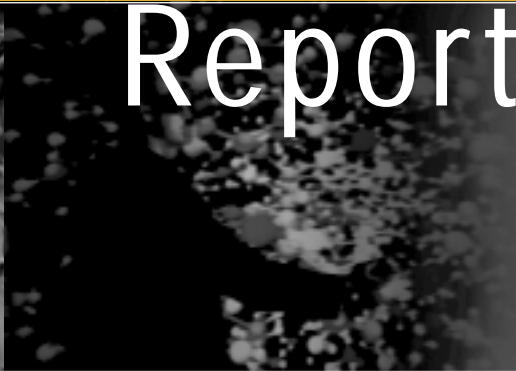


Financial

Report



>> 2000



Statement by the Chancellor and the Vice-Chancellor

In our opinion:

(a) the Financial Statements of the University of Adelaide present fairly the financial transactions of the University during the financial year ended 31 December 2000, and the financial position of its operations as at that date; and

(b) in terms of Chapters 2 and 4 of the Higher Education Funding Act 1988 (HEFA) and subsequent amendments, the Operating Statement correctly displays the Commonwealth Government Grants received by the University of Adelaide, and the application of these grants to expenditure for University purposes.

The Financial Statements have been prepared on an accrual basis of accounting to comply with appropriate Australian Accounting Standards, and the reporting requirements under HEFA which are detailed in the Commonwealth Department of Education, Training and Youth Affairs (DETYA)'s instructions. An explanation of accounting policies adopted is detailed in notes to the statements.

We are not aware, at the date of signing this Statement, of any circumstances which would render any particulars included in the Statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Council of the University of Adelaide.

Handwritten signature of Robert Champion de Crespigny in black ink.

ROBERT CHAMPION DE CRESPIGNY
Chancellor

Handwritten signature of Mary O'Kane in black ink.

MARY O'KANE
Vice-Chancellor

23 April 2001

Statement of Financial Performance for the Year Ended 31 December 2000

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
OPERATING REVENUE	5,6				
Received under Higher Education Funding Act					
Base Operating Grant		99,016	98,558	99,016	98,558
Other Operating Grants		2,357	2,708	2,357	2,708
Higher Education Contribution Scheme		36,990	36,803	36,990	36,803
		<u>138,363</u>	<u>138,069</u>	<u>138,363</u>	<u>138,069</u>
Learning and Teaching					
Student fees	5	28,100	31,224	28,100	31,224
Grants		5,173	4,313	5,173	4,313
		<u>33,273</u>	<u>35,537</u>	<u>33,273</u>	<u>35,537</u>
Research Grants and Fees					
National competitive grants		37,550	32,729	37,550	32,621
Public sector - other		10,324	9,402	9,806	9,197
Industry and other		12,108	7,370	12,428	7,545
		<u>59,982</u>	<u>49,501</u>	<u>59,784</u>	<u>49,363</u>
Research Other					
Cooperative Research Centre direct funding		2,949	8,097	2,949	8,097
Research infrastructure program		7,391	6,111	7,391	6,111
		<u>10,340</u>	<u>14,208</u>	<u>10,340</u>	<u>14,208</u>
Other					
Investment revenue		4,459	9,658	4,257	9,471
Property revenue		6,195	4,574	5,916	4,570
Specialist services and trading		34,565	45,511	10,637	9,242
Deferred superannuation	21(e)	(2,600)	2,600	(2,600)	2,600
Other		22,028	8,909	13,931	10,840
		<u>64,647</u>	<u>71,252</u>	<u>32,141</u>	<u>36,723</u>
Total operating revenue		<u>306,605</u>	<u>308,567</u>	<u>273,901</u>	<u>273,900</u>
OPERATING EXPENSES	6				
Salaries and related expenses	3(m)	168,473	174,110	162,276	164,591
Student services		15,956	17,506	15,956	17,506
Teaching and research materials		23,680	19,770	22,358	18,141
Buildings and grounds		14,428	15,081	14,060	14,470
Administration, communication and travel		51,147	50,109	28,602	28,061
Finance and fund administration		3,583	2,750	3,511	2,725
Misc equip, dep'n and wdv assets sold		27,984	21,405	26,817	20,645
Deferred and HEFA superannuation	21(e)	(1,401)	4,363	(1,401)	4,363
Total operating expenses		<u>303,850</u>	<u>305,094</u>	<u>272,179</u>	<u>270,502</u>
Operating surplus		<u>2,755</u>	<u>3,473</u>	<u>1,722</u>	<u>3,398</u>
Add accumulated funds at beginning of year		73,741	72,348	63,745	62,618
Transfers					
(To)/from reserves	16	(4,647)	(2,067)	(4,647)	(2,271)
Outside equity interest	26	(1,664)	(13)	-	-
Accumulated funds at end of year		<u>70,185</u>	<u>73,741</u>	<u>60,820</u>	<u>63,745</u>

The accompanying notes form part of these accounts.

Statement of Financial Position as at 31 December 2000

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
CURRENT ASSETS					
Cash		14,405	8,252	9,483	3,641
Receivables	7	12,324	10,236	9,059	7,652
Investments	8	35,362	56,804	38,985	56,713
Inventories	9	3,112	1,603	1,679	-
Other	10	6,088	48,069	3,353	3,114
Total current assets		71,291	124,964	62,559	71,120
NON-CURRENT ASSETS					
Investments	8	82,036	76,153	75,878	70,387
Property, plant and equipment	11	483,213	462,315	461,154	443,918
Deferred government superannuation contribution	21(e)	31,900	34,500	31,900	34,500
Other	10	-	102	-	-
Total non-current assets		597,149	573,070	568,932	548,805
Total assets		668,440	698,034	631,491	619,925
CURRENT LIABILITIES					
Creditors	12	21,178	54,907	15,498	7,362
Borrowings	13	4,732	3,442	7,011	2,990
Provisions	14	12,219	9,134	11,084	8,403
Deferred employee superannuation benefits	21(e)	2,100	2,800	2,100	2,800
Other	15	17,601	18,244	17,199	18,135
Total current liabilities		57,830	88,527	52,892	39,690
NON-CURRENT LIABILITIES					
Borrowings	13	17,288	17,374	17,281	17,357
Provisions	14	21,034	22,486	21,012	22,394
Deferred employee superannuation benefits	21(e)	29,800	31,700	29,800	31,700
Total non-current liabilities		68,122	71,560	68,093	71,451
Total liabilities		125,952	160,087	120,985	111,141
Net assets		542,488	537,947	510,506	508,784
EQUITY					
Capital reserves	16	371,329	368,212	350,850	350,850
Specific purpose reserves	16	98,836	94,189	98,836	94,189
Accumulated results - outside equity interest		2,138	1,805	-	-
Accumulated results - of operations		70,185	73,741	60,820	63,745
Total equity		542,488	537,947	510,506	508,784

The accompanying notes form part of these accounts.

Statement of Cash Flows for the Year Ended 31 December 2000

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
CASHFLOWS FROM OPERATING ACTIVITIES					
Inflows:					
Grant Revenue					
Commonwealth Government general grants		103,900	101,849	103,900	101,849
Commonwealth Government research grants		51,669	43,729	51,361	43,729
State Government grants		6,776	6,671	6,639	6,466
Higher Education Contribution Scheme	33				
Student payments		6,201	5,095	6,201	5,095
Higher Education Trust Fund		30,789	31,634	30,789	31,634
Other research grants and fees		11,551	15,291	11,871	15,291
Student fees		29,488	30,931	29,488	30,931
Scholarships and prizes	5	1,237	679	1,237	654
Donations and bequests	5	2,055	1,603	2,755	3,256
Investment income received		6,483	4,962	6,166	4,775
Specialist services and produce trading		40,957	45,551	10,637	9,242
Fees and charges		10,016	4,087	8,096	3,608
Other		2,238	10,080	2,066	11,297
Total Inflows		303,360	302,162	271,206	267,827
Outflows:					
Salaries and related expenses		(176,111)	(171,743)	(165,097)	(162,273)
Student services		(15,958)	(17,506)	(15,958)	(17,506)
Goods and services		(90,626)	(91,297)	(66,791)	(67,725)
Interest paid		(1,817)	(1,839)	(1,775)	(1,839)
Total Outflows		(284,512)	(282,385)	(249,621)	(249,343)
Net cash provided by operating activities	17(b)	18,848	19,777	21,585	18,484
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		2,045	2,252	1,495	2,088
Proceeds from sale of business		-	30	-	-
Repayment of loan		138	166	138	166
Additional borrowings		-	1,068	-	683
Total Inflows		2,183	3,516	1,633	2,937
Outflows:					
Payments for property, plant and equipment		(35,676)	(37,043)	(34,800)	(36,011)
Payments for investments industry Composite Fund		(1,062)	(2,682)	(394)	(2,249)
Decrease in borrowings		(123)	(306)	(73)	(6)
Additional lending		347	-	(2,862)	(500)
Distribution to minority		(64)	(75)	-	-
Total Outflows		(37,272)	(40,106)	(38,129)	(38,766)
Net cash used in investing activities		(35,089)	(36,590)	(36,496)	(35,829)
Net increase/(decrease) in cash held		(16,241)	(16,813)	(14,911)	(17,345)
Cash at beginning of reporting period		64,643	81,456	58,941	76,286
Cash at end of reporting period	17(a)	48,402	64,643	44,030	58,941

There were no cash flows from financing activities during the accounting period.

The accompanying notes form part of these accounts.

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Notes to and Forming Part of Financial Statements Year Ended 31 December 2000

1 Basis of Preparation

These notes, prepared in conjunction with the financial statements, provide an explanation of significant accounting policies and practices adopted in the preparation of the financial statements. The financial statements and notes collectively constitute a general purpose financial report prepared in accordance with Australian Accounting Standards, unless otherwise disclosed in these notes. The report also conforms with the reporting requirements of the Commonwealth Department of Education, Training and Youth Affairs (DETYA).

The term "Statement of Financial Performance" is a reporting requirement of DETYA, and not the early adoption of AAS1 – Statement of Financial Performance.

