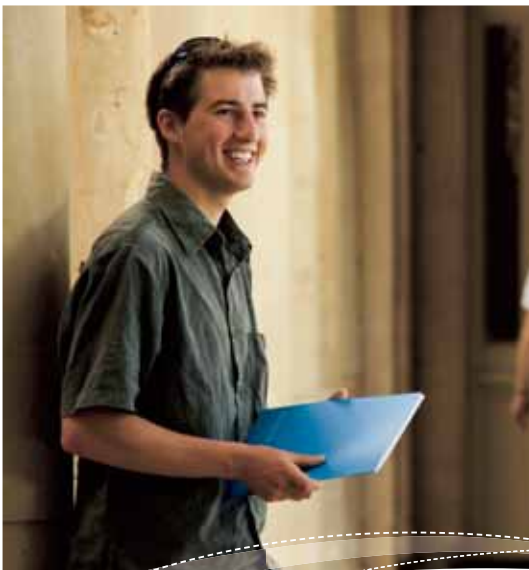


# 2005 Annual Report



A MEMBER OF



**Group of Eight**

AUSTRALIA'S LEADING UNIVERSITIES

Life Impact The University of Adelaide





### Statement by the Chancellor and the Vice-Chancellor and President

In our opinion:

- (a) the Financial Statements of The University of Adelaide have been prepared in accordance with the accounts and record of the University and give an accurate indication of the financial transactions of the University for the year ended 31 December 2005;
- (b) in all material respects, the Financial Statements have been prepared in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, the Higher Education Funding Act 1988, the Higher Education Support Act 2003, Australian equivalents to International Financial Reporting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views;
- (c) at the date of signing this Statement there are reasonable grounds to believe that The University of Adelaide will be able to pay its debts as and when they fall due;
- (d) the amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was provided;
- (e) The University of Adelaide has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure of the Australian Government financial assistance; and
- (f) internal controls over financial reporting have been effective throughout the reporting period.

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

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



THE HON. JOHN von DOUSSA QC  
Chancellor



PROFESSOR JAMES A. McWha  
Vice-Chancellor and President

22 May 2006



# INDEPENDENT AUDIT REPORT



Government of South Australia  
Auditor-General's Department

## TO THE CHANCELLOR

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## 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 2005. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Statement of Changes in Equity;
- A Cash Flow Statement;
- Notes to the Financial Statements;
- Certificate by the Chancellor and 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 the 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 and Assurance Standards to provide reasonable assurance whether 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*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the University of Adelaide's and the consolidated entity's financial position, 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 1987*, the *Higher Education Funding Act 1988*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the University of Adelaide and the consolidated entity as at 31 December 2005, the results of their operations and their cash flows for the year then ended.

A handwritten signature in black ink, appearing to read "K I MacPherson".

**K I MacPherson**  
**Auditor-General**  
1 June 2006



## Income Statement for the year ended 31 December 2005

		<b>Consolidated</b>		<b>University</b>	
		<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>Note</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue from continuing operations</b>	<b>5</b>				
Received under Higher Education Support Act					
Base operating financial assistance		115,347	99,692	115,347	99,692
Other operating financial assistance		4,916	5,570	4,916	5,570
Higher Education Contribution Scheme		54,327	47,854	54,327	47,854
		<b>174,590</b>	<b>153,116</b>	<b>174,590</b>	<b>153,116</b>
<b>Learning and Teaching</b>					
Student fees	5	66,429	54,454	66,429	54,454
Grants		14,768	15,453	14,768	15,453
		<b>81,197</b>	<b>69,907</b>	<b>81,197</b>	<b>69,907</b>
<b>Research Grants and Fees</b>					
National competitive grants		56,536	51,316	56,536	51,316
Public sector - other		23,613	19,760	23,393	19,540
Industry and other		10,346	13,419	10,346	13,419
		<b>90,495</b>	<b>84,495</b>	<b>90,275</b>	<b>84,275</b>
<b>Research - Other</b>					
Cooperative Research Centre direct funding		6,779	7,754	6,779	7,754
Research infrastructure program		15,742	12,953	15,742	12,953
		<b>22,521</b>	<b>20,707</b>	<b>22,521</b>	<b>20,707</b>
<b>Other</b>					
Investment revenue	5	23,665	19,277	19,996	17,470
Property revenue	5	7,585	6,693	7,585	6,693
Specialist services and trading	5	55,010	45,134	18,234	16,501
Deferred government superannuation contributions		4,600	900	4,600	900
Other	5	17,826	19,631	18,993	19,982
		<b>108,686</b>	<b>91,635</b>	<b>69,408</b>	<b>61,546</b>
<b>Total operating revenue from continuing operations</b>		<b>477,489</b>	<b>419,860</b>	<b>437,991</b>	<b>389,551</b>
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method	5	(2,095)	2,708	-	-
<b>Total revenue from continuing operations</b>		<b>475,394</b>	<b>422,568</b>	<b>437,991</b>	<b>389,551</b>
<b>Expenses from continuing operations</b>	<b>6</b>				
Salaries and related expenses	6	235,571	215,092	221,792	203,366
Student services		21,764	19,794	21,764	19,794
Teaching and research materials	6	44,676	44,531	44,636	44,491
Buildings and grounds	6	25,896	21,241	25,896	21,241
Borrowing costs	6	163	155	157	143
Administration, communication and travel		65,473	57,566	42,508	39,899
Finance and fund administration		2,111	1,308	2,111	1,873
Misc equip, dep'n and net loss on disposal of assets		35,131	34,538	33,661	33,108
Deferred employee benefits for superannuation		7,274	3,555	7,274	3,555
<b>Total expenses from continuing operations</b>		<b>438,059</b>	<b>397,780</b>	<b>399,799</b>	<b>367,470</b>
<b>Operating result before minority interests</b>		<b>37,335</b>	<b>24,788</b>	<b>38,192</b>	<b>22,081</b>
Operating result attributable to minority interest		32	58	-	-
<b>Operating result from continuing operations</b>		<b>37,367</b>	<b>24,846</b>	<b>38,192</b>	<b>22,081</b>

