000	20,000	20,000
Total borrowings	20,000	20,000	20,000	20,000

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2015.

(b) Financing arrangements

The University has a floating rate debt facility for \$20m with the National Australia Bank which is 100% swapped to fixed rate with a 5 year forward start interest rate swap. Both expire in 2019.

(c) Specify class of borrowings

The \$20m was fully utilised in 2014 to complete the construction of the student accommodation facility.

(d) Fair value

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

(e) Risk exposure

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 38.

	Notes	Consolidated		Parent entity	
		2015	2014	2015	2014
		\$000	\$000	\$000	\$000
Note 27. Provisions	1(u)				
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		9,971	9,778	9,364	9,226
Long service leave		3,557	3,039	3,308	2,857
Staffing		1,146	18	1,146	18
Other		4	4	-	-
Subtotal		14,678	12,839	13,818	12,101
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		4,805	4,750	4,495	4,430
Long service leave		14,208	15,457	13,772	14,922
Deferred government benefits for superannuation		-	-	-	-
Subtotal		19,013	20,207	18,267	19,352
Total current provisions		33,691	33,046	32,085	31,453
Non-current provisions					
Employee benefits					
Long service leave		4,946	5,167	4,759	4,972
Deferred government benefits for superannuation		343,274	328,597	343,274	328,597
Professorial superannuation		1,885	2,699	1,885	2,699
Total non-current provisions		350,105	336,463	349,918	336,268
Total provisions		383,796	369,509	382,003	367,721
Note 28. Other liabilities					
Current					
(i) Accrued liabilities					
Salary related		3,439	2,995	3,436	2,928
Other accrued expenditure		1,500	3,542	1,362	3,510
		4,939	6,537	4,798	6,438
(ii) Monies received in advance					
Australian Government unspent financial assistance		775	1,365	775	1,365
Fees in advance		9,043	7,555	7,634	6,458
		9,818	8,920	8,409	7,823
(iii) Trust funds					
Security deposits		17	16	17	16
Employee deduction clearing accounts		622	735	622	735
Associated entities		11	11	11	11
Other		320	574	215	425
		970	1,336	865	1,187
Total current other liabilities		15,727	16,793	14,072	15,448
Non Current					
Fees in advance		425	-	-	-
Total other liabilities		16,152	16,793	14,072	15,448

Notes	Consolidated		Parent entity	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Note 29. Reserves and retained earnings				
(a) Reserves				
Revaluation reserve - investments	9,859	4,612	9,730	4,828
Revaluation reserve - buildings	49,415	45,040	48,598	44,275
Revaluation reserve - land	11,661	11,661	11,342	11,342
Revaluation reserve - infrastructure	11,608	11,080	11,579	10,999
Revaluation reserve - works of art	-	-	-	-
Total reserves	82,543	72,393	81,249	71,444
Movements				
Asset revaluation reserve - investments				
Balance 1 January	4,612	1,244	4,828	2,183
Transfer from reserves	-	(24)	-	-
Increment/(decrement) on revaluation	5,247	3,392	4,902	2,645
Balance 31 December	9,859	4,612	9,730	4,828
Asset revaluation reserve - buildings				
Balance 1 January	45,040	27,517	44,275	26,447
Increment/(decrement) on revaluation	4,375	17,870	4,323	18,175
Transfer to/(from) retained earnings on disposal	-	(347)	-	(347)
Balance 31 December	49,415	45,040	48,598	44,275
Asset revaluation reserve - land				
Balance 1 January	11,661	13,019	11,342	12,699
Increment/(decrement) on revaluation	-	(894)	-	(893)
Transfer to/(from) retained earnings on disposal	-	(464)	-	(464)
Balance 31 December	11,661	11,661	11,342	11,342
Asset revaluation reserve - infrastructure				
Balance 1 January	11,080	10,433	10,999	10,362
Increment/(decrement) on revaluation	528	647	580	637
Balance 31 December	11,608	11,080	11,579	10,999
Asset revaluation reserve - works of art				
Balance 1 January	-	398	-	398
Decrement on transfer to cost	-	(398)	-	(398)
Balance 31 December	-	-	-	-
(b) Retained earnings				
Movements in retained earnings were as follows:				
Retained earnings at 1 January	299,701	294,652	274,854	273,741
Actuarial changes for defined benefit superannuation plans	373	(573)	373	(573)
Other	89	100	-	-
Transfer to/(from) retained earnings on disposal or revalued assets	-	813	-	810
Net result for the year	17,209	4,709	16,127	876
Retained earnings at 31 December	317,372	299,701	291,354	274,854

(c) Nature and purpose of reserves

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

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

(ii) Asset revaluation reserve - investments

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

Note 30. Key management personnel disclosures

(a) Responsible persons

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

(b) Names of executive officers

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

Professor Annabelle Duncan	Mr Brendan Peet
Professor Sue Thomas	Ms Gabrieli Rolan (until 30 June 2015)
Professor Catherine MacKenzie	Mr Anthony Smith (until 20 September 2015)
Professor Heiko Daniel	Professor Alison Sheridan (until 8 November 2015)
Mr Trevor Goldstone	Professor Faith Trent (until 30 June 2015)
Professor Peter Creamer	Mr Robert Irving (until 9 July 2015)
Ms Michelle Clarke	

All of the above persons were also key management persons during the year ended 31 December 2015.

(c) Remuneration of Council Members and Executives

	Consolidated		Parent entity	
	2015	2014	2015	2014
	No.	No.	No.	No.
i) Remuneration of council members				
Nil to \$9,999	21	37	1	9
\$10,000 to \$19,999	9	5	9	5
\$20,000 to \$29,999	1	3	1	3
\$30,000 to \$39,999	1	-	1	-
	<u>32</u>	<u>45</u>	<u>12</u>	<u>17</u>

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	<u>211</u>	<u>236</u>	<u>181</u>	<u>187</u>
ii) Remuneration of executive officers	No.	No.	No.	No.
\$130,000 to \$139,999	3	1	-	-
\$140,000 to \$149,999	2	-	2	-
\$150,000 to \$159,999	1	-	1	-
\$160,000 to \$169,999	-	1	-	-
\$180,000 to \$189,999	-	1	-	-
\$190,000 to \$199,999	2	-	1	-
\$200,000 to \$209,999	-	2	-	1
\$210,000 to \$219,999	2	1	1	1
\$220,000 to \$229,999	1	1	-	1
\$250,000 to \$259,999	1	-	1	-
\$270,000 to \$279,999	-	2	-	2
\$290,000 to \$299,999	1	3	1	3
\$300,000 to \$309,999	1	1	1	1
\$320,000 to \$329,999	1	1	1	1
\$470,000 to \$479,999	-	1	-	1
\$630,000 to \$639,999	-	1	-	1
\$720,000 to \$729,999	1	-	1	-
	<u>16</u>	<u>16</u>	<u>10</u>	<u>12</u>
(d) Key management personnel compensation	\$000	\$000	\$000	\$000
Short-term employee benefits	3,855	4,067	2,579	2,930
Post-employment benefits	364	446	364	447
Termination benefits	-	538	-	446
Total key management personnel compensation	<u>4,219</u>	<u>5,051</u>	<u>2,943</u>	<u>3,823</u>
(e) Loans to key management personnel				

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

Note 31. Remuneration of auditors

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

	Consolidated		Parent entity	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Audit of the Financial Statements				
Fees paid to the Audit Office of NSW	342	384	238	265
Total remuneration for audit services	342	384	238	265
Other audit and assurance services				
Forsyths Business Services Pty Ltd	21	-	21	-
Total remuneration for audit-related services	21	-	21	-
Total audit fees	363	384	259	265

Note 32. Contingencies

There are two claims pending as at 31 December 2015. The estimate of the maximum exposure on proceedings against the University amounts to \$1 million in the event that these proceedings are successful.

Note 33. Commitments

(a) Capital commitments

Commitments are GST-inclusive where relevant. Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Property, plant and equipment				
Within one year	14,806	9,886	14,806	9,886
Between one and five years	132	924	132	924
Later than five years	22	-	22	-
Total Property, plant and equipment commitments	14,960	10,810	14,960	10,810

(b) Lease commitments

(i) Operating leases				
Within one year	1,233	998	1,039	769
Between one and five years	2,605	3,151	2,279	2,586
Later than five years	-	98	-	98
Total operating leases	3,838	4,247	3,318	3,453
Total lease commitments	3,838	4,247	3,318	3,453

No lease arrangements, existing as at 31 December 2015, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 34. Related parties

(a) Parent entities

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

(b) Subsidiaries

Interest in subsidiaries are set out in note 35.

(c) Key management personnel

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

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Sale of goods and services	2,672	1,753	2,441	1,741
Purchase of goods and services	3,597	6,556	2,224	6,527
Total	6,269	8,309	4,665	8,268

(e) Loans to/from related parties

Loans to subsidiaries

Beginning of the year	-	50	-	50
Loans advanced	-	175	-	175
Loan forgiven	-	(225)	-	(225)
End of year	-	-	-	-

The University of New England signed an unsecured loan agreement with UNE Partnerships on 24th December 2015.

This provides a \$600,000 draw down facility at commercial rates of interest. At balance date UNE Partnerships had not drawn any funds under the agreement.

(f) Outstanding balances

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

Current receivables (sale of goods and services)				
Subsidiaries	13	271	13	259
Total current receivables	13	271	13	259
Current payables (purchases of goods)				
Subsidiaries	8	91	8	79
Total current payables	8	91	8	79

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.

(g) Guarantees

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

(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 35. Subsidiaries

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

Name of entity	Principal place of business	Ownership interest	
		2015 %	2014 %
UNE Partnerships Pty Ltd	Armidale, NSW	100	100
Agricultural Business Research Institute	Armidale, NSW	100	100
UNE Life Pty Ltd	Armidale, NSW	100	100
Sport UNE Pty Ltd	Armidale, NSW	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Armidale, NSW	100	100
UNE Open Pty Ltd	Armidale, NSW	-	100
UNE Health Pty Ltd	Armidale, NSW	-	100

UNE Open Pty Ltd ceased trading on 18 November 2014 and was deregistered by ASIC on 13 April 2015

UNE Health Pty Ltd ceased trading on 23 December 2014 and was deregistered by ASIC on 24 February 2015.

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

	Consolidated		Parent entity	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Net result for the period	17,209	4,709	16,127	876
Depreciation and amortisation	24,817	20,885	24,073	20,219
Asset capitalisation	-	(292)	-	-
Impairment of investment	-	-	1,189	-
Provision for impaired receivables	205	(1,224)	202	(1,224)
Actuarial gain / (loss) on deferred superannuation	373	(574)	373	(574)
Capitalisation and reinvestment of dividend	(298)	-	-	-
Net transfer of assets from/to controlled entity	-	(382)	-	-
Loss / (gain) on revaluation/derecognition	4,206	484	4,018	-
Net (gain) / loss on disposal of non-current assets	50	(276)	55	(270)
Increase / (decrease) in payables and prepaid income	749	(2,106)	751	(2,373)
Increase / (decrease) in provision for employee entitlements	12,989	107,402	12,951	107,553
Increase / (decrease) in provision for annual/long service leave	207	1,351	203	1,351
Increase / (decrease) in other provisions	1,101	(1,294)	1,128	(1,330)
Increase / (decrease) in trust funds	(323)	(1,548)	(323)	(1,548)
(Increase) / decrease in receivables and prepaid expenses	(15,180)	(103,959)	(14,211)	(103,672)
(Increase) / decrease in inventories	45	(10)	11	(30)
Net cash provided by / (used in) operating activities	46,150	23,166	46,547	18,978

Note 37. Events occurring after the balance date

At balance date, a loan agreement had been signed between University of New England and UNE Partnerships providing for a \$600,000 credit facility to UNE Partnerships which had not been drawn upon. On 8 February 2016 a draw down of \$275,000 occurred.

Note 38. Financial risk management

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

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

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

Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial assets			
Receivables	17	Receivables are carried at nominal amounts due less any provision for impairment.	Accounts receivable credit terms are 30 days.
Deposits at call	16	Term deposits are stated at cost.	Bank call deposit interest rate is determined by the official money market.
Term deposits	16	Term deposits are stated at cost.	Term deposits are for a period of up to one year. Interest rates are between 2.83 % and 3.00%. Average maturity of 186 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	26	Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. In 2014 UNE entered into a 5 year forward start interest rate swap to hedge against the fluctuations in future interest payments on a \$20m loan which expires in 2019.	
Finance leasing	26	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	25 & 28(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(a) Market risk

(i) Foreign exchange risk

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

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

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risk

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

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

Note 38. Financial risk management - (continued)

(iv) Summarised sensitivity analysis

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

31 December 2015	Carrying amount \$000	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%		+1%	-10%		+10%	-1%		+1%
		Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000
Financial assets										
Cash and cash equivalents	8,767	(88)	(88)	88	-	-	-	-	-	-
Short term deposits - at call	65,720	(657)	(657)	657	-	-	-	-	-	-
Receivables	13,167	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	60,360	(604)	(604)	604	-	-	-	-	-	-
Held-to-maturity - non-current	546	(5)	(5)	5	-	-	-	(188)	(188)	188
Listed shares	18,820	-	-	-	-	-	-	-	-	-
Unlisted shares	1	-	-	-	-	-	-	-	-	-
Financial liabilities										
Borrowings	20,000	-	-	-	-	-	-	-	-	-
Payables	9,284	-	-	-	-	-	-	-	-	-
Other amounts owing	5,909	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,354)	(1,354)	1,354	-	-	-	(188)	(188)	188

Comparative figures for the previous year are as follows:

31 December 2014	Carrying amount \$000	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%		+1%	-10%		+10%	-1%		+1%
		Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000	Equity \$000	Result \$000
Financial assets										
Cash and cash equivalents	5,209	(52)	(52)	52	-	-	-	-	-	-
Short term deposits - at call	54,782	(548)	(548)	548	-	-	-	-	-	-
Receivables	11,569	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	53,480	(535)	(535)	535	-	-	-	-	-	-
Held-to-maturity - non-current	1,734	(17)	(17)	17	-	-	-	(98)	(98)	98
Listed shares	9,802	-	-	-	-	-	-	(37)	(37)	37
Unlisted shares	3,685	-	-	-	-	-	-	-	-	-
Financial liabilities										
Borrowings	20,000	-	-	-	-	-	-	-	-	-
Creditors	7,001	-	-	-	-	-	-	-	-	-
Other amounts owing	7,873	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,152)	(1,152)	1,152	-	-	-	(135)	(135)	135

Note 38. Financial risk management - continued

(b) Credit Risk

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

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

For 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 2015	Average interest rate %	Variable interest rate \$000	Less than 1 year \$000	1 to 5 years \$000	5+ years \$000	Non-interest Bearing \$000	Total \$000
Financial assets							
Cash and cash equivalents	1.75%	8,767	-	-	-	-	8,767
Short term deposits - at call	3.18%	-	65,720	-	-	-	65,720
Receivables	-	-	-	-	-	13,167	13,167
Held-to-maturity - current	3.20%	-	60,360	-	-	-	60,360
Held-to-maturity - non-current	3.76%	-	-	546	-	-	546
Listed shares	-	-	-	-	-	18,820	18,820
Unlisted shares	-	-	-	-	-	1	1
Total financial assets		8,767	126,080	546	-	31,988	167,381
Financial liabilities							
Borrowings	-	-	-	20,000	-	-	20,000
Payables	-	-	-	-	-	9,284	9,284
Other amounts owing	-	-	-	-	-	5,909	5,909
Total financial liabilities		-	-	20,000	-	15,193	35,193
Net financial assets / (liabilities)		8,767	126,080	(19,454)	-	16,795	132,188

Comparative figures for the previous year are as follows:

31 December 2014	Average interest rate %	Variable interest rate \$000	Less than 1 year \$000	1 to 5 years \$000	5+ years \$000	Non-interest Bearing \$000	Total \$000
Financial assets							
Cash and cash equivalents	2.00%	5,209	-	-	-	-	5,209
Short term deposits - at call	3.71%	-	54,782	-	-	-	54,782
Receivables	-	-	-	-	-	11,569	11,569
Held-to-maturity - current	3.69%	-	53,480	-	-	-	53,480
Held-to-maturity - non-current	3.97%	-	-	1,734	-	-	1,734
Listed shares	-	-	-	-	-	9,802	9,802
Unlisted shares	-	-	-	-	-	3,685	3,685
Total financial assets		5,209	108,262	1,734	-	25,056	140,261
Financial liabilities							
Borrowings	-	-	-	20,000	-	-	20,000
Payables	-	-	-	-	-	7,001	7,001
Other amounts owing	-	-	-	-	-	7,873	7,873
Total financial liabilities		-	-	20,000	-	14,874	34,874
Net financial assets / (liabilities)		5,209	108,262	(18,266)	-	10,182	105,387

Note 39. Fair Value Measurements

(a) Fair value measurements

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

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

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

Consolidated	Carrying amount		Fair value	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Financial assets				
Cash and cash equivalents	74,487	59,990	74,487	59,990
Receivables	13,167	11,569	13,167	11,569
Other financial assets	79,727	68,701	79,727	68,701
Total financial assets	167,381	140,260	167,381	140,260
Non-financial assets				
Land	20,012	20,012	20,012	20,012
Buildings	216,963	212,703	216,963	212,703
Infrastructure	21,532	22,119	21,532	22,119
Total non-financial assets	258,507	254,834	258,507	254,834
Financial liabilities				
Payables	9,284	7,001	9,284	7,001
Borrowings	20,000	20,000	20,000	20,000
Other financial liabilities	-	-	-	-
Total financial liabilities	29,284	27,001	29,284	27,001

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Land and buildings
- Infrastructure

The Group has also measured assets and liabilities as fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

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

(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, or

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 2015.