2 Scope of Reporting

The financial statements and notes disclose the operating results and 1999 comparative results of the University of Adelaide as follows:

University - refers to all aspects of operation of the University of Adelaide only.

Consolidated - refers to the operating results of the University of Adelaide together with operating results of its controlled entities, interests in associated entities and its joint venture operations. In the following notes this will be referred to as the Economic Entity.

The operational aspects of the University of Adelaide also include the following activities:

- Australian Music Examinations Board
- Mawson Appeal
- The University of Adelaide Medical Foundation
- South Australian Foundation for Dental Education and Research Inc
- The Postgraduate Committee of Dentistry
- The University of Adelaide Foundation

The controlled entities of the University of Adelaide included in this report are:

- Lubims Pty Ltd
- Luminis Pty Ltd as trustee for Luminis Investment Trust
 - Australian Company Number 060 292 486 Pty Ltd formerly Camtech (SA) Pty Ltd as trustee for Camtech Discretionary Trust
 - Camtech R&D Pty Ltd (Sold 10/1/01)
 - Camtech ASIA Sdn Bhd (Sold 10/1/01)
 - Australian Company Number 49 089 171 719 Ltd formerly Camtech Corporation Ltd
 - Repromed Pty Ltd
 - Disc Pty Ltd
- Martindale Holdings Pty Ltd as trustee for JS Davies Estate
 - JAT Mortlock Trust

Refer to Note 26 Investment in Controlled Entities.

3 Statement of Significant Accounting Policies

(a) Basis of Accounting

The financial report has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

3 Statement of Significant Accounting Policies (cont'd)

(b) Principles of Consolidation

The consolidated financial statements of the Economic Entity include the financial statements of the University being the parent entity, and its controlled entities ('the consolidated entity').

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

Outside interests in the equity and results of the entities that are controlled by the University are shown as a separate item in the consolidated financial statements.

(c) Foreign Currency

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

The Statements of Financial Position of overseas controlled entities that are self-sustaining foreign operations are translated at the rates of exchange ruling at balance date. The profit and loss statements are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

(d) Revenue Recognition

All revenues are recognised in the accounting period to which they apply. Revenue received in advance of the reporting period is recognised as a liability in the Statement of Financial Position.

- **Student Tuition Fees and Charges:**

Student tuition fees and charges are recognised in the accounting period in which service is provided.

- **Interest and Investment Income:**

Interest and income from investment is recognised as it accrues (Refer to Note 3(g)).

- **Asset Sales:**

The gross proceeds of asset sales are included as revenue of the consolidated entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

(e) Employee Entitlements

- **Wages, salaries and annual leave:**

The provisions for employees' entitlements to wages, salaries and annual leave represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates and includes related on costs.

- **Long Service Leave:**

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to Commonwealth Government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the consolidated entity's experience with staff departures. Related on-costs have also been included in the liability.

- **Superannuation:**

Superannuation schemes exist to provide benefits to University employees and their dependents upon retirement, disability or death. The contributions made to these schemes by the University, and emerging costs from unfunded schemes, are expensed in the Statement of Financial Performance. Refer to Note 21 for details relating to the individual schemes.

(f) Doubtful and Bad Debts

The collectibility of receivables is assessed at balance date and provision is made for any accounts considered to be doubtful. Any debts considered to be non-collectable have been expensed as bad debts.

3 Statement of Significant Accounting Policies (cont'd)

(g) Investments

Funds are invested in the following categories under guidelines determined by the University. Details of these investments are disclosed in Note 8.

- **Cash on Deposit**

These are cash balances held in interest earning facilities with financial institutions.

- **Composite Fund**

The bulk of specific purpose endowments received by the University to fund research activities, scholarships, prizes and lectures, are included in the Composite Fund. This Fund is invested in cash deposits and longer term investments managed by an independent portfolio manager. It includes a mix of Australian equities, overseas equities, fixed interest securities and property trusts. These investments are reported in the Statement of Financial Position at market values obtained from the portfolio manager. Unrealised gains or losses are recognised in the Statement of Financial Performance.

(h) Investments in Business Undertakings

- **Controlled Entities**

Investments in controlled entities are carried in the University's financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the Statement of Financial Performance when they are declared by the controlled entities.

- **Associates**

An associate is an entity, other than a partnership, over which the consolidated entity exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the University's financial statements, investments in associates are carried at the lower of cost or recoverable amount.

In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's share of the associates' net profit or loss after tax is recognised in the consolidated Statement of Financial Performance after the elimination of unrealised profits and losses on transactions between the associate and any entities in the consolidated entity or another associate of the consolidated entity. Other movements in reserves are recognised directly in consolidated reserves.

- **Joint Venture Operations**

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 28 (a)(i). In the ordinary course of events this income is used to meet operational costs and/or acquire equipment which is recognised in the accounts of the University. As a participant, the University will be entitled to a proportionate share of any intellectual property arising, which in time, it would be required to account for under the rules of joint venture accounting. As at year end, the University is not aware of any material intellectual property with commercial value. As such no accounting entries have been recorded.

The consolidated entity's interest in Other Unincorporated Joint Ventures, as described in Note 28 (a)(ii), is not considered material in total, and as such they have been reported as a net amount in investments.

- **Other Business Undertakings**

The Economic Entity does not exercise significant influence over the two public listed investments held by the Luminis Investment Fund. The Economic Entity's holdings as at balance date are subject to escrow provision.

As the Economic Entity is not in a position to dispose of these shares, the valuation has remained unchanged. Refer Note 29 Other Investments.

(i) Inventories

- **Consumable Materials and Trading Stock**

The University operates from multiple locations where working levels of inventory are held. Previously, inventory was expensed at the date of acquisition and was not displayed in the Statement of Financial Position. However, in the current year there has been a change in accounting policy where inventory on hand as at 31 December 2000, was brought to account as a current asset at the lower of cost or net realisable value. Where controlled entities have reported inventory, this is included in consolidated figures for the group at the lower of cost or net realisable value.

- **Livestock**

Although the University breeds animals for teaching and research activities, it does not conventionally value livestock for recording in the Statement of Financial Position. Where controlled entities have reported livestock, this is included at net realisable value.

3 Statement of Significant Accounting Policies (cont'd)

(j) **Non-current Assets**

- **Acquisitions**

Items of property, plant and equipment are initially recorded at cost in the Statement of Financial Position (unless otherwise indicated) and depreciated/amortised in accordance with Note 3(k).

- **Revaluations**

Land, buildings and works of art are independently valued every three years on an existing use basis of valuation and are included in the financial statements at the revalued amounts. The next valuation will be undertaken during 2001.

- **Disposal of Revalued Assets**

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal.

Any related revaluation increment standing in the asset revaluation reserve at the time of disposal is transferred to the capital profits reserve.

- **Land and Buildings**

The University differentiates between "trust" and "other" land and buildings. A "trust" building is one which is constructed on land provided by government in trust for the specific purpose of operating the University, or acquired by settlement under a binding trust. Other buildings are referred to as "other" buildings.

Buildings acquired prior to 31 December 1998, are valued at net replacement cost. These valuations were prepared by Edward Rushton Australia Pty Ltd. Expenditure incurred during the course of 1999 and 2000 has been reported at cost.

- **Other Collections**

The University owns a number of collections of cultural, historical and scientific significance. Many of these collections are unique or extremely rare. The University is not able to reliably measure the value of these collections and therefore has not recognised them as an asset in the Statement of Financial Position. Furthermore, collections which are irreplaceable (excluding works of art) are not covered by University insurance due to difficulty in determining an insurable value, the costs associated with deriving such a value, and the premium load an insurer would require to carry such a risk.

- **Library Collection**

During 1998, the Library was valued using an internal valuation based on the annual price movement of books and journals. Acquisitions since the date of the valuation have been valued at cost.

- **Works of Art**

Items greater than \$25,000, are recorded on the basis of an independent valuation carried out by Mr J.F.B. Bruce valuer (MSAV) of Ian Bruce Pty Ltd on 11 November 1999. Acquisitions after 11 November 1999 are recorded at cost. No provision for depreciation is made.

- **Software**

The University capitalises certain software costs with a purchase price greater than \$100,000 and an expected useful life greater than twelve months, together with all costs associated with implementation. These are recorded on the basis of cost and then amortised upon bringing the system into an operational environment.

- **Leased Plant and Equipment**

Leased plant and equipment over which the University or its controlled entities assume substantially all the risks and benefits of ownership, are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the Statement of Financial Performance. Also refer to Note 18.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term.

3 Statement of Significant Accounting Policies (cont'd)

(k) **Depreciation and Amortisation**

Depreciation and amortisation are charged on a straight line basis using expected useful lives. The expected useful lives used for each class of asset are as follows:

	Range
• Buildings	30 - 80 years
• Library	5 - 50 years
• Plant and Equipment	5 - 10 years
• Software and Implementation Costs	3 - 5 years
• Leased Plant and Equipment	10 years
• Leasehold Improvements	10 years

(l) **Workers' Compensation**

The University is responsible for payments of workers' compensation claims and is registered with Workcover as an exempt employer. Administrative arrangements with the associated entity Unisure Pty Ltd incorporate the management of claims and funds invested.

The provision for workers' compensation claims has been prepared by William M. Mercer using the Claims Paid Development Method wherein all past claims are brought to current value with an allowance for late reporting of claims and administration costs.

(m) **Salaries and Related Expenses**

Items attributed to Salaries and Related Expenses include salaries and wages, employee entitlements, and other costs incidental to the employment of staff within the Economic Entity such as professional development costs, fringe benefit tax etc.

(n) **Operating Revenue – Other**

The classification "Other" contains revenue items which individually are not material due to their nature or size. Such items falling within this classification include sale of assets, income from independent organisations for whom the University provided management services, royalties, fund raising and bequests, sundry recoveries and recharges, etc.

(o) **The Special Reserve**

The special reserve is created for surplus funds which will be specifically acquitted in future accounting periods.