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



## Balance Sheet as at 31 December 2005

		Consolidated		University	
	Note	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current Assets</b>					
Cash and cash equivalents	7	86,585	74,740	72,092	62,829
Receivables	8	28,255	19,704	24,258	16,739
Other financial assets	9	2,094	2,311	2,201	2,418
Inventories	10	4,268	4,364	1,661	1,754
Other non-financial assets	11	2,721	3,244	2,528	3,021
Available-for-sale financial assets	14	6,442	6,702	-	-
		<u>130,365</u>	<u>111,065</u>	<u>102,740</u>	<u>86,761</u>
Non-current assets classified as held for sale	12	-	1,865	-	1,865
<b>Total current assets</b>		<u><b>130,365</b></u>	<u><b>112,930</b></u>	<u><b>102,740</b></u>	<u><b>88,626</b></u>
<b>Non-current Assets</b>					
Other financial assets	9	87,712	75,541	87,712	75,541
Investments accounted for using the equity method	13	2,843	4,938	363	363
Available-for-sale financial assets	14	-	-	51,224	48,754
Property, plant and equipment	15	601,821	562,121	561,679	523,316
Investment property	16	17,717	16,017	17,717	16,017
Intangible assets	17	1,085	3,876	796	3,595
Other non-financial assets	11	1,371	1,273	1,371	1,273
Deferred government superannuation contribution	27	42,900	38,300	42,900	38,300
<b>Total non-current assets</b>		<u><b>755,449</b></u>	<u><b>702,066</b></u>	<u><b>763,762</b></u>	<u><b>707,159</b></u>
<b>Total assets</b>		<u><b>885,814</b></u>	<u><b>814,996</b></u>	<u><b>866,502</b></u>	<u><b>795,785</b></u>
<b>Current Liabilities</b>					
Payables	18	34,885	32,441	24,194	22,969
Interest-bearing liabilities	19	37	108	6	6
Provisions	20	12,674	11,461	12,055	10,829
Deferred employee benefits for superannuation	27	3,200	3,000	3,200	3,000
Other	21	10,395	8,940	10,109	8,676
<b>Total current liabilities</b>		<u><b>61,191</b></u>	<u><b>55,950</b></u>	<u><b>49,564</b></u>	<u><b>45,480</b></u>
<b>Non-current Liabilities</b>					
Payables	18	3,159	2,630	3,056	2,624
Interest-bearing liabilities	19	75	129	75	81
Provisions	20	32,758	28,647	32,091	28,427
Deferred employee benefits for superannuation	27	39,700	35,300	39,700	35,300
<b>Total non-current liabilities</b>		<u><b>75,692</b></u>	<u><b>66,706</b></u>	<u><b>74,922</b></u>	<u><b>66,432</b></u>
<b>Total liabilities</b>		<u><b>136,883</b></u>	<u><b>122,656</b></u>	<u><b>124,486</b></u>	<u><b>111,912</b></u>
<b>Net assets</b>		<u><b>748,931</b></u>	<u><b>692,340</b></u>	<u><b>742,016</b></u>	<u><b>683,873</b></u>
<b>Equity</b>					
Capital reserves	23	471,847	452,631	486,537	466,832
Specific purpose reserves	23	152,875	141,201	152,875	141,201
Retained surplus	23	122,448	96,631	102,604	75,840
<b>Total University interest</b>		<u><b>747,170</b></u>	<u><b>690,463</b></u>	<u><b>742,016</b></u>	<u><b>683,873</b></u>
Minority interest		1,761	1,877	-	-
<b>Total equity</b>		<u><b>748,931</b></u>	<u><b>692,340</b></u>	<u><b>742,016</b></u>	<u><b>683,873</b></u>