Fair value measurements at 31 December 2015	Consolidated			
	2015	Level 1	Level 2	Level 3
Recurring fair value measurements	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at fair value through profit or loss				
Available-for-sale financial assets				
Equity securities	18,820	18,820	-	-
Debt securities	-	-	-	-
Other financial assets				
Held-to-maturity - current	60,360	60,360	-	-
Held-to-maturity - non-current	546	546	-	-
Shares in private companies	1	-	-	1
Total financial assets	79,727	79,726	-	1
Non-financial assets				
Land	20,012	-	20,012	-
Buildings	216,963	-	33,936	183,027
Infrastructure	21,532	-	2,996	18,536
Total non-financial assets	258,507	-	56,944	201,563
Financial liabilities				
Payables	9,284	-	9,284	-
Borrowings	20,000	-	20,000	-
Total liabilities	29,284	-	29,284	-
Total fair value measurements at 31 December 2015	367,518	79,726	86,228	201,564

Note 39. Fair Value Measurements (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2014		Consolidated		
	2014	Level 1	Level 2	Level 3
Recurring fair value measurements	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at fair value through profit or loss				
Available-for-sale financial assets				
Equity securities	9,802	9,802	-	-
Other financial assets				
Shares in private companies	3,685	-	-	3,685
Held-to-maturity - current	53,480	53,480	-	-
Held-to-maturity - non-current	1,734	1,734	-	-
Total financial assets	68,701	65,016	-	3,685
Non-financial assets				
Land	20,012	-	20,012	-
Buildings	212,703	-	31,997	180,706
Infrastructure	22,119	-	3,030	19,089
Total non-financial assets	254,834	-	55,039	199,795
Financial liabilities				
Payables	7,001	-	7,001	-
Borrowings	20,000	-	20,000	-
Total liabilities	27,001	-	27,001	-
Total fair value measurements at 31 December 2014	350,536	65,016	82,040	203,480

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 2015, 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 2 and level 3 assets.

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

(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).

The fair value of non-current borrowings disclosed in note 26 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments.

The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

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

(i) Recurring fair value measurements

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

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

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves,
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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

Note 39. Fair Value Measurements (continued)

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

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

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014:

Level 3 fair value measurements 2015	Unlisted equity securities \$000	Buildings \$000	Other financial assets \$000	Other \$000	Total \$000
Opening balance	-	180,706	3,685	19,089	203,480
Acquisitions	-	10,820	-	1,015	11,835
Impaired assets disposed	-	-	-	-	-
Assets restated at cost not valuation	-	-	-	0	0
Transfers from level 3	-	(1,939)	(3,684)	34	(5,589)
Sales	-	-	-	-	-
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses)	-	4,324	-	580	4,904
Recognised in profit or loss	-	(10,884)	-	(2,182)	(13,066)
Recognised in other comprehensive income	-	-	-	-	-
Closing balance	-	183,027	1	18,536	201,564

Level 3 fair value measurements 2014	Unlisted equity securities \$000	Buildings \$000	Other financial assets \$000	Other \$000	Total \$000
Opening balance	-	172,095	-	42,521	214,617
Acquisitions	-	31,865	3,685	681	36,231
Impaired assets disposed	-	244	-	-	244
Assets restated at cost not valuation	-	-	-	0	0
Transfers from level 3	-	(31,997)	-	(23,042)	(55,039)
Sales	-	(419)	-	-	(419)
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Total gains / (losses)	-	17,920	-	(298)	17,622
Recognised in profit or loss	-	(9,002)	-	(773)	(9,775)
Recognised in other comprehensive income	-	-	-	-	(1)
Closing balance	-	180,706	3,685	19,089	203,480

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

There have been no transfers between level 2 and 3 during 2015. 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 2015 \$000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted equities	-			
Other financial assets	-			
Land	20,012	Global Valuations	+/-5%	Increase in value of land by 5% per square metre would increase value by \$1 million.
Buildings	177,544	Global Valuations	+/-5%	Decrease in value of land by 5% per square metre would decrease value by \$1 million.
Infrastructure	19,695	Global Valuations	n/a	Increase in replacement cost of buildings would increase value by \$9.1 million.
Buildings	39,419	Value of transfers from WIP	n/a	Decrease in replacement cost of buildings would decrease value by \$9.1 million.
Infrastructure	1,837	Value of additions from WIP	n/a	
Total	258,507			

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

(iii) Valuation processes

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

Note 40. Defined Benefit Plans

a) Fund specific disclosure

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

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

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

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

These schemes are closed to new members.

Professorial superannuation scheme

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

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

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

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

The University made a contribution of \$Nil in 2015, (2014: \$0.233 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 2015	20,386	20,431	60,778	341,530	443,125
Defined benefit obligation - 31 Dec 2014	19,970	20,386	60,965	365,940	467,261

b) Categories of certain plan assets

For the closed NSW Public Sector Superannuation Schemes pooled fund assets are invested by SAS Trustee Corporation (STC) at arms length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. 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 2015

	Total (A\$000)	Quoted prices in active markets for identical assets Level 1 (A\$000)	Significant observable inputs Level 2 (A\$000)	Unobservable inputs Level 3 (A\$000)
Short term securities	2,978,554	2,943,012	35,542	-
Australian fixed interest	2,650,946	27,895	2,623,051	-
International fixed interest	828,608	(75)	828,683	-
Australian equities	9,512,077	9,057,851	446,022	8,204
International equities	12,451,510	9,268,278	2,180,440	1,002,792
Property	3,438,598	1,036,559	701,343	1,700,696
Alternatives	7,790,660	557,505	3,108,946	4,124,209
Total *	39,650,953	22,891,025	9,924,027	6,835,901

* Actual asset allocation as at 31 December 2015 is not yet available, the latest available as at 30 November 2015 has been used.

Note 40. Defined Benefit Plans (continued)

b) Categories of certain plan assets (continued)

As at 30 November 2014*

		Quoted price in active markets for identical assets	Significant observable inputs	Unobservable
	Total \$000	Level 1 \$000	Level 2 \$000	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 billion, giving an estimated assets totalling around \$40.9 billion.

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets and liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

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

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

	2015 (%)	2014 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	6.8	8.3
Expected rate(s) of salary increase	3.0	2.7
Expected return on reimbursement rights	7.8	7.3
Rate of CPI Increase	2.5	2.5
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.5	2.5
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	2.5	3.9
Expected rate(s) of salary increase	3.0	4.0

Note 40. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity

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

Impact on defined benefit obligation

	Base case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	2.90%	1.90%	3.90%
Rate if CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	378,055,648	421,891,222	341,443,716

	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate if CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	378,055,648	397,394,960	360,204,520

	Base case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate if CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A\$)	378,055,648	379,202,662	376,957,942

	Base case	Scenario G higher mortality*	Scenario H lower mortality**
Defined benefit obligation (A\$)	378,055,648	374,501,026	381,611,427

* Assumes the long term pensioner mortality improvement factors for years post 2021 also apply for years 2015 to 2021.

** Assumes the short term pensioner mortality improvement factors for years 2015-2021 also apply for years after 2021.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

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

31 December 2015	
Discount rate	2.90% p.a.
Salary increase rate (exclude promotional increases)	2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% p.a. thereafter
Rate of CPI increase	2.25% 2015/2016; 2.75% 2016/2017; 2.50% p.a. thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

31 December 2014	
Discount rate	2.83% 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
Rate of CPI increase	2.5% p.a.
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund

Note 40. Defined Benefit Plans (continued)

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2015

	\$000 SASS	\$000 SANCS	\$000 SSS	\$000 PSF	\$000 Total
Liabilities					
Provision for deferred government benefits for superannuation	28,771	5,578	343,707	8,133	386,189
Provision for pension entitlements	-	-	-	-	-
Total liabilities	28,771	5,578	343,707	8,133	386,189
Add: oncosts on pension entitlements	-	-	-	-	-
Total pension entitlements (including oncosts)	-	-	-	-	-
Total liabilities recognised in statement of financial position	28,771	5,578	343,707	8,133	386,189
Assets					
Receivable for deferred government contribution for superannuation	23,695	(67)	11,154	6,248	41,030
Total assets recognised in statement of financial position	23,695	(67)	11,154	6,248	41,030
Net liability recognised in the statement of financial position	(5,076)	(5,645)	(332,553)	(1,885)	(345,159)
Net liability - 2015	SASS	SANCS	SSS	PSF	Total
Defined benefit obligation	28,771	5,578	343,707	8,133	386,189
Fair value of plan assets	23,695	(67)	11,154	6,248	41,030
Net liability	5,076	5,645	332,553	1,885	345,159
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	5,076	5,645	332,553	1,885	345,159
Reimbursement rights - 2015	SASS	SANCS	SSS	PSF	Total
Opening value of reimbursement right	3,195	5,582	319,819	-	328,596
Return on reimbursement rights	1,490	(45)	12,538	-	13,983
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	4,685	5,537	332,357	-	342,579
Present value of obligations - 2015	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	28,250	5,704	340,965	9,849	384,768
Current service cost	971	209	506	132	1,818
Past service cost	-	-	-	-	-
Interest expense	760	155	9,408	259	10,582
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	586	(161)	13,818	-	14,243
Actuarial losses/(gains) arising from liability experience	1,429	166	(4,042)	(405)	(2,852)
Actuarial losses/(gains) arising from changes in financial assumptions	(16)	(1)	(2,773)	(656)	(3,446)
Contributions					
Plan participants	360	-	210	-	570
Payments from plan					
Benefits paid	(3,430)	(569)	(15,692)	(1,046)	(20,737)
Tax, premiums and expenses paid	(139)	75	1,307	-	1,243
Closing defined benefit obligation	28,771	5,578	343,707	8,133	386,189
Present value of plan assets - 2015	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	25,055	122	21,146	7,150	53,473
Interest (income)	680	1	406	166	1,253
Remeasurements					
Return on Fund assets less interest income	395	4	340	-	739
Actuarial (loss)/gain on fund assets	-	-	-	(22)	(22)
Contributions					
Employers	774	300	3,437	-	4,511
Plan participants	360	-	210	-	570
Payments from plan					
Benefits paid	(3,430)	(569)	(15,693)	(1,046)	(20,738)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(139)	75	1,307	-	1,243
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	23,695	(67)	11,153	6,248	41,029

Note 40. Defined Benefit Plans (continued)

d) Statement of Financial Position amounts (continued)

Amounts recognised in the statement of financial position - 2014

	\$000 SASS	\$000 SANCS	\$000 SSS	\$000 PSF	\$000 Total
Liabilities					
Provision for deferred government benefits 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: On-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
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 reconciliation - 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)	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
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
Past service cost	-	-	-	-	-
Interest expense	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	-	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)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(156)	(196)	736	-	384
Closing defined benefit obligation	28,250	5,704	340,965	9,849	384,768

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 income	950	17	1,146	287	2,400
Return on plan assets excluding amounts included in net interest expense	1,575	18	755	-	2,348
Actuarial losses/(gains)	-	-	-	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 & expenses paid	(156)	(196)	736	-	384
Closing fair value of plan assets	25,055	122	21,146	7,150	53,473

Note 40. Defined Benefit Plans (continued)

e) Amounts recognised in other statements

	SASS \$000	SANCS \$000	SSS \$000	PSF \$000	Total \$000
Amounts recognised in the Income Statement – 2015					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v). The amounts are included in employee related expenses (note 10).					
Current service cost	971	209	506	132	1,818
Net interest	79	154	9,002	93	9,328
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	1,050	363	9,508	225	11,146

Amounts recognised in the Statement of Comprehensive Income - 2015

The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 29).

Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	(1,039)	(1,039)
Actual return on plan assets less interest income	-	-	-	-	-
Total remeasurements in OCI	-	-	-	(1,039)	(1,039)
Total remeasurements recognised in the Statement of Comprehensive Income	-	-	-	(1,039)	(1,039)

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).

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 29).

Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	1,139	1,139
Actuarial losses (gains) arising from experience adjustment	-	-	-	-	-
Actual return on plan assets less interest income	-	(566)	-	-	(566)
Total remeasurements in OCI	-	(566)	-	1,139	573
Total remeasurements recognised in the Statement of Comprehensive Income	-	(566)	-	1,139	573

Note 40. Defined Benefit Plans (continued)

f) Financial impact for other funds

UniSuper

This is a defined benefit superannuation scheme with the entitlements of the scheme being fully met by UniSuper from contributions paid by the University and its employees.

UniSuper is not considered to be controlled by the University and therefore the surplus has not been included in the University's accounts.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under superannuation law but is considered to be a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2015, the assets of the DBD in aggregate were estimated to be \$1.47 billion 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 2015, the assets of the DBD in aggregate were estimated to be \$3.38 billion 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 1 July 2015. 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.

Following the end of the monitoring period commenced in relation to the 30 June 2011 actuarial investigation, the Fund's actuary advised that the Trustee is not required to take any further action under Clause 34 in relation to that monitoring period, and that monitoring period is now ceased.

Note 41. Acquittal of Australian Government financial assistance

	Notes	Commonwealth Grant Scheme #1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
41a Education - CGS and Other Education Grants									
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		104,305	101,095	1,239	1,219	4,392	2,799	256	145
Net accrual adjustments		143	(774)	-	-	-	-	-	-
Revenue for the period	3(a)	104,448	100,321	1,239	1,219	4,392	2,799	256	145
Surplus / (deficit) from the previous year		(432)	(1,206)	163	266	1,341	2,027	(167)	134
Total revenue including accrued revenue		104,016	99,115	1,402	1,485	5,733	4,826	89	279
Less expenses including accrued expenses		104,591	99,547	997	1,322	4,547	3,485	177	446
Surplus / (deficit) for reporting period		(575)	(432)	405	163	1,186	1,341	(88)	(167)

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		Parent entity (University) only Diversity and Structural Adjustment Fund #3		Transitional Cost Program	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$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(a)	-	-	-	-	-	-
Surplus / (deficit) from the previous year		(1,452)	(1,452)	(46)	12,812	-	-
Total revenue including accrued revenue		(1,452)	(1,452)	(46)	12,812	-	-
Less expenses including accrued expenses		(1,452)	-	16	12,858	-	-
Surplus / (deficit) for reporting period		-	(1,452)	(62)	(46)	-	-

3 Includes Collaboration and Structural Adjustment Program.

	Notes	Promotion of Excellence in Learning and Teaching		Parent entity (University) only Reward Funding		Total	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		554	153	-	-	110,746	105,411
Net accrual adjustments		-	-	-	-	143	(774)
Revenue for the period	3(a)	554	153	-	-	110,889	104,637
Surplus / (deficit) from the previous year		112	8	-	-	(480)	12,590
Total revenue including accrued revenue		666	161	-	-	110,409	117,227
Less expenses including accrued expenses		107	49	-	-	108,983	117,707
Surplus / (deficit) for reporting period		559	112	-	-	1,426	(480)

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

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

Notes	HECS-HELP (Australian Government payments only)		Parent entity (University) only		Total	
	2015	2014	FEE-HELP #4	SA-HELP	2015	2014
	\$000	\$000	2015	2015	\$000	\$000
Cash Payable / (Receivable) at beginning of year	904	191	27	3	934	(43)
Financial assistance received in Cash during the reporting period	64,300	63,384	7,468	314	72,082	72,618
Cash available for the period	65,204	63,575	7,495	317	73,016	72,575
Revenue earned	64,866	62,671	7,595	309	72,770	71,641
Cash Payable / (Receivable) at end of year	338	904	(100)	8	246	934

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

41c Scholarships

Notes	Australian Postgraduate Awards		Parent entity (University) only		Commonwealth Accommodation Scholarships #5	
	2015	2014	International Postgraduate Research Scholarships	Commonwealth Education Cost Scholarships #5	2015	2014
	\$000	\$000	2015	2015	\$000	\$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	2,581	2,563	202	85	51	45
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2,581	2,563	202	85	51	45
Surplus / (deficit) from the previous year	405	234	(43)	1,252	189	189
Total revenue including accrued revenue	2,986	2,797	159	1,337	240	234
Less expenses including accrued expenses	2,557	2,392	160	71	45	45
Surplus / (deficit) for reporting period	429	405	(1)	1,266	195	189

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

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

		Parent entity (University) only	
41d Education Research #6 (continued)	Notes	Total 2015 \$000	2014 \$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		12,468	11,823
Net accrual adjustments		-	-
Revenue for the period	3(d)	12,468	11,823
Surplus / (deficit) from the previous year		-	-
Total revenue including accrued revenue		12,468	11,823
Less expenses including accrued expenses		12,468	11,823
Surplus / (deficit) for reporting period		-	-

#6 The reported surpluses for [program names] of \$x.xxx million for 2015 are expected to be rolled over for future use by Education and the surpluses for [program names] of \$x.xxx million for 2015 are expected to be returned to Education.