(p) **Rounding to the Nearest \$000**

All amounts in this report are rounded to the nearest one thousand dollars.

(q) **Comparative Information**

These financial statements display information for the preceding corresponding reporting period. Comparative figures have been reclassified to reflect current disclosure requirements of the University and DETYA.

As at January 2000, the University replaced the existing financial accounting system as among other things, the system was not Y2K compliant. As part of this replacement, there was a significant refinement to the accounting policies and codes used. This refinement, whilst significantly enhancing the quality of information reported, has nonetheless, created an apparent distortion when comparing 2000 actual results with those reported in 1999. Where possible, 1999 results have been reclassified to provide more meaningful comparatives.

4 Change in Accounting Policy

(a) **Valuation of Inventory**

In previous years, the University expensed costs associated with inventory at the time of purchase. For the financial year ended 31 December 2000, there was a change of policy whereby inventory on hand as at 31 December 2000, was brought to account as a current asset at the lower of cost or net realisable value. The financial impact arising from this policy change was an increase in the operating surplus by \$1.7 million.

(b) **Calculation of Depreciation and Amortisation**

During the course of the year, the University implemented the PeopleSoft suite of accounting modules. One of these modules implemented was the Fixed Asset module.

The methodology of calculating depreciation and amortisation expense in the PeopleSoft Fixed Asset module, is different to the method used by the previous fixed asset accounting system. The key difference, is that the PeopleSoft methodology calculates the expense from the month following asset acquisition, whereas the previous system calculated the expense from the exact date of acquisition. The financial effect of the change in methodology cannot be easily quantified.

There has been no change in the expected useful lives used in PeopleSoft compared to the previous fixed asset accounting system.

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
5 Operating Revenue					
Revenue from Operating Activities					
Bequests and donations received for					
Research		1,478	1,112	1,478	1,287
Prizes and scholarships		1,237	679	1,237	654
General operational purposes		577	491	1,277	1,444
		<u>3,292</u>	<u>2,282</u>	<u>3,992</u>	<u>3,385</u>
Consultancy, Contract and Industry Research Income		<u>17,412</u>	<u>8,178</u>	<u>11,643</u>	<u>8,178</u>
Student Fee income includes:					
Award Courses					
Australian fee paying undergraduate students		521	598	521	598
Australian fee paying postgraduate students		3,378	3,497	3,378	3,497
International fee paying students		19,795	21,524	19,795	21,524
		<u>23,694</u>	<u>25,619</u>	<u>23,694</u>	<u>25,619</u>
Non award courses					
Australian fee paying		650	1,453	650	1,453
Continuing education		1,114	844	1,114	844
Other teaching service fees		2,642	3,308	2,642	3,308
		<u>4,406</u>	<u>5,605</u>	<u>4,406</u>	<u>5,605</u>
		<u>28,100</u>	<u>31,224</u>	<u>28,100</u>	<u>31,224</u>
Investment income includes:					
General funding earnings		4,221	3,380	3,868	3,193
Composite fund earnings		4,842	4,454	4,842	4,454
General and Composite fund investment market value adjustment		(2,958)	1,824	(2,958)	1,824
Royalty income		273	20	21	24
Distribution from controlled entities		-	-	470	953
		<u>6,378</u>	<u>9,678</u>	<u>6,243</u>	<u>10,448</u>
Research directed earnings from the Composite Fund qualify for inclusion in the calculation of the Research Quantum, and as such are reported in the Statement of Financial Performance as part of Research Grants and Fees.					
Gross proceeds from sale of non-current assets		<u>1,777</u>	<u>1,566</u>	<u>1,495</u>	<u>1,388</u>
Share of net profits (losses) of:					
Associates	27	(127)	(170)	-	-
Joint venture operations	28	202	150	-	150

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
6 Operating Surplus					
Operating surplus is arrived at after crediting or charging the following items:					
Credits					
Net Foreign Exchange Gain		99	-	99	-
Net gain on disposal of property, plant and equipment		559	399	273	270
Charges					
Amortisation					
Leasehold Improvements		20	19	20	-
Leased plant and equipment		12	1	12	1
Software and system development costs		1,939	315	1,852	315
		1,971	335	1,884	316
Bad and doubtful debts cost					
Student loans		20	1	20	1
Student tuition		9	-	9	-
Other debtors		996	295	906	258
		1,025	296	935	259
Depreciation					
Buildings		3,849	3,372	3,674	3,334
Plant and equipment		5,505	5,943	4,734	5,404
Library collection		5,814	5,850	5,814	5,850
		15,168	15,165	14,222	14,588
Expenses directly related to employee entitlements includes					
Contributions to superannuation schemes:					
Deferred employee benefits for superannuation		(2,600)	2,600	(2,600)	2,600
Emerging cost		1,199	1,763	1,199	1,531
Funded		18,164	17,337	17,498	16,988
		16,763	21,700	16,097	21,119
Payroll tax		7,893	8,853	7,497	8,459
Annual leave		5,399	3,275	5,364	3,246
Long service leave expense		3,091	3,275	3,100	3,220
Workers' compensation		709	1,370	621	1,263
		33,855	38,473	32,679	37,307
Finance charges on capitalised leases					
		158	1	89	1
Interest and finance costs					
		1,775	1,849	1,775	1,839
Net loss on disposal of property, plant and equipment					
		308	456	236	396
Operating lease rental expense					
		1,792	1,676	1,709	1,676

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
7 Receivables	3(f)				
Student tuition fees		1,004	1,827	1,004	1,827
Less: provision for doubtful debts		(230)	(225)	(230)	(225)
		<u>774</u>	<u>1,602</u>	<u>774</u>	<u>1,602</u>
Sundry and trade debtors		12,697	6,501	9,186	5,992
Less: provision for doubtful debts		(1,305)	(247)	(1,059)	(153)
		<u>11,392</u>	<u>6,254</u>	<u>8,127</u>	<u>5,839</u>
Student loans		158	211	158	211
Other		-	2,169	-	-
		<u>12,324</u>	<u>10,236</u>	<u>9,059</u>	<u>7,652</u>

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
8 Investments					
Current					
Short-term investment portfolio					
Cash on deposit	3(g)	34,547	55,300	34,547	55,300
Other		217	1,253	121	162
		<u>34,764</u>	<u>56,553</u>	<u>34,668</u>	<u>55,462</u>
Loans					
Loans to controlled entities		-	-	3,719	1,000
Other loans		598	251	598	251
		<u>598</u>	<u>251</u>	<u>4,317</u>	<u>1,251</u>
		<u>35,362</u>	<u>56,804</u>	<u>38,985</u>	<u>56,713</u>
Non-current					
Composite fund	3(g)				
Australian fixed interest securities		1,852	2,463	1,852	2,463
Australian equities		8,775	9,197	8,775	9,197
Overseas equities		10,992	11,161	10,992	11,161
Property trusts		2,551	2,245	2,551	2,245
Cash and liquid assets		32,426	30,746	32,426	30,746
		<u>56,596</u>	<u>55,812</u>	<u>56,596</u>	<u>55,812</u>
Managed investment held by Unisure Pty Ltd		<u>8,942</u>	<u>9,095</u>	<u>8,942</u>	<u>9,095</u>
Interest in business undertakings					
Controlled entities	26	-	-	2,898	2,898
Associated entities	27				
At cost		-	-	197	197
Listed shares at Council valuation 1999		264	-	-	-
Listed shares at Council valuation 2000		8,572	-	-	-
Equity accounted		162	289	-	-
		<u>8,998</u>	<u>289</u>	<u>197</u>	<u>197</u>
Joint venture entities	28	202	150	150	150
Other investments	29	5,103	8,675	5,103	103
		<u>14,303</u>	<u>9,114</u>	<u>8,348</u>	<u>3,348</u>
Loans					
Other loans		2,695	2,632	2,492	2,632
Provision for doubtful debts		(500)	(500)	(500)	(500)
		<u>2,195</u>	<u>2,132</u>	<u>1,992</u>	<u>2,132</u>
		<u>82,036</u>	<u>76,153</u>	<u>75,878</u>	<u>70,387</u>

Other loans are all secured by way of either a mortgage over land or a second priority fixed or floating charge over property.

	Note	Consolidated		University	
		2000	1999	2000	1999
		\$000	\$000	\$000	\$000
9 Inventories	3(i)				
Consumable materials and trading stock		1,745	441	1,722	-
Livestock		1,410	1,162	-	-
Provision for obsolescence		(43)	-	(43)	-
		<u>3,112</u>	<u>1,603</u>	<u>1,679</u>	<u>-</u>
10 Other Assets					
Current					
Pre-payments		5,538	3,240	3,248	3,106
Accrued income		445	13	105	8
Transgenic syndicated research and development fund	12	-	42,007	-	-
Other		105	2,809	-	-
		<u>6,088</u>	<u>48,069</u>	<u>3,353</u>	<u>3,114</u>
Non-Current					
Intangibles		-	102	-	-
Other		-	-	-	-
		<u>-</u>	<u>102</u>	<u>-</u>	<u>-</u>

Transgenic Research and Development Syndicate was a syndicated research and development project under which the Trust received funds from a syndicate of external organisations in payment for licensing of technology and for carrying out a research program. Luminis has been informed that a syndicate member exercised its put option in October 2000 with the result that the syndicate member became entitled to the Transgenic Research and Development Syndicate Fund, and the associated liability was satisfied.