		Parent entity (University) only			
		Teaching and Learning Capital Fund		Total	
41e Other Capital Funding	Notes	2015 \$000	2014 \$000	2015 \$000	2014 \$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)

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

41f Australian Research Council Grants	Parent entity (University) only	
(a) Discovery	ARC Discovery Early Career Researcher Award	Total
Notes	2015 \$000	2014 \$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	1,569	1,788
Net accrual adjustments	-	-
Revenue for the period	1,569	1,788
3(e)(i)	278	270
Surplus / (deficit) from the previous year	201	127
Total revenue including accrued revenue	479	397
Less expenses including accrued expenses	355	196
Surplus / (deficit) for reporting period	124	201
	1,099	847
	2,946	2,905
	1,929	1,806
	1,017	1,099
(b) Linkages	ARC Future Fellowships	Total
Notes	2015 \$000	2014 \$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	201	670
Net accrual adjustments	-	-
Revenue for the period	290	670
3(e)(ii)	290	670
Surplus / (deficit) from the previous year	568	151
Total revenue including accrued revenue	858	821
Less expenses including accrued expenses	340	253
Surplus / (deficit) for reporting period	518	568
	529	727
	1,218	1,272
	689	545
	491	965
	491	965
	727	307

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

41g OS-HELP		Parent entity (University) only	
	Notes	2015 \$000	2014 \$000
Cash Received during the reporting period		1,731	1,363
Cash Spent during the reporting period		(1,100)	(975)
Net Cash received	3(g)	631	388
Cash Surplus / (deficit) from the previous period		432	44
Cash Surplus / (deficit) for the reporting period		1,063	432

41h Higher Education Superannuation Program		2015 \$000	2014 \$000
	Notes		
Cash Received during the reporting period		2,526	-
University contribution in respect of current employees		-	-
Cash available		2,526	-
Cash Surplus / (deficit) from the previous period		0	-
Cash available for current period		2,526	-
Contributions to specified defined benefit funds		(2,526)	-
Cash Surplus / (deficit) this period		-	-

41i Student Services and Amenities Fee		2015 \$000	2014 \$000
	Notes		
Unspent / (overspent) revenue from previous period		3,392	4,054
SA-HELP Revenue Earned	3(b)	309	359
Student Services and Amenities Fees direct from Students	5	503	590
Total revenue expendable in period		4,204	5,003
Student Services expenses during period		2,771	1,611
Unspent / (overspent) Student Services Revenue		1,433	3,392

" 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 2015**



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 2015, 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 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 2015 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

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 management, 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 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 14 March 2016, would be in the same terms if provided to the Directors as at the time of this auditor's report.

S Bond.

Sally Bond
Director, Financial Audit Services

21 March 2016
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 2015 and the Auditors Report thereon.

Director details

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

Qualifications and Experience

Name and Occupation:	Ian Michael LOCKE
Qualifications:	B. Agric. Econ.
Experience:	Mr Locke worked as a agricultural business consultant in Poolmans Pty Ltd and in the Centre for Agricultural Risk Management Pty Ltd before returning to the family property in Holbrook in 1994. Is a principal of the Wirruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards.
Special Responsibilities	Chairman, IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since June, 2002.
Name and Occupation:	Hugh Peter NIVISON
Qualifications:	B.V.Sc. MAICD FARL
Experience:	Mr Nivison has a Veterinary Science degree from Sydney University and is Adjunct Associate Professor in the School of Veterinary Science at the University of Queensland. He has a high level of corporate experience as a Director of Australian Wool Innovation, a board member of the Australian Sheep Industry Co-operative Research Centre, Chairman of UNE Rural Properties, Director and CEO of Australasian Rural Investments Pty Ltd and he is currently Chairman of Australian Farmers Fighting Fund (AFFF). Hugh is a principle of "Mirani" at Walcha, which is recognised as a leading progressive Merino stud and commercial Angus cattle enterprise.
Special Responsibilities	Managing Director Board member since October, 2015.
Name and Occupation:	Robert Anthony BARWELL
Experience:	Mr Barwell is a sheep and cattle producer who is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Mr Barwell is a member of the Australian Meat Industry Language and Standards Committee, and represents Cattle Council of Australia on Safemeat, a Government and Industry partnership, where he Chairs a number of committees dealing with food safety and trade access matters. Previously he was the National Co-ordinator of the CATTLECARE and Flockcare programs. He has also been a Director and General Manager of a diverse agricultural company with properties throughout rural New South Wales, New Zealand and Fiji.
Special Responsibilities	IBRS Sub-Committee Board member since May 2004.
Name and Occupation:	Barry John PAFF
Experience:	Mr Paff has previous experience as a dairy farmer at Raleigh, milking 300 cows for many years and on the Board of Norco Co-operative and Norco Pauls JV Board, prior involvement in NSW Dairy Farmer's Association Dairy Committee, currently a lucerne farmer near Tamworth.
Special Responsibilities	Dairy Express Sub-Committee Board member since October 2005.
Name and Occupation:	Professor Heiko DANIEL
Experience:	Professor Daniel is the Pro Vice-Chancellor (Research) (PVCR). In this role, Professor Daniel provides strategic leadership for all aspects of the University's research activities, oversight of the UNE Research Strategic Plan and oversees the strategies and operations of the Research Services Directorate.
Special Responsibilities	IBRS Sub-Committee Board member since June 2015.
Name and Occupation:	Peter Brett COOMBE
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Mr Coombe is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Brett has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Association's Technical Committee.
	Board Member since July 2014
Name and Occupation:	Morris George MCINNES
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Mr McInnes manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council.
Special Responsibilities	Dairy Express Sub-Committee Board member since November 2009.

Name and Occupation: **Michelle Denise CLARKE**
Qualifications: BCom MCom FCPA GAICD
Experience: Ms Clarke 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: **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: Dr Fox is a rural development and natural resource management specialist working in less developed countries for the World Bank (27 years) and AusAID (6 years). Previously, Chairman of the University of New England Foundation, member of the University of New England Council and its Finance Committee. Currently, a grazier raising beef cattle.

Special Responsibilities: Finance and Admin Sub-Committee
Board member since June 2011 Resigned February 2015

Name and Occupation: **Charles Alexander MCDONALD**
Qualifications: B.Sc. (Agric)
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 Resigned September 2015

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, 2015 five directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to Attend	Number Attended
Hugh Peter NIVISON	1	1
Charles Alexander MCDONALD	4	4
Robert Anthony BARWELL	5	5
Ian Michael LOCKE	5	5
Barry John PAFF	5	1
Geoffrey Bradfield FOX	1	1
Peter Brett COOMBE	5	5
Morris George MCINNES	5	5
Michelle Denise CLARKE	5	4
Heiko DANIEL	3	3

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 2015, 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 \$1,043,380 (2014 = \$750,438) and the surplus after fair value adjustments on the financial assets was \$855,190 (2014 = \$702,624)

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

Significant Changes in the State of Affairs

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

Events Subsequent to the End of the Reporting Period

There are no reportable events occurring after the balance date.

Likely Developments and Expected Results of Operations

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

Environmental Regulations

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

Indemnification of Officers

The company obtains insurance as part of the University of New England's commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of \$34,600 for Directors and Officers Insurance covered the period 1 November 2014 to 31 October 2015. Insurance has been renewed for the Group for the period 1 November 2015 to 31 October 2016 at a cost of \$36,200. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2015.

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



.....
H P Nivison
Director

Date: 14th March, 2016



.....
R A Barwell
Director



To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Agricultural Business Research Institute for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

S Bond .

Sally Bond
Director, Financial Audit Services

14 March 2016
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2015;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



H P Nivison
Director



R A Barwell
Director

Date: 14th March, 2016

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 2015 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



H P Nivison
Director



R A Barwell
Director

Date: 14th March, 2016

Statement of Profit or Loss

For the Period ended 31 December, 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations			
Investment revenue	2	316,832	336,968
Trading revenue	4	8,388,893	8,052,476
Total revenue from continuing operations		8,705,725	8,389,444
Expenses from continuing operations			
Employee related expenses	5	4,725,524	4,934,402
Depreciation and amortisation	6	267,324	373,628
Repairs and maintenance	7	108,215	82,636
Impairment of assets	8	12,376	8,632
Other expenses	9	2,548,906	2,239,708
Total expenses from continuing operations		7,662,345	7,639,006
Surplus from continuing operations		1,043,380	750,438
Other Gains and Losses			
Other investment loss	3	(199,298)	(47,814)
Gain on sale of assets	3	11,109	-
Surplus attributable to the ABRI	19(b)	855,190	702,624

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, 2015

	Notes	2015 \$	2014 \$
Surplus or (deficit) for the period		855,190	702,624
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		855,190	408,180

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

Statement of Financial Position

As at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	7,198,302	5,544,003
Receivables	11	1,548,853	1,601,035
Other assets	13	364,703	262,958
Total current assets		9,111,858	7,407,996
Non-current assets			
Other financial assets	12	2,331,829	2,568,830
Property, plant and equipment	14	2,988,185	3,077,790
Intangible assets	15	170,873	283,608
Total non-current assets		5,490,887	5,930,228
Total assets		14,602,745	13,338,224
LIABILITIES			
Current liabilities			
Trade and other payables	16	936,961	552,791
Provisions	17	1,134,663	1,164,995
Other liabilities	18	342,990	285,497
Total current liabilities		2,414,614	2,003,283
Non-current liabilities			
Provisions	17	86,000	88,000
Total non-current liabilities		86,000	88,000
Total liabilities		2,500,614	2,091,283
Net assets		12,102,131	11,246,941
EQUITY			
Asset revaluation reserve	19(a)	1,165,896	1,165,896
Retained earnings	19(b)	10,936,235	10,081,046
Total equity attributable to equity holders of the company		12,102,131	11,246,942

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, 2015

	Notes	Reserves	Retained Earnings	Total
Balance at 1 January 2014		1,460,340	9,378,422	10,838,761
Surplus or (deficit)		-	702,624	702,624
Revaluation of Land, Buildings and Infrastructure		(294,444)	-	(294,444)
Total comprehensive income		<u>(294,444)</u>	<u>702,624</u>	<u>408,180</u>
Balance at 31 December 2014	19(a)	<u>1,165,896</u>	<u>10,081,046</u>	<u>11,246,941</u>
Balance at 1 January 2015		1,165,896	10,081,046	11,246,942
Surplus or (deficit)		-	855,189	855,189
Balance at 31 December 2015	19(a)	<u>1,165,896</u>	<u>10,936,235</u>	<u>12,102,131</u>

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, 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		9,178,222	8,395,523
Dividends received		136,017	155,956
Interest received		180,814	191,643
Payments to suppliers and employees		(7,824,580)	(8,172,143)
Net cash provided by operating activities	25	<u>1,670,473</u>	<u>570,979</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(64,984)	(148,326)
Proceeds from sales of investments		48,810	-
Net cash used in investing activities		<u>(16,174)</u>	<u>(148,326)</u>
Net increase in cash and cash equivalents		1,654,299	422,653
Cash and cash equivalents at the beginning of the financial year		5,544,003	5,121,350
Cash and cash equivalents at the end of the financial year	10	<u><u>7,198,302</u></u>	<u><u>5,544,003</u></u>

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

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	109
	Income	
2	Investment revenue and income	113
3	Gains and losses	113
4	Trading revenue	113
	Expenses	
5	Employee related expenses	113
6	Depreciation and amortisation	113
7	Repairs and maintenance	113
8	Impairment of assets	113
9	Other expenses	113
	Assets	
10	Cash and cash equivalents	114
11	Receivables	114
12	Other financial assets	115
13	Other assets	115
14	Property, plant and equipment	115
15	Intangible assets	116
	Liabilities	
16	Trade and other payables	116
17	Provisions	116
18	Other Liabilities	117
	Equity	
19	Reserves and retained earnings	117
20	Key management personnel disclosures	118
21	Remuneration of auditors	118
22	Contingencies	118
23	Commitments	119
24	Related parties	119
25	Reconciliation of operating result after income tax to net cash flows	119
26	Events subsequent to reporting period	119
27	Financial risk management	120
28	Fair value measurements	123

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, 2015 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 2015 was authorised for issue in accordance with a resolution of the Board during March 2016.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2015, and the Corporations Act of 2001*.

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Trading revenue

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

(ii) Investment income

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

(d) Income tax

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

(e) Leases

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

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

(f) Impairment of assets

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

Note 1. Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Receivables

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

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

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

(i) Investments and other financial assets

Classification

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

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

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

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

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

Subsequent measurement

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

Note 1. Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

Fair Value

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

Impairment

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

(j) Fair value estimation

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

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

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

(k) Property, infrastructure, plant and equipment

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

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

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

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

Buildings - 30 yrs,	Furniture and Fittings - 7-20 yrs,
Computing Equipment / Software - 4 - 15 yrs,	Other Plant and Equipment - 4 - 15 yrs,
Motor Vehicles - 5 yrs,	Intangible - 5yrs
Infrastructure - 10 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. 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 2015 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 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

The liability for long-term employee benefits such as annual leave and accumulating sick leave is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Annual leave is not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. As such it is measured at nominal value, which is not materially different to present value.

(iii) Long service leave

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

(p) Goods and Services Tax (GST)

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

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

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

(q) Comparative amounts

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

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 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 2015 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 2015.

Notes to the financial statements
(continued)
31 December 2015

	Notes	2015	2014
Note 2.	Investment revenue		
	Interest	180,814	181,012
	Dividend Income	136,017	155,956
	Total investment revenue	316,831	336,968
Note 3.	Gains and losses		
	Other investment gains/(losses)	(199,298)	(47,814)
	Gain on sale of assets	11,109	-
	Total gains and losses	(188,189)	(47,814)
Note 4.	Trading revenue		
	Fees and charges	8,388,893	8,052,476
	Total trading revenue	8,388,893	8,052,476
Note 5.	Employee related expenses		
	Salaries	4,152,963	4,365,516
	Contribution to funded superannuation and pension schemes	380,889	390,055
	Payroll tax	207,150	230,256
	Worker's compensation	6,224	6,499
	Leave accrual expense	(32,332)	(69,865)
	Other (Allowances, penalties and fringe benefits tax)	10,630	11,941
	Total employee related expenses	4,725,524	4,934,402
Note 6.	Depreciation and amortisation		
	Depreciation		
	Buildings	82,571	86,669
	Infrastructure	4,000	10,267
	Furniture and Fittings	18,885	17,319
	Plant and Equipment	40,557	57,956
	Motor Vehicles	8,577	20,127
	Total depreciation	154,590	192,338
	Amortisation		
	Intangibles	112,735	181,290
	Total amortisation	112,735	181,290
	Total depreciation and amortisation	267,325	373,628
Note 7.	Repairs and maintenance		
	Plant/furniture/equipment	108,215	82,636
	Total repairs and maintenance	108,215	82,636
Note 8.	Impairment of assets		
	Bad Debts	12,376	8,632
	Total impairment of assets	12,376	8,632
Note 9.	Other expenses		
	Non-capitalised equipment	12,864	11,241
	Advertising, marketing and promotional expenses	35,502	41,264
	Utilities	29,803	29,739
	Postal and Telecommunications	462,718	506,160
	Travel and Entertainment	117,047	101,008
	Operating Lease Rental Charges	38,110	33,023
	Consultants	879,413	580,247
	Royalties	411,235	414,703
	Computer and Office Supplies	97,846	87,225
	Other Expenditure	464,368	435,098
	Total other expenses	2,548,906	2,239,708

Notes to the financial statements
(continued)
31 December 2015

	Notes	2015 \$	2014 \$
Note 10.			
Cash and cash equivalents	1(g)		
Cash at bank		1,574,091	833,529
At call investments		5,624,211	4,710,474
Total cash and cash equivalents		<u>7,198,302</u>	<u>5,544,003</u>

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

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

Balances as above	7,198,302	5,544,003
Less: Bank Overdrafts	-	-
Balance per cash flow statement	<u>7,198,302</u>	<u>5,544,003</u>

(b) Deposits at call

The deposits are bearing floating interest rates between 2.8% and 3.0% (2014: 3.92% and 3.25%). These deposits have an average maturity of 268 days.

Note 11.			
Receivables			
Current			
Trade and Other Debtors		1,565,232	1,614,921
Less: Provision for impaired receivables	1(h)	(16,379)	(13,886)
Total current receivables		<u>1,548,853</u>	<u>1,601,035</u>
Non-current			
Trade and Other Debtors		-	-
Total non-current receivables		<u>-</u>	<u>-</u>
Total receivables		<u>1,548,853</u>	<u>1,601,035</u>

(a) Impaired receivables

As at 31 December 2015 current receivables of the entity with a nominal value of \$16,379 (2014: \$13,886) were impaired. The amount of the provision was \$16,379 (2014: \$13,886).

The ageing of these receivables is as follows:

3 to 6 months	-	-
Over 6 months	16,379	13,886
	<u>16,379</u>	<u>13,886</u>

As of 31 December 2015, trade receivables of \$225,159 (2014: \$272,268) 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	125,575	182,581
Over 6 months	99,584	89,687
	<u>225,159</u>	<u>272,268</u>

Movements in the provision for impaired receivables are as follows:

As at 1 January	13,886	13,835
Provision for impairment recognised during the year	8,633	8,633
Receivables written off during the year as uncollectible	(6,140)	(8,582)
	<u>16,379</u>	<u>13,886</u>

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
(continued)
31 December 2015

Notes

2015
\$

2014
\$

Note 12. Other financial assets

1(i)

Non-current

Summary of portfolio as at 31 December:

Fair value through profit and loss

Total non-current other financial assets

2,331,829 2,568,830

2,331,829 2,568,830

Note 13. Other assets

Current

Accrued Income

344,891 240,670

Prepaid Expenses

19,812 22,288

Total current other non-financial assets

364,703 262,958

Note 14. Property, plant and equipment

	Freehold land \$	Freehold buildings \$	Infrastructure \$	Plant and equipment \$	Motor vehicle \$	Furniture & fittings \$	Total \$
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	-	26,304	113,543
Revaluation increment/(decrement)	-	(253,473)	(40,970)	-	-	-	(294,443)
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)	(1,867,180)
Net book amount	400,000	2,420,000	80,000	81,256	24,025	72,510	3,077,790
Year ended 31 December 2015							
Opening net book amount	400,000	2,420,000	80,000	81,256	24,025	72,510	3,077,791
Additions	-	-	-	21,354	30,441	13,189	64,984
Depreciation charge	-	(82,571)	(4,000)	(40,557)	(8,577)	(18,885)	(154,590)
Closing net book amount	400,000	2,337,429	76,000	62,053	45,889	66,814	2,988,185
At 31 December 2015							
- Cost	-	-	-	1,492,805	359,447	257,701	2,109,954
- Valuation	400,000	2,337,429	76,000	-	-	-	2,813,429
Accumulated depreciation	-	-	-	(1,430,752)	(313,559)	(190,887)	(1,935,198)
Net book amount	400,000	2,337,429	76,000	62,053	45,889	66,814	2,988,185

Notes to the financial statements
(continued)
31 December 2015

Note 15.	Intangible assets	Notes 1(l)	2015	2014
			\$	\$
	At 1 January			
	Cost		2,474,138	2,474,137
	Accumulated amortisation and impairment		(2,303,265)	(2,190,529)
	Net book amount		<u>170,873</u>	<u>283,608</u>
	Year ended 31 December			
	Opening net book amount		283,608	396,584
	Additions		-	68,314
	Amortisation charge		(112,735)	(181,290)
	Closing net book amount		<u>170,873</u>	<u>283,608</u>
Note 16.	Trade and other payables			
	Current			
	Trade Payables		936,961	552,791
	Total current trade and other payables		<u>936,961</u>	<u>552,791</u>
Note 17.	Provisions	1(n)		
	Current provisions expected to be settled within 12 months			
	Employee benefits			
	Annual leave		326,063	312,395
	Long service leave		77,000	75,000
	Make good provision		3,600	3,600
	Total Current Provision		<u>406,663</u>	<u>390,995</u>
	Current provisions expected to be settled wholly after more than 12 Months			
	Employee benefits			
	Annual leave		310,000	320,000
	Long service leave		418,000	454,000
	Subtotal		<u>728,000</u>	<u>774,000</u>
	Total Current Provision		<u>1,134,663</u>	<u>1,164,995</u>
	Non-current provisions			
	Employee benefits			
	Long service leave		86,000	88,000
	Total non-current provision		<u>86,000</u>	<u>88,000</u>
	Total provisions		<u>1,220,663</u>	<u>1,252,995</u>

	2015 \$	2014 \$
Note 18. Other Liabilities		
Current		
Accrued Liabilities		
Fees in Advance	234,088	179,133
GST Payable	108,902	106,364
Total current other liabilities	<u>342,990</u>	<u>285,497</u>
 Note 19. Reserves and retained earnings		
a) Reserves		
Revaluation Reserve		
- Land	320,000	320,000
- Buildings	816,867	816,867
- Infrastructure	29,029	29,029
	<u>1,165,896</u>	<u>1,165,896</u>
 Movements in reserves were as follows:		
Reserves at 1 January - Land	<u>320,000</u>	<u>320,000</u>
Reserves at 31 December	<u>320,000</u>	<u>320,000</u>
 Reserves at 1 January - Buildings	816,867	1,070,340
Increment/(decrement) on revaluation	-	(253,473)
Reserves at 31 December	<u>816,867</u>	<u>816,867</u>
 Reserves at 1 January - Infrastructure	29,029	70,000
Increment/(decrement) on revaluation	-	(40,971)
Reserves at 31 December	<u>29,029</u>	<u>29,029</u>
 b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	10,081,046	9,378,422
Net Operating Result for the year	855,189	702,624
Retained Earnings at 31 December	<u>10,936,235</u>	<u>10,081,046</u>
 Total Equity	<u>12,102,131</u>	<u>11,246,942</u>

2015	2014
\$	\$

Note 20. Key management personnel disclosures**Remuneration of Board Members**

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

Nil to \$9,999

No.	No.
8	9
8	9

Aggregate Remuneration of Board Members

Total Aggregate Remuneration

\$	\$
3,800	2,800

Remuneration of executive officers

\$100,000 to \$119,999

\$120,000 to \$139,999

\$140,000 to 240,000

No.	No.
2	4
-	1
1	-
3	5

Aggregate Remuneration of executive officers

Total Aggregate Remuneration

416,049	667,694
---------	---------

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:

24,100	23,500
--------	--------

Total remuneration for audit services

24,100	23,500
--------	--------

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 2015

Note 23.	Commitments	2015	2014
		\$	\$
	Operating Leases		
	Within one year	4,838	28,886
	Later than one year but not later than five years	-	4,838
	Total operating leases(Including GST)	4,838	33,724

No lease arrangements, existing as at 31 December 2015, 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:

Transactions during the period

University of New England

Income received from	-	-
Payments made to	(251,817)	(251,817)
Net	(251,817)	(251,817)

Outstanding balances

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

University of New England

Payables to	5,616	20,107
-------------	-------	--------

(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

	2015	2014
	\$	\$
Operating result for the period	855,189	702,624
Depreciation and amortisation	267,325	354,583
Provision for impaired receivables	2,493	51
(Gain)/Loss on revaluation of investments	188,191	47,814
Increase/(Decrease) in Payables and Prepaid Income	395,479	(132,212)
Increase/(Decrease) in Provision for Employee Entitlements	(36,000)	(2,000)
Increase/(Decrease) in Provision for Annual Leave	3,668	(67,865)
(Increase)/Decrease in Receivables and Prepaid Expenses	(5,872)	(332,016)
Net cash provided by / (used in) operating activities	1,670,473	570,979

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	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 13	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(b)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(b)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.8% and 3.0%. Average maturity of 368 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 2015

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 2015	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	1.80	1,574,091	-			-	1,574,091
Investments-Term Deposits	2.90	-	5,624,211			-	5,624,211
Receivables						1,548,853	1,548,853
Listed Shares						2,331,829	2,331,829
Accrued Income						344,891	344,891
Total Financial Assets		1,574,091	5,624,211			4,225,573	11,423,875
Financial Liabilities							
Payables						936,961	936,961
Total Financial Liabilities						936,961	936,961
Net Financial Assets(Liabilities)		1,574,091	5,624,211			3,288,612	10,486,914

Comparative figures for the previous year are as follows:

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 and 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

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2015	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	1,574,091	(15,741)	(15,741)	15,741	15,741	N/A	N/A	N/A	N/A
Investments-Term Deposits	5,624,211	(56,242)	(56,242)	56,242	56,242	N/A	N/A	N/A	N/A
Receivables	1,548,853								
Listed Shares	2,331,829					(23,318)	(23,318)	23,318	23,318
Accrued Income	344,891								
Total Financial Assets	11,423,875	(71,983)	(71,983)	71,983	71,983	(23,318)	(23,318)	23,318	23,318
Financial Liabilities									
Creditors	936,961	(9,370)		9,370	9,370	N/A	N/A	N/A	N/A
Total Financial Liabilities	936,961								
Total increase / (decrease)	10,486,914	(71,983)	(71,983)	71,983	71,983	(23,318)	(23,318)	23,318	23,318

Comparative figures for the previous year are as follows:

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	(55,440)	(55,440)	55,440	55,440	(25,688)	(25,688)	25,688	25,688
Financial Liabilities									
Creditors	552,791	(6,225)	(6,225)	6,225	6,225	N/A	N/A	N/A	N/A
Total Financial Liabilities	552,791	(6,225)	(6,225)	6,225	6,225				
Total increase / (decrease)	9,401,747	(49,215)	(49,215)	49,215	49,215	(25,688)	(25,688)	25,688	25,688

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 2015.

	31 Dec 2015 \$	Level 1 \$	Level 2	Level 3
Financial assets				
Other financial assets	2,331,829	2,331,829	-	-
Total	2,331,829	2,331,829	-	-
Non financial assets				
Land	400,000	-	-	400,000
Buildings	2,337,429	-	-	2,337,429
Infrastructure	76,000	-	-	76,000
Total	2,813,429	-	-	2,813,429
	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

(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 in an active market for similar properties. Where such information is not available the Entity considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3 except for vacant land.

Note 28 Fair value measurements (continued)

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

Level 3 Fair value measurements 2015	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,420,000	80,000	2,900,000
Adoption of AASB 13				
Acquisitions				
Transfers from level 1				
Transfers from level 1				
Sales				
Issues Settlements				
Total gains /(losses)				
Recognised in profit or loss *		(82,571)	(4,000)	(86,571)
Recognised in other comprehensive income				
Closing balance	400,000	2,337,429	76,000	2,813,429
Level 3 Fair value measurements 2014	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,718,700	131,237	3,249,937
Acquisitions		33,530		33,530
Total gains /(losses)				
Recognised in profit or loss *		(78,756)	(10,267)	(89,023)
Recognised in other comprehensive income		(253,474)	(40,970)	(294,444)
Closing balance	400,000	2,420,000	80,000	2,900,000

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

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

Description	Fair value at 31 Dec	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	400,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,337,429	Global Valuation	3	
Infrastructure	76,000	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 2015**



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 2015, 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 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

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 management, 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 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.

S Bond.

Sally Bond
Director, Financial Audit Services

14 March 2016
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 2015 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Anita Taylor
Director



David Schmude
Director

9 March 2016

Statement of Profit or Loss

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations			
Trading Income	2	2,806,248	2,713,417
Investment revenue	3	10,373	7,777
Total revenue from continuing operations		<u>2,816,621</u>	<u>2,721,194</u>
Expenses from continuing operations			
Personnel services	4	1,524,710	1,570,550
Depreciation	5	92,441	92,442
Repairs and maintenance	6	181,844	100,301
Impairment of assets	7	2,377	3,019
Other expenses	8	846,654	1,007,622
Total expenses from continuing operations		<u>2,648,026</u>	<u>2,773,934</u>
Surplus or (deficit) attributable to Sport UNE Pty Ltd	16	<u>168,595</u>	<u>(52,740)</u>

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 2015

	Notes	2015 \$	2014 \$
Surplus or (deficit) for the period		168,595	(52,740)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>168,595</u>	<u>(52,740)</u>

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

Statement of Financial Position

As at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	484,407	289,566
Receivables	10	101,189	58,686
Inventories	11	15,046	13,017
Total current assets		<u>600,642</u>	<u>361,269</u>
Non-current assets			
Plant, equipment & motor vehicle	12	<u>458,289</u>	<u>550,730</u>
Total non-current assets		<u>458,289</u>	<u>550,730</u>
Total assets		<u>1,058,931</u>	<u>911,999</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	23,457	91,460
Personnel services payable	14	115,917	110,321
Other liabilities	15	<u>395,416</u>	<u>328,672</u>
Total current liabilities		<u>534,790</u>	<u>530,453</u>
Non-current liabilities			
Personnel services payable	14	<u>33,000</u>	<u>59,000</u>
Total non-current liabilities		<u>33,000</u>	<u>59,000</u>
Total liabilities		<u>567,790</u>	<u>589,453</u>
Net assets		<u>491,141</u>	<u>322,546</u>
EQUITY			
Retained earnings	16	491,021	322,426
Share Capital	17	120	120
Total equity		<u>491,141</u>	<u>322,546</u>

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 2015

	Shares	Retained Earnings	Total
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
Balance at 1 January 2015	120	322,426	322,546
Surplus / (Deficit)	-	168,595	168,595
Issue of Share Capital	-	-	-
Total comprehensive income	-	168,595	168,595
Balance at 31 December 2015	120	491,021	491,141

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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		2,901,327	2,996,254
Interest received		10,373	7,777
Payments to suppliers and personnel services (inclusive of GST)		(2,716,859)	(2,988,404)
Net cash provided by / (used in) operating activities	24	194,841	15,627
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	-
Payment for property, plant & equipment		-	-
Net cash provided by / (used in) financing activities		-	-
Cash flows from financing activities			
Repayment of loans		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		194,841	15,627
Cash and cash equivalents at the beginning of the financial year		289,566	273,939
Cash and cash equivalents at the end of the financial year		484,407	289,566

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	133
	Income	
2	Trading income	137
3	Investment revenue	137
	Expenses	
4	Personnel services	137
5	Depreciation	137
6	Repairs and maintenance	137
7	Impairment of assets	137
8	Other expenses	137
	Assets	
9	Cash and cash equivalents	138
10	Receivables	138
11	Inventories	139
12	Plant, equipment & motor vehicle	139
	Liabilities	
13	Trade and other payables	139
14	Personnel services payable	140
15	Other Liabilities	140
	Equity	
16	Retained Earnings	140
17	Share Capital	140
18	Key management personnel disclosures	140
19	Remuneration of auditors	141
20	Contingencies	141
21	Commitments	141
22	Related parties	142
23	Events subsequent to reporting period	142
24	Reconciliation of operating result after income tax to net cash flows from operating activities	143
25	Financial risk management	143
26	Fair value measurements	146

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 2015 was authorised for issue in accordance with a resolution of the Board on 9 March 2016.

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 2015*.

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) 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.

Contributions from the University of New England and the Student Amenities Fee are recognised inline with the agreed funding period as negotiated with the University of New England.

(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

Personnel services to Sport UNE are provided by the University of New England. The entity does not directly employ staff and personnel services cost is recognised as it is incurred. A current liability (personnel services provisions) exists which includes provision of all employee related entitlements.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Management has obtained external actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB 119 Employee Benefits. This is based on external actuarial advice obtained based on the application of certain factors to employees with five or more years of service, using the current rate of pay. Market yields on Government Bonds are used to discount such employee benefits.

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(o) Goods and Services Tax (GST)

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 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 2015 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 2015.

Notes to the financial statements
31 December 2015
(continued)

	2015 \$	2014 \$
Note 2. Trading income		
University contribution	1,330,000	1,172,170
Membership fees	829,009	854,138
Facility fees & equipment hire	330,892	348,363
Café sales	170,257	168,597
Twilight Sports & Sports camps	88,404	115,156
University sporting programs	49,178	46,773
Commercial programs & events	8,226	8,183
Sundry	282	37
Total trading income	2,806,248	2,713,417
Note 3. Investment revenue		
Interest	10,373	7,777
Total investment revenue	10,373	7,777
Note 4. Personnel services		
Personnel services	1,524,710	1,570,550
Total personnel services	1,524,710	1,570,550
Note 5. Depreciation		
Plant and Equipment	83,678	83,679
Motor Vehicles	8,763	8,763
Total depreciation	92,441	92,442
Note 6. Repairs and maintenance		
Infrastructure/Plant & Equipment	95,695	35,707
Grounds	86,149	64,594
Total repairs and maintenance	181,844	100,301
Note 7. Impairment of assets		
Bad Debts	-	128
Doubtful debts	2,377	2,891
Total impairment of assets	2,377	3,019
Note 8. Other expenses		
Non-capitalised equipment	35,961	121,623
Advertising, marketing and promotional expenses	40,835	67,388
Motor Vehicles and Utilities	331,312	315,692
Inventory Used	106,912	105,800
Postal and Telecommunications	5,245	8,118
Travel and Entertainment	4,783	6,680
Software & Computer expenses	17,626	12,238
Camps & University Sporting Programs	148,537	196,683
Office Expenses	3,040	6,579
Subscriptions & Associations	21,642	22,305
Scholarships & Donations	44,873	58,953
Sports Business	560	8,885
Insurance	2,293	4,838
Audit	20,500	19,500
Other Expenditure	62,535	52,340
Total other expenses	846,654	1,007,622

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Note 9. Cash and cash equivalents	1(g)		
Cash on hand		1,400	1,400
Cash at bank		450,752	257,612
At call investments		32,255	30,554
Total cash and cash equivalents		484,407	289,566

(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	484,407	289,566
Less: Bank Overdraft	-	-
Balance per cash flow statement	484,407	289,566

(b) Cash on hand

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 2.74%, (2014: 3.1%).