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
11 Property, Plant and Equipment	3(j)				
<u>Land</u>					
Trust Land:	At independent valuation 1998	32,539	32,539	32,539	32,539
Other Land:	At independent valuation 1998	22,233	22,233	22,233	22,233
	At Council valuation 1999	-	14,344	-	-
	At Council valuation 2000	17,744	-	-	-
		39,977	36,577	22,233	22,233
Total Land		72,516	69,116	54,772	54,772
<u>Buildings</u>					
Trust buildings:	At independent valuation 1998	220,001	220,001	220,001	220,001
Other buildings:	At cost	16,533	11,495	14,537	9,620
	At independent valuation 1998	59,688	60,269	59,688	59,668
	At Council valuation 1999	581	-	-	-
	At Council valuation 2000	155	155	-	-
		76,957	71,919	74,225	69,308
Capital work in progress – at cost		28,014	14,268	28,014	14,268
Total buildings		324,972	306,188	322,240	303,577
<u>Provision for depreciation of buildings</u>					
Trust buildings:	At independent valuation 1998	(5,205)	(2,424)	(5,205)	(2,424)
Other buildings:	At cost	(794)	(586)	(128)	(8)
	At independent valuation 1998	(1,677)	(1,159)	(1,677)	(904)
	At Council valuation 1999	(236)	-	-	-
	At Council valuation 2000	(47)	-	-	-
		(2,754)	(1,745)	(1,805)	(912)
Total provision for depreciation		(7,959)	(4,169)	(7,010)	(3,336)
Total buildings net of depreciation		317,013	302,019	315,230	300,241
<u>Leasehold improvements</u>					
	At cost	524	522	200	200
	Provision for amortisation	(287)	(244)	(20)	-
		237	278	180	200
<u>Library collection</u>					
	At cost	14,307	10,107	14,307	10,107
	At Council valuation 1998	167,760	167,760	167,760	167,760
		182,067	177,867	182,067	177,867
	Provision for depreciation	(127,792)	(121,978)	(127,792)	(121,978)
		54,275	55,889	54,275	55,889
Works of art	At independent valuation 1999	2,790	2,790	2,790	2,790
<u>Plant and Equipment</u>					
	At cost	95,492	85,015	88,731	79,198
	Provision for depreciation/amortisation	(59,110)	(52,792)	(54,824)	(49,172)
		36,382	32,223	33,907	30,026
Total Property, Plant and Equipment		483,213	462,315	461,154	443,918

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
12 Creditors – Current					
Trade creditors		15,569	6,224	11,930	4,941
Transgenic syndicated research and development fund	10	-	42,007	-	-
Accruals		5,609	6,676	3,568	2,421
		<u>21,178</u>	<u>54,907</u>	<u>15,498</u>	<u>7,362</u>
13 Borrowings					
<u>Current</u>					
Bank loans and commercial paper		3,413	2,913	2,863	2,863
Lease liability		81	88	70	71
Other		1,238	441	31	56
Owing to controlled entities	20	-	-	4,047	-
		<u>4,732</u>	<u>3,442</u>	<u>7,011</u>	<u>2,990</u>
<u>Non-Current</u>					
Bank loans and commercial paper		17,175	17,175	17,175	17,175
Lease liability		7	85	-	70
Other		106	114	106	112
		<u>17,288</u>	<u>17,374</u>	<u>17,281</u>	<u>17,357</u>
Bank Loans and Commercial Paper					
The University obtained a loan facility to a maximum of \$22.9 million in 1991 for a period of 10 years. Terms of the loan are interest only payments from 1991 to 1996, and then the principal is to be reduced by \$2.9 million per annum from 1997 to 2001. The balance of the loan is payable on or before 11 December 2001. The loan is unsecured. The principal repayment for 2000 was financed through a commercial bill facility with a termination date concurrent with the above facility.					
14 Provisions					
<u>Current</u>					
Annual and Long Service Leave provision		10,953	8,295	10,184	7,803
Workers' Compensation provision		900	817	900	600
Other provisions		366	22	-	-
		<u>12,219</u>	<u>9,134</u>	<u>11,084</u>	<u>8,403</u>
<u>Non-Current</u>					
Workers' Compensation provision		1,300	1,600	1,300	1,600
Long Service Leave provision		19,734	20,886	19,712	20,794
		<u>21,034</u>	<u>22,486</u>	<u>21,012</u>	<u>22,394</u>
15 Other Liabilities					
<u>Current</u>					
Grants received in advance		13,187	11,902	13,187	11,902
Outside funded positions		902	793	902	793
Salaries, wages and deductions		777	3,372	380	3,301
Student tuition fees received in advance		2,709	2,139	2,704	2,139
Residential bonds		26	38	26	-
		<u>17,601</u>	<u>18,244</u>	<u>17,199</u>	<u>18,135</u>

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
16 Reserves					
<u>Capital reserves</u>					
Capital reserve		2,970	2,970	-	-
Capital profits reserve		865	937	-	-
Asset revaluation reserve		88,116	84,927	71,726	71,726
Initial asset recognition reserve		279,378	279,378	279,124	279,124
		<u>371,329</u>	<u>368,212</u>	<u>350,850</u>	<u>350,850</u>
<u>Specific purpose reserves</u>					
Special reserve		26,187	21,667	26,187	21,667
Bequests/donations unspent income reserve		9,547	8,717	9,547	8,717
Restricted purpose bequest capital reserve		47,583	46,902	47,583	46,902
Composite fund revaluation reserve		15,519	16,903	15,519	16,903
		<u>98,836</u>	<u>94,189</u>	<u>98,836</u>	<u>94,189</u>
<u>Movements in reserves:</u>					
<u>Capital reserve</u>					
Opening balance		2,970	3,101	-	-
Current year movement		-	(131)	-	-
Closing balance		<u>2,970</u>	<u>2,970</u>	-	-
<u>Capital profits reserve</u>					
Opening balance		937	995	-	-
Current year movement		(72)	(58)	-	-
Closing balance		<u>865</u>	<u>937</u>	-	-
<u>Asset revaluation reserve</u>					
Opening balance		84,927	79,467	71,726	70,700
Add revaluation increment on investments and works of art		3,189	5,460	-	1,026
Closing balance		<u>88,116</u>	<u>84,927</u>	<u>71,726</u>	<u>71,726</u>
<u>Initial asset recognition reserve</u>					
Opening balance		279,378	279,378	279,124	279,124
Current year movement		-	-	-	-
Closing balance		<u>279,378</u>	<u>279,378</u>	<u>279,124</u>	<u>279,124</u>
<u>Special reserve</u>					
Opening balance		21,667	23,117	21,667	23,117
Transfer (to) / from accumulated funds		4520	(1,569)	4,520	(1,365)
Transfer (to) / from reserves		-	119	-	(85)
Closing balance		<u>26,187</u>	<u>21,667</u>	<u>26,187</u>	<u>21,667</u>
<u>Bequests/donations unspent income reserves</u>					
Opening balance		8,717	8,283	8,717	8,283
Transfer (to) / from accumulated funds		830	434	830	434
Closing balance		<u>9,547</u>	<u>8,717</u>	<u>9,547</u>	<u>8,717</u>
<u>Bequests/donations capital reserve</u>					
Opening balance		46,902	46,210	46,902	46,210
Transfer (to) / from accumulated funds		681	692	681	692
Closing balance		<u>47,583</u>	<u>46,902</u>	<u>47,583</u>	<u>46,902</u>
<u>Composite fund revaluation reserve</u>					
Opening balance		16,903	14,403	16,903	14,403
Transfer (to) / from accumulated funds		(1,384)	2,510	(1,384)	2,510
Adjustment		-	(10)	-	(10)
Closing balance		<u>15,519</u>	<u>16,903</u>	<u>15,519</u>	<u>16,903</u>

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000

17 Notes to the Statement of Cash Flows

a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term investments in money market instruments. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash		14,405	8,252	9,483	3,641
Bank overdraft		(550)	-	-	-
Short Term Investment		34,547	56,391	34,547	55,300
		<u>48,402</u>	<u>64,643</u>	<u>44,030</u>	<u>58,941</u>

(b) Reconciliation of Net cash provided by operating activities to Operating surplus

Operating Result		2,755	3,473	1,722	3,398
Add/(subtract) non cash items					
Amortisation		1,971	335	1,884	316
Depreciation	6	15,168	15,165	14,222	14,588
Write down/(up) investments		2,958	(1,181)	2,958	(1,181)
Bad debts written off		985	296	911	259
Superannuation expense		(2,600)	(2,600)	(2,600)	(2,600)
Superannuation revenue		2,600	2,600	2,600	2,600
Other revenue/expenses		(4,145)	52	(3,153)	(162)
(Profit)/Loss on sale of property, plant and equipment		(251)	57	(37)	126

Changes in assets/liabilities

(Increase)/decrease in inventories		(1,509)	152	(1,679)	-
(Increase)/decrease in receivables		(10,825)	(1,396)	(3,316)	(1,978)
(Increase)/decrease in loans		(2,826)	-	(157)	-
(Increase)/decrease in other current assets		44,712	1,041	(239)	1,420
Increase/(decrease) in creditors		(31,318)	(496)	8,136	(563)
Increase/(decrease) in other current liabilities		(577)	200	(966)	123
Increase/(decrease) in other non-current liabilities		-	(165)	-	-
Increase/(decrease) in provisions		1,750	2,244	1,299	2,138
Net cash provided by operating activities		<u>18,848</u>	<u>19,777</u>	<u>21,585</u>	<u>18,484</u>

(c) Borrowings

Refer to Note 13

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
18 Future Expenditure Commitments					
Operating Expenditure					
Contracted but not provided for and payable:					
Not later than one year		3,080	1,361	3,080	1,361
Later than one year, but not later than five years		4,600	-	4,600	-
Later than five years		-	-	-	-
		7,680	1,361	7,680	1,361
Capital Expenditure					
Contracted but not provided for and payable:					
Not later than one year		4,900	16,774	4,900	16,607
Later than one year, but not later than five years		-	4,772	-	4,200
Later than five years		-	-	-	-
		4,900	21,546	4,900	20,807
Operating Lease Commitments					
Future operating base rental not provided for in the financial statements and payable:					
Not later than one year		1,210	794	1,066	794
Later than one year, but not later than five years		3,705	1,770	3,273	1,770
Later than five years		1,571	-	1,571	-
		6,486	2,564	5,910	2,564
Finance Lease Commitments					
	3(j)	Finance lease rentals are payable as follows:			
Not later than one year		82	89	70	71
Later than one year, but not later than five years		8	78	-	70
Later than five years		-	7	-	-
		90	174	70	141
Less: future lease finance charges		(1)	(5)	-	-
		89	169	70	141
Lease liabilities provided for in the financial statements:					
Current		81	86	70	71
Non-Current		8	83	-	70
		89	169	70	141

The University leases plant and equipment under finance leases expiring from one to five years. At the end of the lease term the University has the option to purchase the equipment.

In addition, the University has contractual commitments to contribute in-kind contributions of staff time and access to resources for the conduct of research programs under Cooperative Research Centres and national competitive grants. CRC's obligations are met from the total funding provided by both the University and other sources. In respect of national competitive grants, the University enters contracts with the Commonwealth to carry out defined pieces of research. The Commonwealth provides a large proportion of the total project resources. Refer Note 28.

19 Contingent Liabilities

(a) Guarantees

The University in 1997 provided a \$4.35 million guarantee and an indemnity to the Bank of South Australia to support a loan made to Frome Street Car Park Developments Pty Ltd. The guarantee is for a ten year loan.

The University in 1997 provided a \$120,000 guarantee to the Australian Government, Department of Human Services and Health, for an interest free, 20 year loan of \$126,000 to be used for the construction of the Observatory Child Care Centre.

(b) The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)

The University has guaranteed that members of this superannuation scheme will receive defined benefits in the event that this closed scheme has insufficient assets to meet the benefits. Actuarial advice is that there are sufficient assets available. Refer to Note 21(d).

19 Contingent Liabilities (cont'd)

(c) **Insurance Claims**

Luminis Pty Ltd is a named co-defendant in an action for loss and damages with respect to the Hindmarsh Island Bridge. The total claim is approximately \$20 million (1999 - \$20 million). The claim relates to alleged negligence in the employment of a consultant who assisted in making submissions to the Minister for Aboriginal Affairs. The company insurers have employed legal advisers who consider the claim to be without merit. The directors of Luminis Pty Ltd intend that the claim be vigorously defended.

(d) **Litigation**

In the ordinary course of its operations, the University and its controlled entities become involved in legal disputes. At the date of adoption of these accounts, some matters remained outstanding. On legal advice, the University is of the opinion that no material losses are likely to arise. The University or its controlled entities will make a provision where a material loss is identified. No such provision is contained in the University's accounts.

20 Event Subsequent to Balance Date

Prior to the end of the financial year, the University entered into an agreement to sell the assets and E-Commerce operations of Camtech to KeyCorp Ltd, a public listed company on the Australian Stock Exchange. The sale agreement contained some standard commercial conditions precedent which were satisfied shortly thereafter. The consideration of \$5.0 million was in the form of KeyCorp equity. The equity is to be issued in four tranches over the course of 2001. The first tranche of \$2.0 million having already been received, subsequently has been sold into the market at a minor loss. The cost of this transaction was accounted for in the Statement of Financial Performance for the year ended 31 December 2000.

Other than the above, there were no other events which took place subsequent to balance date so as to have a material impact on the operating results or Statement of Financial Position of the University or the consolidated entity.

21 Superannuation Schemes

(a) The University contributes to a range of superannuation schemes, which are divided into the following categories:

(i) Those operative and open to membership:

- UniSuper Defined Benefit Plan or Investment Choice Plan – formerly Superannuation Scheme for Australian Universities (SSAU)
- UniSuper Award Plus Plan – formerly Tertiary Education Superannuation Scheme (TESS)

(ii) Those operative but closed to future membership:

- The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)

(iii) State Government Schemes closed to future membership by University employees:

- State Pension Scheme
- State Lump Sum Scheme

(b) **UniSuper Defined Benefit Plan or Investment Choice Plan – formerly Superannuation Scheme for Australian Universities**

From 1984 the University became a participating institution in the Superannuation Scheme for Australian Universities (SSAU). The scheme is administered by UniSuper Management Pty Ltd and UniSuper Pty Ltd is the trustee. As at 1 July 1998, the rules governing the Fund were amended to allow employees the option to remain within the defined benefits arrangement or convert to an accumulation fund. The employer contribution rate throughout 2000 was 14% of salaries. The employee contribution rate throughout 2000 was 7% of their gross salaries. The Defined Benefits Scheme is fully funded.

An actuarial assessment, as at 31 December 1999, was completed on 18 May 2000. The assessment was carried out by Mr Grant Harslett (FIA, FIAA) of Towers Perrin. The actuary concluded that the assets of the fund were sufficient to meet all benefits payable in the event of the fund's termination, or the voluntary or compulsory termination of employment of each employee of the University.

On October 1 2000, SSAU merged with TESS to form UniSuper. The scheme is known as UniSuper Defined Benefit Plan or UniSuper Investment Choice Plan depending on employee's choice.

As at 31 December 2000, vested and accrued benefits of staff members who are in the Defined Benefits Plan were valued at the greater of the present value of expected future payment of benefits or the vested benefit, as follows:

- Estimated vested and accrued benefits at 31 December 2000 – \$163.6 million unaudited (1999 – \$150.5 million audited).
- Estimated net market value of assets for current members, at 31 December 2000 available to pay the superannuation liabilities of the University of Adelaide members was \$178.7 million unaudited (1999 – \$176.3 million audited).
- The difference between the estimated net market value of assets and accrued benefits at 31 December 2000 apportioned to the University of Adelaide was \$15.1 million unaudited (1999 – \$25.8 million audited).

21 Superannuation Schemes (cont'd)

(c) UniSuper Award Plus Plan – formerly Tertiary Education Superannuation Scheme

The University is a participating institution in Tertiary Education Superannuation Scheme (TESS); a non-contributory scheme for University employees. The fund is administered by UniSuper Management Pty Ltd and TESS Superannuation Ltd is the trustee. The employer contribution rate, throughout 2000, was 3% of salaries for members of other superannuation schemes, and 8% for staff not covered by other schemes.

On 1 October 2000, TESS merged with SSAU to form UniSuper. TESS will now be known as UniSuper Award Plus Plan.

(d) The University of Adelaide Superannuation Scheme A 1985

The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985) provides superannuation benefits for employees who have not transferred to UniSuper. The Scheme is administered by William M Mercer Pty Ltd. The trustee is The University of Adelaide Superannuation Scheme A 1985 Inc. The Scheme is governed by a separate trust deed and the general laws relating to trusts and superannuation. The Scheme provides a defined benefit (or accumulated member contributions multiplied by a factor of 2.5 if this amount is greater) and is fully funded.

No employer contribution was made in 2000. Actuarial advice is that there are sufficient assets in the Scheme to meet expected future liabilities of remaining members and that no contributions from the University are required over the foreseeable future.

As at 30 June 2000, accrued benefits were valued by the actuary, William M Mercer Pty Ltd, and together with the vested benefits are reported as follows:

- (i) Accrued benefits at 30 June 2000 \$9.5 million (1999 – \$9.5 million)
- (ii) Vested benefits at 30 June 2000 \$10 million (1999 – \$9.9 million)
- (iii) Estimated net market value of the assets of Scheme A 1985 available to pay benefits as at 30 June 2000, was \$12.8 million (1999 – \$12.4 million).
- (iv) The difference, between accrued benefits and the net market value of assets as at 30 June 2000, was \$3.3 million.

(e) State Government Superannuation Schemes

In 1991 employees of the City Campus of South Australian College of Advanced Education and Roseworthy Agricultural College were transferred to the University. Their terms of appointment to the University protected their membership of the State Pension Scheme and State Lump Sum Scheme. The schemes are administered by the Superannuation Board of South Australia. The schemes provide defined benefits and are mainly unfunded. The only employer contributions made in 2000 were 3% of salaries, and remaining benefits are met on an emerging cost basis.

The South Australian Department of Treasury and Finance estimate that, as at 31 December 2000, there is an unfunded liability of \$31.9 million (1999 – \$34.5 million). This represents a decrease in liability of \$2.6 million since 31 December 1999. This is recognised as a write back in expenditure in the 2000 Statement of Financial Performance, with a corresponding adjustment to income giving rise to negative income.

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant (ie 14% of salaries). Under the Commonwealth legislation titled "State Grants (General Purposes) Amendment Act 1982", the method of payment of these costs by the Commonwealth to the State Governments was promulgated. Further, the accounting methodology employed in these accounts is in accordance with "Guidelines for the Preparation of Annual Financial Reports for the 2000 Reporting Period by Australian Higher Education Institutions" provided by DETYA. The accounting treatment employed is also consistent with the approach taken by other Australian universities. Accordingly, total assets of \$31.9 million have been recorded as a "Deferred government superannuation contribution" which offsets the current and non-current liability for the State Government Superannuation Schemes recorded as "Deferred Employee Superannuation Benefits".

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
21 Superannuation Schemes (cont'd)					
Summary					
Deferred Government Superannuation Contribution					
Non-Current asset		31,900	34,500	31,900	34,500
Deferred Employee Superannuation Benefits					
Current liability		2,100	2,800	2,100	2,800
Non-Current liability		29,800	31,700	29,800	31,700
		31,900	34,500	31,900	34,500
The total employer contributions remitted by the University were:					
Superannuation Scheme for Australian Universities (SSAU)		12,675	12,605	12,675	12,605
Tertiary Education Superannuation Scheme (TESS)		5,367	5,202	5,367	5,202
State Superannuation Schemes (3%)		62	68	62	68
		18,104	17,875	18,104	17,875

22 Segment Information

The University predominantly operates in the field of higher education in Australia. Its primary activities are teaching and research. Income generated overseas from teaching and research activities are not significant so as to warrant segmentation reporting.

23 Auditors' Remuneration

Amounts paid or payable were:

South Australian Auditor General	161	135	161	135
Other	133	152	42	42
	294	287	203	177

24 Remuneration for University Senior Management

		2,390	2,100
		Number	Number
\$100,000 - \$109,999		1	-
\$110,000 - \$119,999		-	-
\$120,000 - \$129,999		-	1
\$130,000 - \$139,999		1	-
\$140,000 - \$149,999		1	3
\$150,000 - \$159,999		2	1
\$160,000 - \$169,999		1	2
\$170,000 - \$179,999		1	1
\$180,000 - \$189,999		1	1
\$190,000 - \$199,999		-	-
\$200,000 - \$209,999		2	1
\$210,000 - \$219,999		1	-
\$250,000 - \$259,999		-	1
\$540,000 - \$549,999		1	-
		12	11

Remuneration is based upon the total remuneration package which includes employer and employee (pre tax) superannuation contributions, due and receivable, by senior managers from the University. Certain senior managers were employed for part of the year.