Note 10. Receivables

Current

Trade Debtors	103,566	63,606
Less: Provision for impaired receivables	(2,377)	(4,920)
GST Receivable	-	-
Total current receivables	101,189	58,686
Total receivables	101,189	58,686

Impaired receivables

As at 31 December 2015 the entity held provisions of \$2,377(2014: \$4,920) for impaired receivables. The amount of the provision is reviewed annually to ensure adequacy.

The ageing of these receivables is as follows:

Current	-	-
3 to 6 months	-	-
Over 6 months	2,377	4,920
	2,377	4,920

As at 31 December 2015, trade receivables of \$73,147 (2014: \$14,607) 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	1,581	3,357
Over 6 months	71,566	11,250
	73,147	14,607

Movements in the provision for impaired receivables are as follows:

At 1 January	4,920	2,029
Provision for impairment recognised during the year	2,377	3,019
Receivables written off during the year as uncollectible	(4,920)	(128)
At 31 December	2,377	4,920

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 2015
(continued)

	Notes	2015 \$	2014 \$
Note 11. Inventories	1(i)		
Other stocks		15,046	13,017
Total current inventories		<u>15,046</u>	<u>13,017</u>

Note 12. Plant, Equipment & Motor Vehicle

Plant & Equipment:

At cost	688,925	688,925
Accumulated depreciation	(269,728)	(186,050)
At cost - 31 December	<u>419,197</u>	<u>502,875</u>

Motor Vehicle

At cost	75,446	75,446
Accumulated depreciation	(36,354)	(27,591)
At cost - 31 December	<u>39,092</u>	<u>47,855</u>

Total plant, equipment & motor vehicle

<u>458,289</u>	<u>550,730</u>
----------------	----------------

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 2014	586,554	56,618	643,172
Additions	-	-	-
Depreciation expense	(83,679)	(8,763)	(92,442)
Disposal	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2014	<u>502,875</u>	<u>47,855</u>	<u>550,730</u>
Balance 1 January 2015	502,875	47,855	550,730
Additions	-	-	-
Depreciation expense	(83,678)	(8,763)	(92,441)
Disposals	-	-	-
Depreciation written back on disposal	-	-	-
Carrying amount at 31 December 2015	<u>419,197</u>	<u>39,092</u>	<u>458,289</u>

	Notes	2015 \$	2014 \$
Note 13. Trade and other payables			
Trade Payables		23,457	91,460
Total current trade and other payables		<u>23,457</u>	<u>91,460</u>

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

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Note 14. Personnel services payable	1(n)		
Current Personnel services payable		115,917	110,321
Other payables		-	-
Total current payables		<u>115,917</u>	<u>110,321</u>
Non-current payables			
Non-current personnel services payable		33,000	59,000
Total non-current payable		<u>33,000</u>	<u>59,000</u>
Total payable		<u>148,917</u>	<u>169,321</u>
Note 15. Other Liabilities			
Members subscriptions in advance		142,781	145,407
Other Accrued Expenditure		145,287	35,991
PAYG Payable		-	19,928
GST Payable		2,248	220
Funds held in Trust		105,100	127,126
Total current other liabilities		<u>395,416</u>	<u>328,672</u>
Note 16. Retained Earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		322,426	375,166
Net operating surplus/(deficit) for the year		168,595	(52,740)
Retained Earnings at 31 December		<u>491,021</u>	<u>322,426</u>
Note 17. Share Capital			
Share Capital held - 120 at \$1 owned by the University of New England		120	120
		<u>120</u>	<u>120</u>

Note 18. Key management personnel disclosures

(a) Names of responsible persons

The following people were responsible persons of Sport UNE Pty Limited from the beginning of the year to the reporting dates:

Mr David Schmude
Ms Anita Taylor

The following persons were appointed to the role of company secretary of the board during the year:
Mr Brendan Peet (18th May 2015)

The following persons resigned from the board during the year:
Mr Bruce Pain (21st September 2015)

Managing Director
Mr David Schmude

Deputy Director
Mr Ashley Clee

Key management personnel disclosures

(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

	2015 No.	2014 No.
Nil to \$9,999	3	4
	3	4

Aggregate Remuneration of Board Members

	\$	\$
Total Aggregate Remuneration	-	-

Remuneration of executive officers

	No.	No.
\$110,000 to \$139,999	1	-
\$140,000 to \$169,999	-	-
\$170,000 to \$199,999	-	-
\$200,000 to \$229,999	1	1
	2	1

Aggregate Remuneration of executive officers

	\$	\$
Total Aggregate Remuneration	333,635	208,751

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:

	2015 \$	2014 \$
Audit and review of the Financial Statements		
Fees paid to The Audit Office of NSW:	20,500	19,500
Total remuneration for audit services	20,500	19,500

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

As at reporting date there were no capital commitments

(b) Lease Commitments

As at reporting date there were no lease commitments

(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.

Notes to the financial statements
31 December 2015
(continued)

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:

	2015	2014
	\$	\$
<i>Transactions during the period</i>		
University of New England		
Income received	1,501,842	1,302,792
Payments made	(1,594,558)	(1,754,147)
Net	(92,716)	(451,355)
UNE Life Pty Ltd		
Income received	-	550
Payments made	(90,534)	(19,892)
Net	(90,534)	(19,342)

Outstanding balances

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

University of New England		
Receivables	53,429	15,060
Payables	7,156	62,985
UNE Life Pty Ltd		
Receivables	-	550
Payables	72	4,293

(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

	Note	2015 \$	2014 \$
Operating surplus/(deficit) for the period		168,595	(52,740)
Depreciation		92,441	92,442
Net (gain) / loss on sale of non-current assets		-	-
Increase/(Decrease) in Payables and Prepaid Income	15	18,737	(71,789)
Increase/(Decrease) in Provision for Personnel Services Payable	14	(20,403)	20,345
Increase/(Decrease) in Other Provisions	15	(26,944)	36,245
(Increase)/Decrease in Receivables and Prepaid Expenses	10	(35,556)	(17,662)
(Increase)/Decrease in Inventories	11	(2,029)	8,786
Net cash provided by / (used in) operating activities		194,841	15,627

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			
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 2015	Note	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non Interest	Total
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	9	2.40%	450,752			1,400	452,152
Investments - term deposits	9	2.74%		32,255	-		32,255
Receivables	10					101,189	101,189
Total Financial Assets			450,752	32,255	-	102,589	585,596
Financial Liabilities							
Payables	13					23,457	23,457
Total Financial Liabilities			-	-	-	23,457	23,457
Net Financial Assets(Liabilities)			450,752	32,255	-	79,132	562,139

Comparative figures for the previous year are as follows:

31 December 2014	Note	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non Interest	Total
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	9	2.50%	257,612			1,400	259,012
Investments - term deposits	9	3.40%		30,554	-		30,554
Receivables	10					58,686	58,686
Total Financial Assets			257,612	30,554	-	60,086	348,252
Financial Liabilities							
Payables	13					91,460	91,460
Total Financial Liabilities			-	-	-	91,460	91,460
Net Financial Assets(Liabilities)			257,612	30,554	-	(31,374)	256,792

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 2015	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	452,152	(4,522)	(4,522)	4,522	4,522
Investments-Term Deposits	32,255	(323)	(323)	323	323
Receivables	101,189				
Total Financial Assets	585,596				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	23,457				
Total Financial Liabilities	23,457				
Total increase / (decrease)	562,139	-	-	-	-

Comparative figures for the previous year are as follows:

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	-	-	-	-

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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	484,407	289,566	484,407	289,566
Receivables	101,189	58,686	101,189	58,686
Total financial assets	585,596	348,252	585,596	348,252
Financial liabilities				
Payables	23,457	91,460	23,457	91,460
Total financial liabilities	23,457	91,460	23,457	91,460

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation Ltd



ABN: 77 094 834 107
Annual Financial Report
for the year ended
31 December 2015



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 2015, 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 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 2015 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

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 management, 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 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 3 March 2016, would be in the same terms if provided to the Directors as at the time of this auditor's report.

S Bond.

Sally Bond
Director, Financial Audit Services

11 March 2016
SYDNEY

UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report together with the financial statements of UNE Foundation Ltd ("the Company") for the financial year ended 31 December 2015 and the Auditors Report thereon.

Director details

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

Mr Paul Barratt

BSc (Hons) (UNE) BA (ANU) FAICD FCDA

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 : Chairman of the Board since 17 March 2015.

Professor Annabelle Duncan

BSc DipSc MSc (Otago) PhD (La Trobe) HonDSc (Murdoch) PSM

Professor Annabelle Duncan is 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.

Ms Caroline Forrest

BComm BA Grad Dip Applied Finance (Finsia)

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

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

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

Mr Geoff Gorrie

BEd 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.

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.

Ms Janine Wilson

BSc (La Trobe), MBA (Melb.)

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

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

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

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

Mr John Wilson

BA LLB Melbourne; LLM Duke; MAICD

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

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

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

Appointed a Director of UNE Foundation Ltd on 17 August 2014.

Ms Meredith Symons

BFA (UNE) ACA

Meredith Symons is a UNE Graduate (Bachelor of Financial Administration, Accounting and Finance) and ACA, who has lived on-campus at Earle Page College – and loved all aspects of the UNE college experience.

A corporate financial services professional with extensive domestic and international experience, Meredith has a global mindset with expertise in the treasury, tax, finance and shared services aspects of corporate financial management.

Meredith sits on a number of subsidiary boards at Goodman Fielder, as well as a Joint Venture board based in Indonesia. She has a group perspective, is skilled at considering the business implications from the numbers and has experience with technology including introducing new systems.

Meredith's career has taken her overseas and she has had responsibility for overseeing international portfolios. She has held senior financial positions at some of Australia's top corporates, including Goodman Fielder (FMCG, Food manufacturing); Macquarie Bank, UBS and Price Waterhouse Coopers.

Meredith is looking forward to contributing her expertise to the University of New England Council and UNE Foundation.

Appointed a Director of UNE Foundation Ltd on 22 September 2015.

Dr Geoffrey Fox (Chairman)

BRurSc (Hons) (UNE) MA (ANU) PhD (UNE)

Dr Geoffrey Fox served as Chairman of the Board from 27 August 2008 to 17 March 2015.

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. Resigned on 17 March 2015.

Special responsibilities : Chairman of the Board from 27 August 2008 to 17 March 2015.

Company Secretary

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

Mr Brendan Peet

LL.B, Grad Dip ACG, AGIA, ACIS, MAICD

Chief Legal and Governance Officer, University of New England

Brendan is a lawyer and Chartered Secretary with over fifteen years experience. Brendan's legal career included roles with leading Australian firms Clayton Utz and Minter Ellison, prior to moving to his current in-house role with the University in 2010.

He is a member of the senior executive at the University with responsibility for the legal, audit and risk, records management, policy and governance and secretariat functions. His role includes acting as the General Counsel and University Secretary.

Brendan is the company secretary of UNE Foundation Limited, UNE Life Pty Ltd and Sport UNE Pty Ltd. He is the Vice President of the Association of Australian University Secretaries and is on the board of the Presbyterian Ladies College Armidale Foundation.

Principal Activities

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

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

Short-term objectives

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

Long-term objectives

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

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

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

Strategies for achieving short and long-term objectives:

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

The board implemented an investment policy by engaging 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.

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

During 2015, UNE Foundation Limited reviewed its choice of investment manager for the provision of investment management services and advice which is currently in progress.

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
Mr Paul Barratt	5	5
Mr Geoff Gorrie	5	5
Ms Kerrie Murphy	4	5
Ms Caroline Forrest	4	5
Ms Janine Wilson	5	5
Professor Annabelle Duncan	2*	5
Mr John Wilson	4	5
Ms Meredith Symons	3	3
Dr Geoffrey Fox (resigned)	1	1

* When an apology, Prof Duncan was represented by Ms Michelle Clarke, CFO, UNE.

A = number of meetings the Director attended

B = number of meetings the Director was entitled to attend

Resolutions between meetings are confirmed by Flying Minute. These are summarised and reported to the next meeting.

Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. There is only one class of member who has \$100 liability should the company be wound up. At 31 December 2015, the collective liability of members was \$800 (\$100 per member, maximum number of members is 8).

Review of Operations

During 2015, the company continued to operate as trustee of UNE Foundation and had no financial results.

Significant Changes in the State of Affairs

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Indemnification of Officers

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

Events after reporting date

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

Legal proceedings on behalf of the Company

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

Auditor's Independence Declaration


The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2015.

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



Mr Paul Barratt
Chair - Director

4 March 2016



Professor Annabelle Duncan
Director

4 March 2016



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 2015, 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.

SBond.

Sally Bond
Director, Financial Audit Services

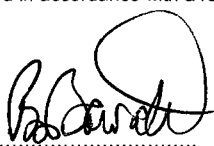
3 March 2016
SYDNEY

Directors' Declaration

The Directors declare that:


- (1) the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
- (2) the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2015;
- (3) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (4) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mr Paul Barratt
Chair - Director

4 March 2016



Professor Annabelle Duncan
Director

4 March 2016

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 2015 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015* and the *Corporations Act 2001*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mr Paul Barratt
Chair - Director

4 March 2016



Professor Annabelle Duncan
Director

4 March 2016

Statement of Profit or Loss
For the year ended 31 December 2015

	2015	2014
	\$	\$
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 2015

	2015	2014
	\$	\$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

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

Statement of Financial Position
As at 31 December 2015

	2015	2014
	\$	\$
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 2015

	Reserves	Retained Earnings	Total
Balance as 1 January 2014	-	-	-
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 2014	-	-	-
Balance at 1 January 2015	-	-	-
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 2015	-	-	-

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 2015

	2015 \$	2014 \$
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

Note		Page
1	Summary of significant accounting policies	161
2	Auditors remuneration	161
3	Right to indemnify out of the Trust assets	161
4	Directors remuneration	161
5	Employee benefits	161
6	Related parties	161
7	Commitments	162
8	Contingent assets and liabilities	162
9	Events subsequent to reporting period	162
10	New standards and interpretations not yet adopted	162
11	Economic Dependency	162

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 2015 were authorised for issue in accordance with a resolution of the Board on 4 March 2016.

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

1(b) Basis of preparation

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

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

2.0 Auditors remuneration

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

3.0 Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2015 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

4.0 Directors remuneration

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

5.0 Employee benefits

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

6.0 Related parties

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

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

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

Notes to the financial statements
31 December 2015
(continued)

7.0 Commitments

The entity has not identified material commitments at 31 December 2015 (2014: Nil).

8.0 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2015 (2014: 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 2015 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 2015



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 2015, 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.

Opinion

In my opinion the financial statements:

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

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

The Trustee's 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.

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 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 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.

S Bond .

Sally Bond
Director, Financial Audit Services

11 March 2016
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 (UNE) towards the provision of scholarships, research, and teaching and learning.

Review of Operations

The operating result for the Trust for the year ended 31 December 2015 was a surplus of \$490,730 (2014: \$569,975 excluding the transfer of \$4,290,958 from UNE).

Investment related revenue was \$603,914 in 2015 (2014: \$627,486). This was a 3.76 percent reduction on the 2014 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.

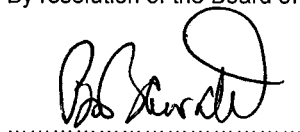
Insurance of Officers

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.



Mr Paul Barratt
Chair - Director

4 March 2016



Professor Annabelle Duncan
Director

4 March 2016

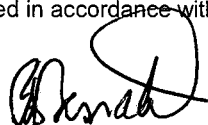
STATEMENT BY TRUSTEE

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 2015 and the results of its operations and transactions of the Trust for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This statement is in accordance with a resolution of the Trustee made on 4 March 2016.

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



Mr Paul Barratt
Chair - Director

4 March 2016



Professor Annabelle Duncan
Director

4 March 2016

Income Statement
For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations			
Donations and fundraising	2	1,077,326	785,806
Investment income	3	562,835	601,970
Other revenue	4	120,150	4,337,200
Total revenue from continuing operations		<u>1,760,311</u>	<u>5,724,976</u>
Expenses from continuing operations			
Administrative expenses	5	62,686	70,904
Total expenses from continuing operations		<u>62,686</u>	<u>70,904</u>
Operating result from continuing operations before distributions to UNE		<u>1,697,625</u>	<u>5,654,072</u>
Less distribution to UNE	6	(1,206,895)	(793,139)
Operating surplus / (deficit) for the year after distribution to UNE		<u>490,730</u>	<u>4,860,933</u>

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

Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Operating surplus/ (deficit) for the year after distribution to UNE		490,730	4,860,933
Items that may be reclassified to profit or loss			
Gain/(loss) in fair value of available for sale financial assets	11 (a)	(10,811)	(75,774)
Items that will not be reclassified to profit or loss			
Transfer from reserves	11 (a)	-	(24,362)
Total other comprehensive income		<u>479,919</u>	<u>4,760,797</u>
Total comprehensive income for the period		<u>479,919</u>	<u>4,760,797</u>

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

Statement of Financial Position
As at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,159,918	1,708,839
Trade and other receivables	8	196,300	182,447
Other financial assets	9	3,360,480	2,479,762
Total current assets		<u>5,716,698</u>	<u>4,371,048</u>
Non-current assets			
Other financial assets	9	<u>7,246,401</u>	<u>8,120,885</u>
Total non-current assets		<u>7,246,401</u>	<u>8,120,885</u>
Total assets		<u>12,963,099</u>	<u>12,491,933</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	<u>50,939</u>	<u>59,692</u>
Total current liabilities		<u>50,939</u>	<u>59,692</u>
Total liabilities		<u>50,939</u>	<u>59,692</u>
Net assets		<u>12,912,160</u>	<u>12,432,241</u>
EQUITY			
Reserves	11 (a)	128,319	139,130
Retained earnings	11 (b)	<u>12,783,841</u>	<u>12,293,111</u>
Total equity		<u>12,912,160</u>	<u>12,432,241</u>

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 2015

	Reserves	Retained earnings	Total
Balance at 1 January 2014	239,266	7,412,023	7,651,289
Profit/(loss)	-	4,860,933	4,860,933
Gain/(loss) on available for sale financial assets	(75,774)	-	(75,774)
Transfer to/(from) reserves on disposal of available for sale financial assets	(24,362)	20,155	(4,207)
Total comprehensive income	(100,136)	4,881,088	4,780,952
Balance at 31 December 2014	139,130	12,293,111	12,432,241
Balance at 1 January 2015	139,130	12,293,111	12,432,241
Profit/(loss)	-	490,730	490,730
Gain/(loss) on available for sale financial assets	(10,811)	-	(10,811)
Transfer to/(from) reserves on disposal of available for sale financial assets	-	-	-
Total comprehensive income	(10,811)	490,730	479,919
Balance at 31 December 2015	128,319	12,783,841	12,912,160

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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Donations received		1,070,660	763,027
Transfer from UNE		31,206	4,290,958
Dividends received		92,932	49,872
Interest received		253,187	180,709
Other inflows		7,063	40,924
Payments to suppliers		(73,682)	(69,848)
Distribution to beneficiary		(1,210,875)	(764,079)
Net cash provided by / (used in) operating activities	16	170,492	4,491,563
Cash flows from investing activities			
Purchase of financial assets		(3,932,707)	(5,288,677)
Proceeds from sale of financial assets		4,213,294	170,000
Net cash provided by / (used in) investing activities		280,587	(5,118,677)
Net increase / (decrease) in cash and cash equivalents		451,079	(627,114)
Cash and cash equivalents at the beginning of the financial year		1,708,839	2,335,953
Cash and cash equivalents at the end of the financial year	7	2,159,918	1,708,839

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	172
2	Donation and fundraising	174
3	Investment income	174
4	Other revenue	174
	Expenses	
5	Administrative Expenses	174
6	Distribution to beneficiary	174
	Assets	
7	Cash and cash equivalents	174
8	Trade and other receivables	175
9	Other financial assets	175
	Liabilities	
10	Trade and other payables	175
	Equity	
11	Reserves and retained earnings	176
12	Remuneration of auditors	176
13	Contingencies	176
14	Commitments	176
15	Related parties	176
16	Reconciliation of operating result after income tax to net cash flows from operating activities	177
17	Events subsequent to reporting period	177
18	Financial risk management	178

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 2015 were authorised for issue by the Trustee on 4 March 2016.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2015*.

The Financial Statements have been prepared in accordance with the historical cost convention except for available for sale financial assets which have been measured at fair value. All amounts are in Australian currency.

(b) Revenue recognition

The Trust receives all donations by way of cheques, direct deposits and electronic funds transfer. All donations are recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the Trust.

Interest income is recognised on an accrual basis. Dividends and distributions are recognised as revenue when the Trust's right to receive payment is established. Refunds of imputation credits arising from investment income received, are recognised as revenue when the application for refund is lodged with the Australian Taxation Office.

Gains and losses on realisation of investments are taken to the income statement when the investment is disposed of. The gain or loss is the difference between the net proceeds of disposal and the carrying value of the investment.

(c) Cash and cash equivalents

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

(d) Receivables

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

(e) 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.

Notes to the financial statements
31 December 2015
(continued)

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 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 2015 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 2015.

	Notes	2015 \$	2014 \$
2.0 Donation and fundraising			
Donations and fundraising		1,077,326	785,806
3.0 Investment income			
Interest		212,589	225,452
Dividend		350,246	376,518
Total investment income		562,835	601,970
4.0 Other revenue			
Transferred from UNE		77,606	4,305,642
Net surplus on disposal of units		-	5,215
Franking credits		41,079	25,516
Other		1,465	827
Total other revenue		120,150	4,337,200
5.0 Administrative Expenses			
Consultancy fees		62,465	70,747
Bank fees		221	157
Total administrative expenses		62,686	70,904
6.0 Distribution to beneficiary			
University of New England - scholarships and prizes	1(j)	1,206,895	793,139
7.0 Cash and cash equivalents			
Cash at bank		2,159,918	155,996
At call investments		-	1,552,843
Total cash and cash equivalents		2,159,918	1,708,839
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:			
Balances as above		2,159,918	1,708,839
Less: Bank Overdrafts		-	-
Balance per statement of cash flows		2,159,918	1,708,839

The at call investments had a floating interest rate of 3.28% (2014 - 3.12%). These deposits have an average maturity of 90 days (2014 - 31 days).

Notes to the financial statements
31 December 2015
(continued)

2015 **2014**
\$ **\$**

8.0 Trade and other receivables

Trade receivables	24,100	-
Total trade receivables	24,100	-

Impaired trade receivables

As at 31 December 2015 current receivables of the entity with a nominal value of \$24,100 (2014: \$Nil) were not impaired.

Other receivables

Other accrued income	110,804	80,016
GST Input Tax Credit	1,574	2,011
Accrued Interest	59,822	100,420
Total other receivables	172,200	182,447

Total trade and other receivables	196,300	182,447
--	----------------	----------------

9.0 Other financial assets

Current

Held-to-maturity	3,360,480	2,479,762
Total current other financial assets	3,360,480	2,479,762

Non-current

Held-to-maturity	546,000	1,733,532
Available for sale financial assets - At fair value		
Unit Trust and Domestic Equity	6,494,813	6,196,074
Australian listed equity securities	205,588	191,279
Total non-current other financial assets	7,246,401	8,120,885

Movement of available for sale financial assets are as follows:

Shares as at 1 January	6,387,353	1,910,308
Acquired through purchase, dividend reinvestment and capital distribution	323,859	4,721,812
Disposed	-	(168,993)
Available for Sale Reserve (gain/loss)	(10,811)	(75,774)
Fair value of investment at 31 December	6,700,401	6,387,353

10.0 Trade and other payables

Accrued expense for scholarships, prizes and consultancy fees	50,939	59,692
Total trade and other payables	50,939	59,692

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

Notes to the financial statements
31 December 2015
(continued)

2015 **2014**
\$ **\$**

11.0 Reserves and retained earnings

(a) Reserves

Available for Sale Reserve - Investments

128,319	139,130
----------------	----------------

Movements

Available for Sale Reserve - Investments

Balance 1 January	139,130	239,266
Less write back due to disposal of investment	-	(24,362)
Gain/(Loss)	(10,811)	(75,774)
Balance 31 December	128,319	139,130

(b) Retained earnings

Movements in retained earnings were as follows:

Retained earnings at 1 January	12,293,111	7,412,023
Transfer to reserves	-	20,155
Net Operating Result for the year	490,730	4,860,933
Retained earnings at 31 December	12,783,841	12,293,111

(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 2015 was \$11,000 (2014: \$10,700).

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 2015 (2014: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2014: 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:-

Mr Paul Barratt (Chairman)
Professor Annabelle Duncan
Mr Geoff Gorrie
Ms Kerrie Murphy
Ms Caroline Forrest
Ms Janine Wilson
Mr John Wilson
Ms Meredith Symons
Dr Geoffrey Fox - resigned 17 March 2015

(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.

Notes to the financial statements
31 December 2015
(continued)

15.0 Related parties (continued)

(c) Related Party Transactions

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

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

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

The following transactions occurred with related parties:

	2015	2014
	\$	\$
<i>Transactions during the period</i>		
University of New England		
Income received from	132,604	87,832
Transferred prizes and scholarship funds	77,606	4,305,642
Expenditures incurred for	(1,210,875)	(793,139)
Net	(1,000,665)	3,600,335
With other related parties		
Income received - UNE Life Pty Ltd	3,500	10,000
Income received - Sport UNE Pty Ltd	1,000	-
Income received - Agricultural Business Research Institute	24,200	12,000
Net	28,700	22,000

Outstanding balances

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

University of New England		
Receivables	60	1,419
Payables	33,633	37,613
With other related parties		
Receivables	12,100	-
Payables	-	-

16.0 Reconciliation of operating result after income tax to net cash flows from operating activities

Operating result for the period	490,730	4,860,933
Less non cash revenue		
Capitalisation and reinvestment of dividend	(297,630)	(291,788)
Net (Gain)/Loss on sale of Units	-	(5,215)
Decrease/(increase) in trade and other debtors	(13,854)	(90,919)
Increase/(decrease) in payables	(8,754)	18,552
Net cash provided by / (used in) operating activities	170,492	4,491,563

17.0 Events subsequent to reporting period

There are no reportable events occurring 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 3.28% and average maturity of 90 days.
Other Financial Assets	9	Unit trust and domestic equity carried at market value	Investment of perpetual pool funds managed by the Funds Managers.
		Held-to-maturity deposits - current are stated at cost	Interest rates are between 2.96% and 4.18% with average maturity of 269 days.
		Held-to-maturity deposits- non current are stated at cost	Interest rates are between 2.94% and 4.15% with average maturity of 726 days.
Listed Shares	9	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and Accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year.

(ii) Foreign exchange risk

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

(iii) Price risk

The Trust is exposed to Price Risk through its investments classified as 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 varying maturity dates 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 2015	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%	-	2,159,918				2,159,918
At call Investments	3.28%		-				-
Receivables						196,300	196,300
Held-to-maturity	3.49%		3,360,480				3,360,480
Available for sale						6,494,813	6,494,813
Listed Shares						205,588	205,588
Held-to-maturity	3.76%			546,000			546,000
Total Financial Assets		-	5,520,398	546,000		6,896,701	12,963,099
Financial Liabilities							
Payables						50,939	50,939
Other Amounts Owning						-	-
Total Financial Liabilities			-	-		50,939	50,939
Net Financial Assets(Liabilities)		-	5,520,398	546,000		6,845,762	12,912,160

Comparative figures for the previous year are as follows:

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 and cash equivalents	2.60%	-	155,996				155,996
At call Investments	3.12%		1,552,843				1,552,843
Receivables						182,447	182,447
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		6,569,800	12,491,933
Financial Liabilities							
Payables	-					59,692	59,692
Other Amounts Owning	-					-	-
Total Financial Liabilities			-	-		59,692	59,692
Net Financial Assets(Liabilities)		-	4,188,601	1,733,532		6,510,108	12,432,241

(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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,159,918	1,708,839	2,159,918	1,708,839
Held-to-maturity investments - current	3,360,480	2,479,762	3,360,480	2,479,762
Held-to-maturity investments - non current	546,000	1,733,532	546,000	1,733,532
Equity securities	6,700,401	6,387,353	6,700,401	6,387,353
Total financial assets	12,766,799	12,309,486	12,766,799	12,309,486

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

	31 Dec 2015	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity investments - current	3,360,480	3,360,480	-	-
Held-to-maturity investments - non current	546,000	546,000	-	-
Equity securities	6,700,401	205,588	6,494,813	-
Total	10,606,881	4,112,068	6,494,813	-
	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	10,600,647	4,404,573	6,196,074	-

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 2015	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%		+1%		-10%		+10%		-1%		+1%		-1%		+1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Financial Assets																			
Cash and cash equivalents	2,159,918	(21,599)	(21,599)	21,599	21,599														
At call investments	-	-	-	-	-														
Receivables	196,300																		
Held-to-maturity	3,360,480	(33,605)	(33,605)	33,605	33,605														
Other financial assets	6,494,813																		
Listed Shares	205,588																		
Held-to-maturity	546,000	(5,460)	(5,460)	5,460	5,460														
Total Financial Assets	12,963,099																		
Financial Liabilities																			
Payables	50,939	N/A	N/A	N/A	N/A														
Total Financial Liabilities	50,939																		
Total increase / (decrease)	12,912,160	-	-	-	-														

Comparative figures for the previous year are as follows:

31 December 2014	Carrying amount	Interest rate risk						Foreign exchange risk						Other price risk					
		-1%		+1%		-10%		+10%		-1%		+1%		-1%		+1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Financial Assets																			
Cash and cash equivalents	155,996	(1,560)	(1,560)	1,560	1,560														
At call investments	1,552,843	(15,528)	(15,528)	15,528	15,528														
Receivables	182,447																		
Held-to-maturity	2,479,762	(24,798)	(24,798)	24,798	24,798														
Other financial assets	6,196,074																		
Listed Shares	191,279																		
Held-to-maturity	1,733,532	(17,335)	(17,335)	17,335	17,335														
Total Financial Assets	12,491,933																		
Financial Liabilities																			
Creditors	59,692	N/A	N/A	N/A	N/A														
Total Financial Liabilities	59,692																		
Total increase / (decrease)	12,432,241	-	-	-	-														

END OF AUDITED FINANCIAL STATEMENTS

UNE Life Pty Ltd



ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2015



INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Limited

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 2015, 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 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

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 management, 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 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.

S Bond.

Sally Bond
Director, Financial Audit Services

14 March 2016
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 2015 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulations 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Anita Taylor
Director



David Schmude
Director

9 March 2016

Statement of Profit or Loss For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations			
Trading income	2	4,656,542	4,099,140
Investment revenue	3	38,003	57,091
Other revenue	4	731,196	440,834
Total revenue from continuing operations		<u>5,425,741</u>	<u>4,597,065</u>
Expenses from continuing operations			
Employee related expenses	5	2,194,800	2,047,043
Depreciation and amortisation	6	128,594	109,070
Repairs and maintenance	7	162,715	122,470
Other expenses	8	3,001,282	3,109,494
Total expenses from continuing operations		<u>5,487,391</u>	<u>5,388,077</u>
Surplus or (deficit) attributable to the Entity	18	<u>(61,650)</u>	<u>(791,012)</u>

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 2015

	Notes	2015 \$	2014 \$
Surplus or (deficit) for the period		(61,650)	(791,012)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(61,650)</u>	<u>(791,012)</u>

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

Statement of Financial Position As at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	1,393,362	1,610,181
Receivables	10	77,267	145,543
Inventories	11	206,663	231,781
Other assets	13	10,536	-
Total current assets		1,687,828	1,987,505
Non-current assets			
Other financial assets	12	500	500
Property, plant and equipment	14	383,252	422,274
Intangible assets	15	136,233	25,000
Total non-current assets		519,985	447,774
Total assets		2,207,813	2,435,279
LIABILITIES			
Current liabilities			
Trade and other payables	16	259,390	429,828
Provisions	17	96,141	98,520
Total current liabilities		355,531	528,348
Non-current liabilities			
Provisions	17	45,000	38,000
Total non-current liabilities		45,000	38,000
Total liabilities		400,531	566,348
Net assets		1,807,282	1,868,931
EQUITY			
Retained earnings	18	1,807,162	1,868,812
Share Capital	18	120	120
Total equity		1,807,282	1,868,932

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 2015

	Shares	Retained Earnings	Total
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
Balance at 1 January 2015	120	1,868,812	1,868,932
Surplus / (Deficit)	-	(61,650)	(61,650)
Total comprehensive income	-	(61,650)	(61,650)
Balance at 31 December 2015	120	1,807,162	1,807,282

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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		5,970,308	5,106,833
Interest received		38,002	57,091
Payments to suppliers and employees (inclusive of GST)		(6,028,298)	(5,353,218)
Interest and other costs of finance		-	-
Net cash provided by / (used in) operating activities	25	(19,988)	(189,294)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		3,272	
Payments for property, plant and equipment		(200,107)	(54,319)
Net cash provided by / (used in) investing activities		(196,835)	(54,319)
Net increase / (decrease) in cash and cash equivalents		(216,823)	(243,613)
Cash and cash equivalents at the beginning of the financial year		1,610,182	1,853,795
Cash and cash equivalents at the end of the financial year		1,393,359	1,610,182

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	189
	Income	
2	Trading income	193
3	Investment revenue	193
4	Other revenue	193
	Expenses	
5	Employee related expenses	193
6	Depreciation and amortisation	193
7	Repairs and maintenance	193
8	Other expenses	194
	Assets	
9	Cash and cash equivalents	194
10	Receivables	194
11	Inventories	195
12	Other financial assets	195
13	Other non-financial assets	195
14	Property, plant and equipment	195
15	Intangible assets	196
	Liabilities	
16	Trade and other payables	196
17	Provisions	196
	Equity	
18	Reserves and retained surplus	196
19	Economic Dependency	197
20	Key management personnel disclosures	197
21	Remuneration of auditors	197
22	Contingencies	198
23	Commitments	198
24	Related parties	199
25	Reconciliation of operating result after income tax to net cash flows from operating activities	199
26	Events subsequent to reporting period	200
27	Financial risk management	200
28	Fair value measurements	203

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 2015 were authorised for issue in accordance with a resolution on 9 March 2016.