During 2000, the Vice-Chancellor received remuneration in accordance with her employment contract.

The Vice-Chancellor and other senior managers derive board fees for services rendered to organisations outside of the University which they pay or direct as income to the University.

25 Additional Financial Instruments Disclosure

(a) Interest Rate Risk

The Economic Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into interest rate swaps, future contracts, interest rate options and other forms of agreements to manage cash flow risks associated with the interest rates on investments that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

	Note	Floating Interest Rate \$000	1 Year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non- Interest bearing \$000	Total \$000
2000							
Financial Assets							
Cash		14,405	-	-	-	-	14,405
Receivables	7	-	-	-	-	12,324	12,324
Investments	8	20,402	46,692	-	3,778	46,526	117,398
		<u>34,807</u>	<u>46,692</u>	<u>-</u>	<u>3,778</u>	<u>58,850</u>	<u>144,127</u>
Weighted average interest rate		5.43%	6.07%	-	5.85%	-	
Financial Liabilities							
Trade Creditors	12	-	-	-	-	21,178	21,178
Borrowings	13	-	2,863	17,175	-	1,982	22,020
		<u>-</u>	<u>2,863</u>	<u>17,175</u>	<u>-</u>	<u>23,160</u>	<u>43,198</u>
Weighted average interest rate		-	10.20%	10.42%	-	-	
1999							
Financial Assets							
Cash		8,252	-	-	-	-	8,252
Receivables	7	-	-	-	-	10,236	10,236
Investments	8	26,410	59,799	-	4,846	41,902	132,957
		<u>34,662</u>	<u>59,799</u>	<u>-</u>	<u>4,846</u>	<u>52,138</u>	<u>151,445</u>
Weighted average interest rate		4.88%	5.37%	-	5.13%	-	
Financial Liabilities							
Trade Creditors	12	-	-	-	-	12,900	12,900
Borrowings	13	-	2,863	17,175	-	778	20,816
		<u>-</u>	<u>2,863</u>	<u>17,175</u>	<u>-</u>	<u>13,678</u>	<u>33,716</u>
Weighted average interest rate		-	10.20%	10.42%	-	-	

25 Additional Financial Instruments Disclosure (cont'd)

(b) Foreign Exchange Risk

The Economic Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into forward foreign currency exchange contracts to hedge overseas share trading and foreign currency cash exposures. The terms of the hedge contracts are usually less than three months.

(c) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

(i) On Statement of Financial Position Financial Instruments

The credit risk on financial assets, excluding investments of the Economic Entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provisions for doubtful debts.

The Economic Entity's financial assets and liabilities are not materially exposed to any individual overseas country or individual customer.

(ii) Off Statement of Financial Position Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Statement of Financial Position Financial Instruments.

(d) Net Fair Values of Financial Asset and Liabilities

Net fair values of financial assets and liabilities are determined by the Economic Entity on the following basis:

(i) On Statement of Financial Position Financial Instruments

The Economic Entity has placed its investments in a portfolio managed by independent managers. Listed shares and equities included within these investments are traded in an organised financial market by the fund managers. The Economic Entity values these investments at current market value.

Monetary financial assets and financial liabilities not readily traded in an organised financial market, are determined by valuing them at amounts due from customers (reduced for expected credit losses) or due to suppliers.

The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to underlying net assets of the respective corporations.

(ii) Off Statement of Financial Position Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Statement of Financial Position Financial Instruments.

26 Investments in Controlled Entities

Controlled entities and contribution to Operating result before elimination of consolidation items:

Controlled Entity	Investment at Cost		Contribution to Operating Result	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
Luminis Investment Trust	2,898	2,898	(399)	(80)
Lubims Pty Ltd	-	-	79	480
Martindale Holdings Pty Ltd as trustee for				
• JS Davies Estate	-	-	972	152
• JAT Mortlock Trust	-	-	306	479
Roseresco Pty Ltd (Liquidated 24/12/99)			-	35
	<u>2,898</u>	<u>2,898</u>	<u>958</u>	<u>1,066</u>

JS Davies

The University holds an interest of 5/6th in a joint venture named JS Davies Estate, the principal activity of which is farming. This venture is managed by Martindale Holdings Pty Ltd and included in consolidated figures for the group. The remaining 1/6th is recognised as an outside equity interest.

27 Investments in Associates

(a) Equity and Contribution to Results

Associate Entity	Principal Activity	Holding %	Consolidated Carrying Amount		Investment at at Cost	
			2000 \$000	1999 \$000	2000 \$000	1999 \$000
Held by the University of Adelaide AITEC Pty Ltd	Provides advanced information technology courses	25.0	140	289	-	-
Unisure Pty Ltd	Responsible for processing of Tertiary Institution Workers' Compensation Insurance	33.3	-	-	-	-
Ngee Ann Adelaide Education Centre Pte Ltd	Operates a graduate education centre in Singapore	50.0	22	-	197	197
Anti-Cancer Foundation Pty Ltd	Fundraising and educational awareness of cancer	50.0	-	-	-	-
			162	289	197	197

Note	Consolidated		University	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
(b) Movements in Carrying Amounts of Investments in Associates				
At beginning of financial year	289	459	-	-
Share of operating profits/(losses)	(127)	(170)	-	-
	162	289	-	-
(c) Results Attributed to Associates				
Operating profits/(losses)	(127)	(170)	-	-
Retained profits attributable to associates at start of financial year	289	459	-	-
Retained profits attributable to associates at the end of the financial year	162	289	-	-

(d) Accounting for Associates

(i) Capital and Other Expenditure Commitments

There are no material capital expenditure commitments relating to associated entities.

(ii) Contingent Liabilities

There are no material contingent liabilities relating to associated entities.

(iii) After Balance Date Events

There are no material after balance date events to report for associated entities.

(iv) Assets, Revenue and Expenditure

Since the above activities do not materially effect the University group figures, assets, revenue and expenditure have been reported as net amounts.

(v) Off Statement of Financial Position Financial Instruments

The reporting entity, nor any of its associated entities, have any Off Statement of Financial Position Financial Instruments.

28 Interests in Joint Ventures

(a) Groups

The University participates in a number of joint ventures. None of these operations are material to the University and there is no separate disclosure for 2000 in accordance with the Accounting Standard AAS 19. For reporting purposes these have been segregated into two groups as follows: Refer accounting policy 3(h).

(i) Cooperative Research Centres

The University participates in a number of Cooperative Research Centres (CRCs) at 31 December 2000. These Centres have the characteristics of joint ventures for a defined period (generally seven years) and have been reported as such.

A CRC is a research initiative of the Australian Government established to pursue specific areas of research. One of the desired outcomes of a CRC is the creation of specific intellectual property with commercial value. The participants in a CRC are an amalgam of research institutions, eg CSIRO, universities and private enterprise. Direct participants in these schemes are vested with joint venture interest. The funding of the CRC is co-ordinated through a Centre Agent who is appointed generally from one of the participating entities.

Funding transfers between the CRC and the University are accounted for as general revenue and expenditure. The University provides activity on a fee for service basis which is reimbursed by the CRC. In addition, over the life of the joint venture the University provides cash and "in kind" contributions (staff and access to facilities), which are part of its contractual obligations and are reported as part of the University's activity. At this stage, with the exception of GroPep Ltd (see below), there has been no intellectual property yet developed which is considered to have commercial value in either the ongoing or completed CRCs. Consequently at balance date, no value was ascribed to the intellectual property of the CRCs.

One successful example of a CRC achieving commercial value for the intellectual property created is GroPep Ltd, a company listed on the Australian Stock Exchange and one in which the University holds a significant interest. Refer Note 29.

			Participation
Australian Petroleum CRC	(U)	(C)	13%
CRC for Welded Structures (was CRC for Materials Welding & Joining)	(I)	(C)	7%
CRC for Molecular Plant Breeding	(U)	-	17%
CRC for Clean Power from Lignite (was New Technology for Power Generation from Low Rank Coal)	(U)	(C)	10%
CRC for Premium Quality Wool	(U)	(C)	3%
CRC for Sensor Signal and Information Processing	(U)	-	16%
CRC for Tissue Growth and Repair	(U)	(C)	16%
CRC for Viticulture	(U)	(C)	18%
CRC for Water Quality and Treatment	(U)	(C)	6%
CRC for Weed Management Systems	(U)	(C)	7%
CRC for Biological Control of Pest Animals	(U)	(C)	8%

The University is also a supporting participant (but not a signatory) for the CRC for Cattle and Beef Quality.

ii) Other Unincorporated Joint Ventures

Name	Principal Activity		Participation
South Australian Regional Network Organisation (SAARDNet)	To provide high speed microwave networks to link areas of research concentration in South Australia	(U)	20%
Middleback Field Centre	To provide pastoral-zone courses and range land ecology research programmes	(U)	33%
National Course in General Arbitration & Dispute Resolution	To develop and deliver tertiary courses in general arbitration and alternative dispute resolution	(U)	50%
South Australian Centre for Economic Studies	To obtain quality research regarding regional economic development with particular application to South Australia	(U)	50%
South Australian Tertiary Admissions Centre	Established as the agent for tertiary institutions in Adelaide for the purpose of receiving and processing applications from intending students	(U)	25%

(I) Incorporated (U) Unincorporated (C) CSIRO is a partner

28 Interests in Joint Ventures (cont'd)

The Economic Entity's reported interest in the assets employed in the joint ventures total \$202,000 (1999 – \$150,000). These are included in the consolidated Statement of Financial Position, in accordance with the accounting policy described in Note 3.

(b) Accounting for Joint Ventures

(i) Capital and other expenditure commitments

There are no material capital expenditure commitments relating to joint ventures.