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 2015*.

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss.

(b) Functional and presentation currency

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

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances 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.

Contributions from the University of New England and the Student Amenities Fee are recognised inline with the agreed funding period as negotiated with the University of New England.

(d) Income tax

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

(e) Leases

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

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) 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. Cost is calculated using the weighted average cost of the stock. 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.

(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 of New England policy of capitalising plant and equipment with an initial purchase price of \$5,000 or greater either individually or forming part of a network costing more than \$5,000. 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).

(ii) Software

Computer software is recognised as having a finite life and is amortised over 5 years. Annual subscription fees are expensed when incurred.

(l) Trade and other payables

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

(m) Provisions

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

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

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Management has obtained external actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

(iii) Long service leave

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB119 Employee Benefits. This is based on external actuarial advice obtained based on the application of certain factors to employees with five or more years of service, using the current rate of pay. Market yields on Government Bonds are used to discount such employee benefits.

(iv) Consequential On-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(o) Goods and Services Tax (GST)

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

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2015 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 2015 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 2015.

Notes to the financial statements

31 December 2015

(continued)

(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	2015 \$	2014 \$
Note 2. Trading income			
Sale of goods		4,383,040	3,823,054
Rendering of services		273,502	276,086
		<u>4,656,542</u>	<u>4,099,140</u>
Note 3. Investment revenue			
Interest		38,003	57,091
Total investment revenue		<u>38,003</u>	<u>57,091</u>
Note 4. Other revenue			
UNE Fees		284,000	223,855
UNE Student Services & Amenities Fees		305,541	26,738
Rent		139,763	104,149
Other revenue		1,892	86,092
		<u>731,196</u>	<u>440,834</u>
Note 5. Employee related expenses			
Salaries		1,871,670	1,778,453
Contribution to funded superannuation and pension schemes		184,743	170,460
Payroll tax		112,652	96,089
Worker's compensation		8,131	7,859
Annual & long service leave		4,620	(19,758)
Other (Allowances, penalties and fringe benefits tax)		12,984	13,940
Total employee related expenses		<u>2,194,800</u>	<u>2,047,043</u>
Note 6. Depreciation and amortisation			
Depreciation			
Plant and Equipment		41,732	35,234
Motor Vehicles		3,325	-
Total depreciation		<u>45,057</u>	<u>35,234</u>
Amortisation			
Leasehold improvements		74,086	73,836
Intangibles		9,451	-
Total amortisation		<u>83,537</u>	<u>73,836</u>
Total depreciation and amortisation		<u>128,594</u>	<u>109,070</u>
Note 7. Repairs and maintenance			
Plant/furniture/equipment		162,715	122,470
Total repairs and maintenance		<u>162,715</u>	<u>122,470</u>

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Note 8. Other expenses			
Cost of Goods Sold		2,156,725	1,777,272
Assets Written Off		-	436,069
Advertising		68,101	30,447
Cleaning and materials		26,741	60,002
Computer Expenses		20,648	19,021
Insurance		4,516	6,281
Printing and Stationery		19,136	19,001
Minor Equipment Purchases		110,354	156,201
Security		33,251	32,757
Utilities		148,857	155,076
Rent		84,762	111,142
Subscriptions and Membership		27,971	30,783
Other Engagements		-	10,236
Other Programs and activities		-	4,095
Student Experience Expense		83,957	84,456
Other Expenditure		216,263	176,655
Total other expenses		3,001,282	3,109,494

Note 9. Cash and cash equivalents	1(g)		
Cash on hand		12,810	15,510
Cash at bank at call		868,144	582,396
Term Investments		512,408	1,012,275
Total cash and cash equivalents		1,393,362	1,610,181

(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	1,393,362	1,610,181
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,393,362	1,610,181

(b) Cash on hand

These are non-interest bearing. 12,810 15,510

(c) Deposits at call

The deposits at call and at investment terms of less than 12 months are bearing floating and fixed interest rates between 2.35% and 2.9% (2014 - 2.5% and 3.5%). These deposits have an average maturity of 180 days.

Note 10. Receivables

Current

Trade and Other Debtors		77,267	145,543
Less: Provision for impaired receivables	1(h)	-	-
Total receivables		77,267	145,543

(a) Impaired receivables

As at 31 December 2015 current receivables of the entity with a nominal value of \$Nil (2014: \$Nil) were impaired. The amount of the provision was \$Nil (2014: \$Nil).

As of 31 December 2015, trade receivables of \$3082 (2014: \$11,873) 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:

3 to 6 months	1,160	11,873
Over 6 months	1,922	-
	3,082	11,873

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
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	1(i)		
Current			
Stock on hand		206,663	231,781
Total current inventories		<u>206,663</u>	<u>231,781</u>
Note 12. Other financial assets			
Non-current			
Available for sale		500	500
Total non-current other financial assets		<u>500</u>	<u>500</u>
Note 13. Other non-financial assets			
Current			
Prepaid Expenses		10,536	-
Total current other non-financial assets		<u>10,536</u>	<u>-</u>
Note 14. Property, plant and equipment			
Plant and equipment - At cost		352,590	312,857
Less: Accumulated depreciation		(222,619)	(180,886)
		<u>129,971</u>	<u>131,971</u>
Motor Vehicles – At cost		46,405	35,278
Less: Accumulated depreciation		(18,285)	(35,278)
		<u>28,120</u>	<u>-</u>
Leasehold improvements - At cost		672,527	663,583
Less: Accumulated Amortisation		(447,366)	(373,280)
		<u>225,161</u>	<u>290,303</u>
Total Property Plant & Equipment		<u>383,252</u>	<u>422,274</u>
Reconciliation			
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
Plant and Equipment			
Carrying amount at beginning of year		131,971	472,232
Additions		71,177	54,319
Disposals		-	(359,346)
Depreciation		(45,057)	(35,234)
Carrying amount at end of year		<u>158,091</u>	<u>131,971</u>

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Property, plant and equipment (continued)			
Leasehold improvements			
Carrying amount at beginning of year		290,303	359,320
Additions		8,944	-
Reclassifications		-	81,542
Disposals		-	(76,723)
Amortisation		(74,086)	(73,836)
Carrying amount at end of year		225,161	290,303
Note 15. Intangible assets			
	1(k)		
Australia Post Licence – At cost		25,000	25,000
Computer Software		120,684	-
Less Amortisation		(9,451)	-
		111,233	-
Total Intangible assets		136,233	25,000
Note 16. Trade and other payables			
Current			
Trade Payables		259,390	429,828
Other Payables		-	-
Total current trade and other payables		259,390	429,828
Note 17. Provisions			
	1(m)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		72,141	66,520
Long service leave		6,000	7,000
Subtotal		78,141	73,520
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Long service leave		18,000	25,000
Subtotal		18,000	25,000
Total Current Provision		96,141	98,520
Non-current provisions			
Employee benefits			
Long service leave		45,000	38,000
Total non-current provision		45,000	38,000
Total provisions		141,141	136,520
Note 18. Retained Earnings & Share Capital			
Retained earnings			
Movements in retained surplus were as follows:			
Retained earnings at 1 January		1,868,812	2,659,824
Operating surplus / (deficit) for the year		(61,650)	(791,012)
Retained earnings at 31 December		1,807,162	1,868,812
Share Capital			
Share Capital held - 120 at \$1 owned by the University of New England		120	120

Note 19. Economic Dependency

Under the present structure the company is dependent upon the continued support of the University of New England.

Note 20. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers for all or part of the year to the reporting dates:

Directors

Mr David Schmude
Ms Anita Taylor

The following persons resigned from the board during the year:

Mr Bruce Pain (21st September 2015)

The following persons were appointed to the role of company secretary of the board during the year:

Mr Brendan Peet (18th May 2015)

Executive Officers

Mr David Schmude - Managing Director
Mr Ashley Clee - Deputy Director
Mr David Schmude's role also incorporates the role of Managing Director of Sport UNE Pty Ltd. His and Mr Clee's remuneration is met by Sport Une Pty Ltd.

(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

	2015	2014
	No.	No.
Nil to \$9,999	3	3
	\$'000	\$'000
Aggregate Remuneration of Board Members		
Total Aggregate Remuneration	-	-
	No.	No.
Remuneration of executive officers		
\$140,000 to \$149,999	-	-
\$150,000 to \$159,999	-	-
\$160,000 to \$169,999	-	-
\$170,000 to \$179,999	-	-
\$180,000 to \$189,999	-	1
	-	1
	\$	\$
Key Management Personnel Compensation	-	184,692

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:

	25,000	24,900
Total remuneration for audit services	25,000	24,900

Note 22. Contingencies

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

Note 23. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2015 of \$0 (2014: \$0).

(b) Lease Commitments

(i) Operating Leases

Within one year	114,360	112,438
Between one and five years	343,098	449,712
GST Recoverable	(41,587)	(51,105)
Later than five years	-	-
Total operating leases	415,871	511,046

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 2015, (2014: Nil).

Total commitments	415,871	511,046
-------------------	---------	---------

No lease arrangements, existing as at 31 December 2015, 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:

	2015 \$	2014 \$
<i>Transactions during the period</i>		
University of New England		
UNE - Commercial transactions	270,924	150,799
UNE Support	589,541	250,593
Payments made	(330,377)	(264,290)
Net	530,088	137,102
With other related parties		
Income received	90,534	19,892
Payments made	-	10,000
Net	90,534	29,892

Outstanding balances

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

University of New England

Receivables	50,391	82,978
Payables	(5,800)	(164,050)

Sport UNE Pty Ltd

Receivables	72	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	(61,650)	(791,012)
Depreciation and amortisation	128,594	109,070
Assets written off	-	436,069
Provision for impaired receivables and inventory	-	-
Net (gain) / loss on sale of non-current assets	(3,272)	-
Increase/(Decrease) in Payables and Prepaid Income	(171,138)	65,939
Increase/(Decrease) in Provision for Employee Entitlements	4,621	(21,199)
(Increase)/Decrease in Receivables and Prepaid Expenses	57,739	23,315
(Increase)/Decrease in Inventories	25,118	(11,476)
Net cash provided by / (used in) operating activities	(19,988)	(189,294)

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 2.9%. Average maturity of 180 days.
Financial Liabilities			
Borrowings		No borrowings were taken up in 2015.	
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 within 30 day terms

(ii) Foreign exchange risk

The entity recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(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 2015
(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 2015	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.35%	868,144				12,810	880,954
Investments-Term Deposits	2.90%		512,408				512,408
Receivables & other non-financial assets						77,267	77,267
Unlisted shares						500	500
Total Financial Assets		868,144	512,408			90,577	1,471,129
Financial Liabilities							
Borrowings			-	-			-
Payables						259,390	259,390
Other Amounts Owing						-	-
Total Financial Liabilities			-	-		259,390	259,390
Net Financial Assets(Liabilities)		868,144	512,408	-	-	(168,813)	1,211,739

Comparative figures for the previous year are as follows:

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 and cash equivalents	2.50%	582,396				15,510	597,906
Investments - Term Deposits	3.50%		1,012,275				1,012,275
Receivables						145,543	145,543
Unlisted shares						500	500
Total Financial Assets		582,396	1,012,275			161,553	1,756,224
Financial Liabilities							
Borrowings	-		-	-			-
Payables	-					429,828	429,828
Other Amounts Owing	-					-	-
Total Financial Liabilities			-	-		429,828	429,828
Net Financial Assets(Liabilities)		582,396	1,012,275	-	-	(268,275)	1,326,396

Notes to the financial statements
31 December 2015
(continued)

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2015	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	868,144	(8,681)	(8,681)	8,681	8,681
Investments-Term Deposits	512,408	(5,124)	(5,124)	5,124	5,124
Receivables	77,267				
Unlisted shares	500				
Total Financial Assets	1,458,319				
Financial Liabilities					
Borrowings	-				
Payables	429,828				
Other Amounts Owing	-				
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,028,491	-	-	-	-

Comparative figures for the previous year are as follows:

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	-	-		-	-
Creditors	429,828				
Other Amounts Owing	-				
Total Financial Liabilities	429,828				
Total increase / (decrease)	1,326,397	-	-	-	-

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:

	Note	Carrying Amount		Fair Value	
		2015	2014	2015	2014
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9	1,393,362	1,610,182	1,393,362	1,610,182
Receivables	10	77,267	145,543	77,267	145,543
Other financial assets	12	500	500	500	500
Total financial assets		1,471,129	1,756,225	1,471,129	1,756,225
Financial liabilities					
Payables	16	259,390	429,828	259,390	429,828
Total financial liabilities		259,390	429,828	259,390	429,828

End of Audited Financial Statements

**UNE Partnerships
Pty Ltd**



**ABN: 74 003 099 125
Annual Financial Report
for the year ended
31 December 2015**



INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of UNE Partnerships Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2015, 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 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

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 management, 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 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.

S Bond .

Sally Bond
Director, Financial Audit Services

16 March 2016
SYDNEY

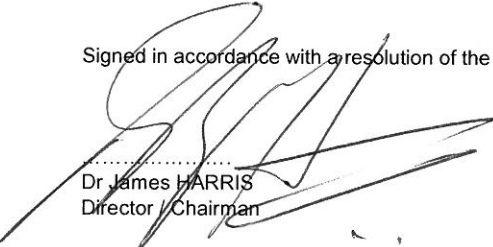
UNE Partnerships Pty Limited

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 2015 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Dr James HARRIS
Director / Chairman



Mr Shaun McDONAGH
Director / CEO

14th March 2016

Statement of Profit or Loss

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations			
Sales revenue	2	5,934,933	5,219,576
Investment revenue	3	29,890	73,185
Total revenue from continuing operations		<u>5,964,823</u>	<u>5,292,761</u>
Expenses from continuing operations			
Employee related expenses	4	2,499,790	2,879,058
Depreciation and amortisation	5	208,779	248,207
Impairment of assets	6	463	223,462
Marketing and promotion		101,154	128,042
Travel and accommodation		82,204	237,385
Course delivery expenses		2,073,178	1,606,408
Other expenses	7	2,464,502	778,194
Total expenses from continuing operations		<u>7,430,070</u>	<u>6,100,756</u>
Surplus or (deficit) attributable to UNE Partnerships Pty Limited	17(b)	<u>(1,465,247)</u>	<u>(807,995)</u>

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 2015

	Notes	2015 \$	2014 \$
Surplus or (deficit) for the period		(1,465,247)	(807,995)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(1,465,247)</u>	<u>(807,995)</u>

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

Statement of Financial Position As at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	191,106	1,573,480
Receivables	9	827,912	513,572
Inventories	10	3,355	14,746
Other non-financial assets	11	16,153	82,933
Total current assets		<u>1,038,526</u>	<u>2,184,731</u>
Non-current assets			
Plant and equipment	12	36,600	65,945
Intangible assets	13	899,010	678,384
Total non-current assets		<u>935,610</u>	<u>744,329</u>
Total assets		<u>1,974,136</u>	<u>2,929,060</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	200,074	150,681
Provisions	15	364,887	330,366
Other liabilities	16	1,248,197	809,592
Total current liabilities		<u>1,813,158</u>	<u>1,290,639</u>
Non-current liabilities			
Provisions	15	56,805	69,000
Total non-current liabilities		<u>56,805</u>	<u>69,000</u>
Total liabilities		<u>1,869,963</u>	<u>1,359,639</u>
Net assets		<u>104,173</u>	<u>1,569,421</u>
EQUITY			
Issued capital	17(a)	1,198,937	1,198,937
Retained earnings	17(b)	(1,094,764)	370,484
Total equity attributable to equity holders of the company		<u>104,173</u>	<u>1,569,421</u>
Total equity		<u>104,173</u>	<u>1,569,421</u>

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 2015

	Issued Capital	Retained Earnings	Total
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
Balance at 1 January 2015	\$1,198,937	\$370,484	\$1,569,420
Surplus or (deficit) attributable to UNE Partnerships Pty Ltd	-	(\$1,465,247)	(\$1,465,247)
Total comprehensive income	-	(\$1,465,247)	(\$1,465,247)
Balance at 31 December 2015	\$1,198,937	(\$1,094,763)	\$104,173

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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from student fees and other customers		4,781,251	5,482,083
Interest received		51,610	63,327
Payments to suppliers and employees		(5,785,957)	(5,741,271)
GST recovered/paid		(20,939)	42,438
Net cash provided by / (used in) operating activities	23	(974,035)	(153,423)
Cash flows from investing activities			
Payments for property, plant and equipment		782	(18,564)
Net cash outflow for intangibles purchased/created		(409,121)	(91,433)
Net cash provided by / (used in) investing activities		(408,339)	(109,997)
Net increase / (decrease) in cash and cash equivalents		(1,382,374)	(263,420)
Cash and cash equivalents at the beginning of the financial year		1,573,480	1,836,900
Cash and cash equivalents at the end of the financial year	8	191,106	1,573,480

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

Contents of the notes to the financial statements

	Page
1 Summary of significant accounting policies	214
Income	
2 Sales revenue	218
3 Investment revenue	218
Expenses	
4 Employee related expenses	218
5 Depreciation and amortisation	218
6 Impairment of assets	218
7 Other expenses	218
Assets	
8 Cash and cash equivalents	219
9 Receivables	219
10 Inventories	220
11 Other non-financial assets	220
12 Plant and equipment	220
13 Intangible assets	221
Liabilities	
14 Trade and other payables	221
15 Provisions	222
16 Other Liabilities	222
Equity	
17 Reserves and retained earnings	222
18 Key management personnel disclosures	223
19 Remuneration of auditors	224
20 Contingencies	224
21 Commitments	224
22 Related parties	225
23 Reconciliation of operating result after income tax to net cash flows from operating activities	226
24 Events subsequent to reporting period	226
25 Financial risk management	226

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 2015 was authorised for issue in accordance with a resolution of the Board on 14th March 2016.