(ii) Contingent Liabilities

There are no material contingent liabilities relating to joint ventures.

(iii) After Balance Date Events

There are no material after balance date events to report for joint ventures.

(iv) Assets, Revenue and Expenditure

Since the above activities do not materially effect the University group figures, assets, revenue and expenditure have been reported as net amounts.

(v) Off Statement of Financial Position Financial Instruments

Neither the reporting entity, nor any of its joint ventures, have any Off Statement of Financial Position Financial Instruments.

(c) Joint Venture Accounts not received

Joint venture accounts are reported in accordance with Note 3, with the exception of The South Australian Centre for Economic Studies. Financial Statements for this joint venture were not received for inclusion in the 2000 Financial Statements. Their omission does not distort the overall financial position of the University, as the amounts involved are not considered material.

29 Other Investments

The University holds investments in the following business undertakings.

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
Investment at Cost					
Ngapartji Pty Ltd		171	75	75	75
IDP Education Australia Ltd		10	10	10	10
KeyCorp Ltd		5,000	-	5,000	-
Other equity investments		18	18	18	18
		5,199	103	5,103	103
Investment at Council valuation 2000					
Other		264	-	-	-
Held by Luminis Investment Trust					
Bresagen Ltd	3(h)	7,934	7,934	-	-
GroPep Ltd		638	638	-	-
		8,572	8,572	-	-
		14,035	8,675	5,103	103

Shares held by the Luminis Investment Trust had a market value of \$33.9 million as at 31 December 2000. This valuation was calculated using the final quoted sale price on the Australian Stock Exchange. These shares are subject to escrow and other conditions, which prevent an accurate determination of their value to the Economic Entity. Accordingly, the valuation has remained unchanged from 1999.

30 Related Party Transactions

(a) **Councillor Related Transactions**

Certain Councillors are members of incorporated and unincorporated associations that are an integral part of the University. Transactions between these bodies, the University and Council members, in respect of services provided to Council members are trivial and domestic in nature.

Professor M O'Kane is a board member of the CSIRO. Fees derived by Professor O'Kane from the CSIRO are paid to the University.

Mr Brian Croser, AO, is a director of Petaluma Ltd. One of the subsidiary's of this group transacts business on normal commercial trading terms with JAT Mortlock Trust through Martindale Holdings Pty Ltd as trustee.

Mr NR Adler, AO, is a director of Telstra Corporation Ltd. The University purchases services from Telstra on normal commercial terms and conditions. The University receives research grants from Telstra. In addition Telstra owns 50% of KeyCorp Ltd, the company which acquired the e-commerce operations of Camtech. (Refer Note 20). Mr Adler advised that he did not participate in Telstra's decision making process in respect of the Camtech transaction. Mr Adler is also a director of The Australian Trade Commission (Austrade), which provides on normal commercial terms to the University various marketing services, primarily in the area of international students.

Dr H Reid, OAM, is a board member of St Mark's College Incorporated. The University has advanced a loan to St Mark's College at an interest rate calculated as the CPI for the previous year plus 1%.

(b) **CSIRO**

The University leases land at peppercorn rents to the CSIRO. On this land the CSIRO has erected or leased buildings. These buildings become property of the University at the termination of the lease.

The University and the CSIRO are partners in a number of Cooperative Research Centres – refer to Note 28.

(c) **Fees Paid To Members of Council**

No remuneration was paid to any members of Council, or its standing committees for the financial year. Some members of Council are employees of the University and as such receive remuneration in the course of their employment with the University.

(d) **Students at Adelaide University**

From time to time, Council members will have members of their immediate family who are students at the University. Unless specifically stated within the accounts, such students are subject to the normal fee structure as any other students. This also applies to members of Council who are enrolled as students.

The following information being Note 31 to Note 37 has been prepared in accordance with the DETYA reporting guidelines.

31 Operating Statement for the Year Ended 31 December 2000

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
OPERATING REVENUE					
Commonwealth Government grants	32	153,976	146,098	153,976	146,098
Higher Education Contribution Scheme (HECS)	33	36,990	36,803	36,990	36,803
State Government grants	35	6,849	6,671	6,639	6,466
Other research grants and contracts		9,230	7,195	8,922	7,195
Scholarships and prizes	5	1,237	679	1,237	654
Donations and bequests	5	2,055	1,603	2,755	2,731
Investment income	5	6,596	9,678	6,243	10,448
Fees and charges	36	42,403	36,682	40,227	38,203
Other revenue		49,869	58,558	19,512	22,702
Deferred government contributions for superannuation	21(e)	(2,600)	2,600	(2,600)	2,600
Total operating revenue from ordinary activities		306,605	308,567	273,901	273,900
OPERATING EXPENSES					
	37				
Academic activities		161,676	158,739	161,676	158,739
Library		14,234	14,221	14,234	14,221
Other academic support services		21,348	19,330	21,348	19,330
Student services		21,702	18,990	21,702	18,990
Public services		2,105	1,429	2,105	1,429
Buildings and grounds		18,736	19,724	18,632	19,287
Administration and other general institutional services		66,649	70,061	35,082	35,906
Deferred employee benefits for superannuation	23(e)	(2,600)	2,600	(2,600)	2,600
Total operating expenses from ordinary activities		303,850	305,094	272,179	270,502
Operating result and extraordinary items		2,755	3,473	1,722	3,398
Add accumulated funds at beginning of year		73,741	72,348	63,745	62,618
Transfers:					
to reserves	16	(4,647)	(2,067)	(4,647)	(2,271)
Outside equity interest		(1,664)	(13)	-	-
Accumulated funds at end of year		70,185	73,741	60,820	63,745

	University	
	2000 \$000	1999 \$000
32 Commonwealth Government Grants Received		
(a) Grants received pursuant to the Higher Education Funding Act 1988, excluding HECS:		
Operating purposes (excluding HECS)	100,911	100,208
Special research assistance:		
Large research grants	5,975	6,325
Small research grants	1,714	1,687
Strategic Partnerships with Industry	1,795	1,970
Special research centres	2,753	1,463
Key Centres	175	210
Special research initiatives	-	-
Australian postgraduate awards	3,677	3,688
International postgraduate research scholarships	949	978
Research fellowships	1,927	2,362
International research fellowships	-	-
International researcher exchange	218	10
Research infrastructure block grants	5,453	5,446
Research infrastructure equipment and facilities	1,938	665
ANZCCART	-	21
Advanced engineering centres	-	562
Teaching hospitals	506	497
Sub-total pursuant to the Higher Education Funding Act 1988	127,991	126,092
(b) Other Commonwealth Government grants received:		
Attorney General's Department	13	-
Austrade	-	25
Australia Council	8	45
Australian Geological Survey Organisation	-	37
Australia India Council	-	17
Australian Institute of Nuclear Science and Engineering	-	3
Australian Nuclear Science and Technology Organisation	6	-
Australian Wool Research and Promotion Organisation	45	-
Bureau of Rural Sciences	-	48
Centrelink	4	-
Community Broadcasting Foundation	-	41
CSIRO	214	154
Defence, Science and Technology Organisation	170	250
Department of Agriculture, Fisheries and Forestry	9,231	6,411
Department of Communications and the Arts	45	58
Department of Education, Training and Youth Affairs	439	193
Department of Employment, Workplace Relations and Small Business	-	207
Department of Environment and Heritage	189	110
Department of Foreign Affairs and Trade	510	696
Department of Health and Aged Care	14,533	11,362
Department of Industry, Science and Resources	376	256
Department of Primary Industries and Energy	116	-
Department of Veterans Affairs	86	85
Energy Research and Development Corporation	-	6
Other	-	2
Sub-total Other Commonwealth Government grants received	25,985	20,006
Total Commonwealth Government grants excluding HECS	153,976	146,098

33 Acquittal of Commonwealth Government Grants – Teaching and Learning

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

PARENT ENTITY (UNIVERSITY) ONLY

	Operating Grant, Excluding HECS		HECS		Teaching Hospitals		Advanced Engineering Centre	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Grants in advance (received in the previous reporting period)	8,030	7,987	2,486	2,560	40	40	-	45
Plus Grants received during reporting period	102,850	100,251	30,897	31,634	507	497	-	517
Plus Contributions actually received from students	-	-	6,201	5,095	-	-	-	-
Less Grants in advance (received in the reporting period for the next reporting period)	(9,969)	(8,030)	(2,594)	(2,486)	(41)	(40)	-	-
Accrual Adjustments	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	100,911	100,208	36,990	36,803	506	497	-	562
Plus Surplus/Deficit Prior Year	987	447	-	-	497	-	-	-
Funds available for the reporting period	101,898	100,655	36,990	36,803	1,003	497	-	562
Less Expenses for current period	(100,638)	(99,668)	(36,990)	(36,803)	(1,003)	-	-	(562)
Surplus/Deficit for reporting period	1,260	987	-	-	-	497	-	-

34 Acquittal of Commonwealth Government Grants – Research

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

PARENT ENTITY (UNIVERSITY) ONLY

	Large Research		Small Research		Strategic Partnerships with Industry		Special Research Centres		Key Centres	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Grants in advance (received in the previous reporting period)	340	355	-	-	101	131	50	-	14	17
Plus Grants received during reporting period	5,635	6,310	1,849	1,687	1,694	1,940	2,703	1,513	161	207
Less Grants in advance (including received in the reporting period for the next reporting period)	-	(340)	(135)	-	-	(101)	-	(50)	-	(14)
Accrual Adjustments	-	-	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	5,975	6,325	1,714	1,687	1,795	1,970	2,753	1,463	175	210
Plus Surplus/Deficit Prior Year	1,895	2,069	718	612	361	250	-	-	-	-
Funds available for the current period	7,870	8,394	2,432	2,299	2,156	2,220	2,753	1,463	175	210
Less Expenses for current period	(6,328)	(6,499)	(1,522)	(1,581)	(1,372)	(1,859)	(1,241)	(1,463)	(175)	(210)
Surplus/Deficit for current period	1,542	1,895	910	718	784	361	1,512	-	-	-