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

(a) Basis of preparation

The Financial Statements are general purpose financial statements, prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Act Regulations 2015.

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Education services: fee paying students

The Entity made a voluntary change to its accounting policy for recognising revenue in relation to course fee from fee paying students. Refer to Note 1 (r) for disclosure regarding the change.

Course income or fees are recognised in the financial statements using the 'Percentage of Completion' method described in AASB 118 - Revenue. On enrolment all educational delivery components of sales are posted to deferred liability and recognised over the contract term as measured by individually measured delivery. Over the enrolment period individually measured service delivery by reference to submitted assessments as the indicator of 'Percent Completion' is maintained. A corresponding proportion of enrolment fees is transferred from the liability 'Income received in advance' to income on recognition.

(ii) Education services: government funded students

Revenue is recognised when students attain certain milestones or when certain eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.

(iii) Workshops, Consultancy, Product Sales and Annual enrolment and administration fees

Revenue is recognised as income in the year when the relevant fee becomes payable.

(iv) Interest income

Interest income is recognised as it accrues.

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 have been published that are not mandatory for 31 December 2015 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 2015.

(r) Voluntary Change in Accounting Policy

The Entity adopted a new accounting policy relating to revenue recognition on 30 July 2015 that defers course fees from fee paying student as a deferred liability upon enrolment; revenue is recognised only on a percentage of completion method upon achievement of specific educational delivery. Refer Note 1 (c) (i) for full details of the new revenue recognition policy.

The previous accounting policy deferred all course fees for both funded and fee paying students upon enrolment. Revenue was recognised equally over a period of 12 months from the enrolment date.

Management judges that the change in policy will result in the financial report providing more relevant and no less reliable information because it more accurately matches revenue to actual educational delivery.

The new accounting policy has been applied prospectively from the start of 2015 because it was not practicable to estimate the effects of applying the policy either retrospectively, or prospectively from any earlier date.

The effect of the change in accounting policy on the current year is to increase the carrying amount of the liability for Income Received in Advance on 1 January 2015 by \$916,158 and increase Other Expenses by \$916,158.

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Note 2. Sales revenue			
Education services (fee paying and government funded)		2,957,113	3,635,662
Workshops		1,353,809	816,646
Consultancy		1,382,813	755,665
Product sales		240,089	11,603
Profit on sale of assets		1,110	-
Total sales revenue		5,934,933	5,219,576
Note 3. Investment revenue			
Interest		29,890	73,185
Total investment revenue		29,890	73,185
Note 4. Employee related expenses			
Salaries		1,972,573	2,187,000
Contribution to funded superannuation and pension schemes		229,333	216,106
Payroll tax		145,916	142,332
Worker's compensation		6,837	5,220
Long service leave expense		5,551	78,490
Annual leave		134,916	246,457
Other (Allowances, penalties and fringe benefits tax)		4,664	3,453
Total employee related expenses		2,499,790	2,879,058
Note 5. Depreciation and amortisation			
Depreciation			
Furniture and Fittings		5,594	19,207
Computer Equipment		26,462	25,235
Total depreciation		32,056	44,442
Amortisation			
Intellectual property and courseware		86,118	110,377
Software developments		4,486	-
Contracts acquired in acquisition		86,119	93,388
Total amortisation		176,723	203,765
Total depreciation and amortisation		208,779	248,207
Note 6. Impairment of assets			
Bad Debts		2,240	1,155
Movement in provision for doubtful debts		(1,777)	-
Impairment of assets		-	222,307
Total impairment of assets		463	223,462
Note 7. Other expenses			
Change to policy on income recognition		916,158	-
Non-capitalised equipment		42,148	16,046
Utilities		164,709	118,526
Inventory Used		25,524	17,128
Postal and Telecommunications		50,936	46,882
Books, Serials and Other Library Media		121,208	58,721
Consultants and authors' fees		938,450	436,770
Catering Services		54,670	67,083
Interest Expense		-	-
Repairs & maintenance - plant/furniture/equipment		4,022	2,678
Other Expenditure		146,677	14,360
Total other expenses		2,464,502	778,194

Notes to the financial statements
31 December 2015

		(continued)	
		2015	2014
		\$	\$
Note 8.	Cash and cash equivalents		
	1(g)		
	Cash on hand	2,908	900
	Cash at bank	188,198	97,580
	At call investments	-	1,475,000
	Total cash and cash equivalents	191,106	1,573,480

(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	191,106	1,573,480
Less: Bank Overdrafts	-	-
Balance per cash flow statement	191,106	1,573,480

(b) Cash at bank and on hand

Cash at bank (credit funds) is interest-generating; cash on hand is non interest-bearing.

(c) Deposits at call

The deposits are bearing floating interest rates between 1.95% and 2.1% (2014 - 3.5% and 4.0%). These deposits have an average maturity of 90 days.

**Note 9. Receivables
Current**

Trade and Other Debtors	830,039	517,477
Less: Provision for impaired receivables	1(h) (2,127)	(3,904)
Total receivables	827,912	513,573

(a) Impaired receivables

As at 31 December 2015 current receivables of the entity with a nominal value of \$8,959 (2014: \$5,364) were impaired. The amount of the provision was \$2,127 (2014: \$3,904). The individually impaired receivables mainly relate to individual students, who are in unexpectedly difficult economic situations. It was assessed that 80% of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

3 to 6 months	-	3,650
Over 6 months	8,959	1,714
	8,959	5,364

As of 31 December 2015, trade receivables of \$366,304 (2014: \$25,299) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

0 to 3 months	166,956	211
Over 3 months	199,348	25,088
	366,304	25,299

Movements in the provision for impaired receivables are as follows:

As at 1 January	3,904	4,340
Provision for impairment recognised during the year	463	719
Receivables written off during the year as uncollectible	(2,240)	(1,155)
As at 31 December	2,127	3,904

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 to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Note 10. Inventories	1(i)		
Current			
Stock of course materials		3,355	14,746
Total current inventories		<u>3,355</u>	<u>14,746</u>
Note 11. Other non-financial assets			
Current			
Accrued Income		-	32,848
Prepaid Expenses		16,153	50,085
Total current other non-financial assets		<u>16,153</u>	<u>82,933</u>
Note 12. Plant and equipment:			
Plant and equipment:			
At cost		45,209	45,209
Accumulated depreciation		<u>(41,110)</u>	<u>(40,039)</u>
		<u>4,099</u>	<u>5,170</u>
Computer cost			
At cost		232,241	229,531
Accumulated depreciation		<u>(204,799)</u>	<u>(178,337)</u>
		<u>27,442</u>	<u>51,194</u>
Leasehold Improvements			
At cost		122,701	122,701
Accumulated depreciation		<u>(117,642)</u>	<u>(113,120)</u>
		<u>5,059</u>	<u>9,581</u>
Total Plant and Equipment		<u>36,600</u>	<u>65,945</u>

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 2014	6,386	61,103	22,692	90,181
Additions	-	20,206	-	20,206
Depreciation expense	<u>(1,216)</u>	<u>(30,115)</u>	<u>(13,111)</u>	<u>(44,442)</u>
Balance at 31 December 2014	<u>5,170</u>	<u>51,194</u>	<u>9,581</u>	<u>65,945</u>
Balance 1 January 2015	5,170	51,194	9,581	65,945
Additions	-	2,710	-	2,710
Depreciation expense	<u>(1,072)</u>	<u>(26,462)</u>	<u>(4,522)</u>	<u>(32,056)</u>
Derecognition	-	-	-	-
Depreciation written back on disposal	-	-	-	-
Carrying amount at 31 December 2015	<u>4,098</u>	<u>27,442</u>	<u>5,059</u>	<u>36,599</u>

Notes to the financial statements
31 December 2015
(continued)
2014
2015
\$

Note 13. Intangible assets

(a) Course Development Expenses

Cost - In Use	418,506	479,097
Accumulated amortisation	(348,808)	(277,735)
Course Materials - Work In progress	389,450	-
Net carrying value	459,148	201,362

Reconciliation of course development expenses

Balance at the beginning of year	201,362	221,950
Additions	7,900	92,476
Eliminations	(53,445)	(2,687)
Amortisation charge	(86,119)	(110,377)
Course Materials - Work In progress	389,450	-
Closing carrying value at 31 December	459,148	201,362

(b) Acquisition Expenses

Goodwill at cost (incl contingent portion)	584,505	584,504
Accumulated impairment losses	(222,307)	(222,307)
Value of contracts and client relationships, at cost	684,575	684,575
Accumulated amortisation	(655,869)	(569,750)
Net carrying value	390,904	477,022

Reconciliation of acquisition outlays

Balance as at the beginning of year	477,022	792,717
Impairment charge	-	(222,307)
Amortisation charge	(86,119)	(93,388)
Closing carrying value at 31 December	390,903	477,022

(c) Software Expenses

Cost	68,490	-
Accumulated amortisation	(19,531)	-
Net carrying value	48,959	-

Total net carrying value

899,010	678,384
---------	---------

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

Current

Trade Payables	200,074	150,681
Total current trade and other payables	200,074	150,681

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 25.

Notes to the financial statements
31 December 2015
(continued)

	Notes	2015 \$	2014 \$
Note 15. Provisions	1(n)		
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		197,184	129,392
Long service leave		167,703	156,000
Receivables			
Movement in provision		-	435
Subtotal		<u>364,887</u>	<u>285,827</u>
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		-	44,539
Subtotal		<u>-</u>	<u>44,539</u>
Total Current Provision		<u>364,887</u>	<u>330,366</u>
Non-current provisions			
Employee benefits			
Long service leave		56,805	69,000
Total non-current provision		<u>56,805</u>	<u>69,000</u>
Total provisions		<u>421,692</u>	<u>399,366</u>
Note 16. Other Liabilities			
(a) Current			
Accrued Liabilities			
Salary Related		2,711	66,797
Other Accrued Expenditure		-	77,349
Income received in advance		1,245,486	665,446
Total current other liabilities		<u>1,248,197</u>	<u>809,592</u>
Note 17. Reserves and retained earnings			
(a) Issued Capital			
1,198,937 ordinary shares @ \$1.00 each fully paid		<u>1,198,937</u>	<u>1,198,937</u>
(b) Retained earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		370,484	1,178,479
Net Operating Result for the year		<u>(1,465,247)</u>	<u>(807,995)</u>
Retained earnings at 31 December		<u>(1,094,764)</u>	<u>370,484</u>

Note 18.
(a) Key management personnel disclosures
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 SG McDonagh
Mr O Barry
Mr K Sutton - from 2 Feb 2015
Ms M Michell

(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 2015 payments to non-executive directors have been included as paid/accrued.

	2015	2014
	No.	No.
Nil to \$9,999	6	6
	6	6

Aggregate Remuneration of Board Members

Total Aggregate Remuneration

\$	\$
27,295	27,000

Remuneration of executive officers

Nil to \$150,000
\$200,000 to \$224,999

No.	No.
-	2
1	.
1	2

Aggregate Remuneration of executive officers

Total Aggregate Remuneration

\$	\$
221,147	209,047

Notes to the financial statements
31 December 2014
(continued)

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:

	2015 \$	2014 \$
Audit and review of the financial statements		
Fees paid to The Audit Office of NSW:	23,500	23,100
Total remuneration for audit services	<u>23,500</u>	<u>23,100</u>

Note 20. Contingencies

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

At balance date contingent assets and liabilities relating to funded

Contingent debtor - funded enrolment - contingent stage payments

Contingent liability - funded enrolment - delivery costs not yet incurred

Net contingent balance

215,172	-
(34,162)	-
<u>181,009</u>	<u>-</u>

Note 21. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2015 (2014: Nil).

(b) Lease Commitments

Operating Leases

Within one year

Between one and five years

Later than five years

Total operating leases

Total lease commitments

125,049	91,204
50,830	48,559
-	-
<u>175,879</u>	<u>139,763</u>
<u>175,879</u>	<u>139,763</u>

No lease arrangements, existing as at 31 December 2015, 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 2015 will be recommended by the Remuneration and Nominations Committee of the Board and will be recognised as an expense in 2016 when the amount has been determined.

Notes to the financial statements
31 December 2015
(continued)

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:

<i>Transactions during the period</i>	2015	2014
	\$	\$
University of New England		
Sales to University of New England	3,297	151,749
Purchases from the University of New England	566,716	210,512
Net	<u>(563,419)</u>	<u>(58,763)</u>

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)
Owed by 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.

(g) Loan Facilities

The University of New England signed an unsecured loan agreement with UNE Partnerships on 24th December 2015. This provides a \$600,000 drawn down facility at commercial rates of interest.

Notes to the financial statements
31 December 2015
(continued)

Note 23. Reconciliation of operating result after income tax to net cash flows from operating activities

	2015	2014
	\$	\$
Operating result for the period	(1,465,247)	(807,995)
Depreciation and amortisation	208,779	248,207
Impairment of assets	-	222,307
Provision for impaired receivables	463	-
Loss on revaluation	-	-
Net (gain) / loss on sale of non-current assets	-	-
Increase/(Decrease) in Payables and Prepaid Income	506,968	204,068
Increase/(Decrease) in Provision for Employee Entitlements	79,060	(81,520)
(Increase)/Decrease in Interest Receivable	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(314,339)	39,540
(Increase)/Decrease in Inventories	11,391	21,970
Net cash provided by / (used in) operating activities	(972,925)	(153,423)

Note 24. Events subsequent to reporting period

At balance date a loan agreement had been signed between University of New England UNE Partnerships providing for a \$600,000 credit facility to UNE Partnerships. At balance date no draw down had occurred however on 5th February 2016 a draw down of \$275,000 occurred.

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 1.95% and 2.1%. 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 2015	Average Interest Rate	variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	2.00	188,198				2,908	191,106
Investments-Term Deposits	1.95		-				0
Receivables	-					827,912	827,912
Total Financial Assets		188,198	-			830,820	1,019,018
Financial Liabilities							
Payables						200,074	200,074
Other Amounts Owing						2,711	2,711
Total Financial Liabilities			-	-		202,785	202,785
Net Financial Assets(Liabilities)		188,198	-	-		628,035	816,233

Comparative figures for the previous year are as follows:

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 and 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

Notes to the financial statements
31 December 2015
(continued)

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 2015	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	191,106																		
Investments - Term Deposits	-	(1,911)	(1,911)		1,911	1,911		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Receivables	827,912	-	-		-	-		-	-		-	-		-	-		-	-	
Total Financial Assets	1,019,018	(1,911)	(1,911)		1,911	1,911		-	-		-	-		-	-		-	-	
Financial Liabilities																			
Payables	200,074	-	-		-	-		-	-		-	-		-	-		-	-	
Other Amounts Owing	2,711	-	-		-	-		-	-		-	-		-	-		-	-	
Total Financial Liabilities	202,785	-	-		-	-		-	-		-	-		-	-		-	-	
Total increase/(decrease)	816,233	(1,911)	(1,911)		1,911	1,911		-	-		-	-		-	-		-	-	

Comparative figures for the previous year are as follows:

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																		
Investments - Term Deposits	1,475,000	(985)	(985)		985	985		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A	
Receivables	513,573	(14,750)	(14,750)		14,750	14,750		-	-		-	-		-	-		-	-	
Total Financial Assets	2,087,053	(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)	1,792,226	(15,735)	(15,735)		15,735	15,735		-	-		-	-		-	-		-	-	

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**

The University of New England
Madgwick Drive
Armidale NSW 2351

CRICOS Provider No. 00003G
ISSN: 0375-4588