34 Accrual of Commonwealth Government Grants – Research (cont'd)

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

PARENT ENTITY (UNIVERSITY) ONLY

	Special Research Initiatives		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Research Fellowships	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Grants in advance (received in the previous reporting period)	-	-	-	-	-	-	139	138
Plus Grants received during reporting period	-	-	3,677	3,688	949	978	1,788	2,363
Less Grants in advance (including received in the reporting period for the next reporting period)	-	-	-	-	-	-	-	(139)
Accrual Adjustments	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	-	-	3,677	3,688	949	978	1,927	2,362
Plus Surplus/Deficit Prior Year	2	26	156	199	-	-	205	153
Funds available for the current period	2	26	3,833	3,887	949	978	2,132	2,515
Less Expenses for current period	(2)	(24)	(3,833)	(3,731)	(949)	(978)	(1,975)	(2,310)
Surplus/Deficit for current period	-	2	-	156	-	-	157	205

34 Accittal of Commonwealth Government Grants – Research (cont'd)

Amounts received and expended pursuant to the Higher Education Funding Act 1988:
PARENT ENTITY (UNIVERSITY) ONLY

	International Research Fellowships		International Researcher Exchange		Research Infrastructure Block Grant		Research Infrastructure Equipment & Facilities	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Grants in advance (received in the previous reporting period)	-	-	-	-	-	436	-	-
Plus Grants received during reporting period	-	-	218	10	5,900	5,010	1,938	665
Less Grants in advance (including received in the reporting period for the next reporting period)	-	-	-	-	(447)	-	-	-
Accrual Adjustments	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	-	-	218	10	5,453	5,446	1,938	665
Plus Surplus/Deficit Prior Year	6	51	-	-	703	-	4	-
Funds available for the current period	6	51	218	10	6,156	5,446	1,942	665
Less Expenses for current period	(6)	(45)	(155)	(10)	(6,156)	(4,743)	(1,539)	(661)
Surplus/Deficit for current period	-	6	63	-	-	703	403	4

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
35 State Government Grants					
(a) South Australian Government, State Government Grants					
Arts SA		91	106	91	106
Central Yorke Peninsula Hospital		9	15	9	15
Corporate Services		-	14	-	14
Department for Employment, Training and Further Education		173	57	173	57
Department of Education and Children's Services		-	35	-	35
Department of Environment, Heritage and Aboriginal Affairs		423	326	423	326
Department of Human Services		517	404	517	404
Department of Industry and Trade		61	-	61	-
Department of Premier and Cabinet		-	35	-	35
Department of Primary Industries & Resources (PIRSA)		1,048	982	1,048	982
Drug and Alcohol Services Council		66	92	66	92
Information Technology Workforce Strategy Office		-	124	-	124
Institute of Medical and Veterinary Science		112	113	112	113
Lyell McEwin Hospital		-	120	-	120
Multi Function Polis Australia		-	13	-	13
North Western Adelaide Health Service		1,931	88	1,931	88
North Western Adelaide Mental Health Services		33	58	33	58
Northern Adelaide and Barossa Catchment Water Management Board		22	30	22	30
Patawalonga Catchment Water Management Board		1	19	1	19
Planning SA		38	120	38	120
Police Department, SA		149	221	149	221
Royal Adelaide Hospital		883	865	883	865
SA Dental Service		108	135	108	135
SA Housing Trust		20	30	20	30
SA Water		34	14	34	14
South Australian Research and Development Institute		134	230	134	230
South Australian State Energy Research Advisory Committee		-	19	-	19
Southern Yorke Peninsula Health Service		103	413	103	208
SYP Health Commission		210	-	-	-
The Queen Elizabeth Hospital		161	1,582	161	1,582
Torrens Catchment Water Management Board		-	16	-	16
Transport SA		20	21	20	21
Treasury and Finance		110	-	110	-
Women's and Children's Hospital		323	319	323	319
Workcover Corporation		14	12	14	12
Other		29	34	29	34
Total South Australian Government Grants		6,823	6,662	6,613	6,457
(b) Other State Government Grants		26	9	26	9
Total State Government Grants		6,849	6,671	6,639	6,466

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
36 Fees and Charges					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	5	28,100	31,224	28,100	31,224
Library charges and fines		1,034	622	1,034	622
Application management and late fees		248	35	248	35
Parking fees		845	651	845	651
Rental charges/accommodation fees		3,098	3,136	3,098	2,657
Recharge of costs to other organisations		2,994	-	2,994	-
Other		6,084	3,014	3,908	3,014
Total fees and charges		42,403	38,682	40,227	38,203
37 Expenses attributed to functions					
Academic Activities					
Academic staff salaries		65,396	64,462	65,396	64,462
Academic staff salary related expenses		15,435	17,127	15,435	17,127
Non-academic staff salaries		26,850	26,759	26,850	26,759
Non-academic staff salary related expenses		9,637	7,255	9,637	7,255
Depreciation and amortisation expense					
Plant and equipment		3,352	3,895	3,352	3,895
Buildings and leasehold improvements		-	-	-	-
Other expenses		41,006	39,241	41,006	39,241
Total academic activities		161,676	158,739	161,676	158,739
Library					
Academic staff salaries		-	-	-	-
Academic staff salary related expenses		-	-	-	-
Non-academic staff salaries		4,711	4,794	4,711	4,794
Non-academic staff salary related expenses		1,703	1,795	1,703	1,795
Depreciation and amortisation expense					
Library		5,814	5,850	5,814	5,850
Plant and equipment		54	73	54	73
Buildings and leasehold improvements		-	-	-	-
Other expenses		1,952	1,709	1,952	1,709
Total library		14,234	14,221	14,234	14,221
Other academic support services					
Academic staff salaries		906	697	906	697
Academic staff salary related expenses		242	241	242	241
Non-academic staff salaries		7,338	4,826	7,338	4,826
Non-academic staff salary related expenses		2,242	948	2,242	948
Depreciation and amortisation expense					
Plant and equipment		444	494	444	494
Buildings and leasehold improvements		-	-	-	-
Other expenses		10,176	12,124	10,176	12,124
Total other academic support services		21,348	19,330	21,348	19,330

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
37 Expenses attributed to functions cont'd					
Student services					
Academic staff salaries		668	1,165	668	1,165
Academic staff salary related expenses		124	326	124	326
Non-academic staff salaries		2,550	1,389	2,550	1,389
Non-academic staff salary related expenses		815	440	815	440
Depreciation and amortisation expense					
Plant and equipment		10	9	10	9
Buildings and leasehold improvements		-	-	-	-
Other expenses		17,535	15,661	17,535	15,661
Total student services		21,702	18,990	21,702	18,990
Public services					
Academic staff salaries		207	158	207	158
Academic staff salary related expenses		26	37	26	37
Non-academic staff salaries		840	635	840	635
Non-academic staff salary related expenses		224	169	224	169
Depreciation and amortisation expense					
Plant and equipment		24	25	24	25
Buildings and leasehold improvements		-	-	-	-
Other expenses		784	405	784	405
Total public services		2,105	1,429	2,105	1,429
Buildings and grounds					
Academic staff salaries		-	-	-	-
Academic staff salary related expenses		-	-	-	-
Non-academic staff salaries		1,949	2,911	1,949	2,872
Non-academic staff salary related expenses		526	1,059	526	1,049
Depreciation and amortisation expense					
Plant and equipment		87	114	87	114
Buildings and leasehold improvements		3,869	3,372	3,694	3,334
Other expenses		12,305	12,268	12,376	11,918
Total buildings and grounds		18,736	19,724	18,632	19,287
Administration and other general institutional services					
Academic staff salaries		610	524	610	524
Academic staff salary related expenses		298	107	298	238
Non-academic staff salaries		16,668	21,763	11,176	13,393
Non-academic staff salary related expenses		5,449	6,369	4,003	5,082
Depreciation and amortisation expense					
Plant and equipment		1,546	1,333	775	794
Buildings and leasehold improvements		-	-	-	-
Software and system development costs		1,939	315	1,852	315
Other expenses		40,139	39,650	16,368	15,560
Total administration and other general institutional services		66,649	70,061	35,082	35,906

	Note	Consolidated		University	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
37 Expenses attributed to functions cont'd					
Total					
Academic staff salaries		67,787	67,006	67,787	67,006
Academic staff salary related expenses		16,125	17,838	16,125	17,969
Non-academic staff salaries		60,906	63,077	55,414	54,668
Non-academic staff salary related expenses		20,596	18,035	19,150	16,738
Depreciation and amortisation expense					
Plant and equipment		5,517	5,943	4,746	5,404
Buildings and leasehold improvements		3,869	3,372	3,694	3,334
Library		5,814	5,850	5,814	5,850
Software and system development costs		1,939	315	1,852	315
Sub-total depreciation expense		176,139	15,480	16,106	14,903
Other expenses		123,897	121,058	100,197	96,618
Total		306,450	302,494	274,779	267,902
Deferred Employee Benefit for Superannuation		(2,600)	2,600	(2,600)	2,600
Total expenses		303,850	305,094	272,179	270,502



INDEPENDENT AUDIT REPORT

TO THE CHANCELLOR

SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987* and section 25(2) of the *University of Adelaide Act 1971*, I have audited the financial report of the University of Adelaide for the financial year ended 31 December 2000. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- Certificate by the Chancellor and the Vice-Chancellor.

The financial report includes the consolidated financial statements of the consolidated entity, comprising the University of Adelaide and the entities it controlled at year's end or from time to time during the financial year.

The members of the Council of the University of Adelaide are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the Chancellor.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards to provide reasonable assurance that the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Funding Act 1988*, Australian Accounting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views, so as to present a view which is consistent with my understanding of the University of Adelaide's and of the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1988*, the *Higher Education Funding Act 1988*, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the University of Adelaide and of the economic entity as at 31 December 2000, the results of their operations and their cash flows for the year then ended.

14 May 2001

K I MacPHERSON
AUDITOR-GENERAL