The Balance Sheet should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Total equity at the beginning of the financial year</b>		692,340	661,685	683,873	656,420
Outside equity interest distribution paid		(84)	(100)	-	-
Defined benefits fund actuarial gain		246	972	246	972
Gain on revaluation of land and buildings		18,971	5,228	17,235	6,275
Gain on revaluation of available-for-sale financial assets		74	(235)	2,470	(1,875)
Other adjustments recognised directly in equity		49	2	-	-
<b>Net income recognised directly in equity</b>		<b>19,256</b>	<b>5,867</b>	<b>19,951</b>	<b>5,372</b>
Operating result for the year		37,335	24,788	38,192	22,081
<b>Total recognised income and expense for the year</b>		<b>56,591</b>	<b>30,655</b>	<b>58,143</b>	<b>27,453</b>
<b>Total equity at the end of the financial year</b>		<b>748,931</b>	<b>692,340</b>	<b>742,016</b>	<b>683,873</b>
Total recognised income and expense for the year attributable to:					
Members of the University of Adelaide		37,367	24,846	38,192	22,081
Minority interest		(32)	(58)	-	-
		<b>37,335</b>	<b>24,788</b>	<b>38,192</b>	<b>22,081</b>

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





## Cash Flow Statement for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>					
<b>Inflows:</b>					
Australian Government financial assistance					
CGS and other DEST grants		74,543	62,918	74,543	62,918
Higher Education Loan Programmes		49,816	45,127	49,816	45,127
Scholarships		6,227	5,323	6,227	5,323
DEST research		59,724	52,809	59,724	52,809
ARC - discovery		12,130	9,391	12,130	9,391
ARC - linkages		6,154	7,813	6,154	7,813
ARC - networks and centres		5,397	3,544	5,397	3,544
Other Australian Government grants		46,981	48,574	46,981	48,574
State and Local Government financial assistance		17,522	14,611	17,302	14,391
HECS-HELP - student payments		9,249	7,525	9,249	7,525
OS-HELP (net of outflows)		222	-	222	-
Student fees		59,824	51,126	59,824	51,126
Fees and charges		17,284	18,428	15,950	17,316
Donations and bequests		4,647	6,018	7,147	7,252
Investment income received		7,666	4,516	6,012	5,011
Consultancy and contract research		39,352	35,352	26,597	24,309
Specialist services and produce trading		34,822	25,457	12,277	9,923
Other		10,420	12,960	9,743	10,933
<b>Total inflows</b>		<b>461,980</b>	<b>411,492</b>	<b>425,295</b>	<b>383,285</b>
<b>Outflows:</b>					
Salaries and related expenses		(241,168)	(214,956)	(227,719)	(203,561)
Student services		(21,813)	(19,560)	(21,773)	(19,520)
Goods and services		(149,266)	(128,550)	(127,784)	(113,171)
Interest paid		(163)	(155)	(157)	(143)
<b>Total outflows</b>		<b>(412,410)</b>	<b>(363,221)</b>	<b>(377,433)</b>	<b>(336,395)</b>
<b>Net cash provided by operating activities</b>	24	<b>49,570</b>	<b>48,271</b>	<b>47,862</b>	<b>46,890</b>



## Cash Flow Statement for the year ended 31 December 2005 - continued

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>Cash flows from investing activities</b>					
<b>Inflows:</b>					
Proceeds from sale of property, plant and equipment		1,731	1,392	1,631	1,118
Proceeds from sale of investments		3,393	2,640	3,393	2,630
Proceeds from sale of available for sale financial assets		2,099	1,824	-	-
Increase in borrowings		-	17	-	-
Repayment of loan		333	1,023	333	1,023
Total inflows		7,556	6,896	5,357	4,771
<b>Outflows:</b>					
Payments for property, plant and equipment		(41,437)	(26,957)	(40,322)	(25,117)
Payments for intangible assets		(74)	(1,090)	-	(951)
Purchase of investments		(3,727)	(6,067)	(3,727)	(6,067)
Repayment of borrowings		(6)	(6)	(6)	(6)
Total Outflows		(45,244)	(34,120)	(44,055)	(32,141)
Net cash used in investing activities		(37,688)	(27,224)	(38,698)	(27,370)
<b>Cash flows from financing activities</b>					
<b>Inflows:</b>					
Issue of shares to outside equity interests		50	-	-	-
Total outflows		50	-	-	-
<b>Outflows:</b>					
Repayment of borrowings		(102)	(97)	-	-
Dividends paid to minority interests		(84)	(100)	-	-
Total outflows		(186)	(197)	-	-
Net cash used in financing activities		(136)	(197)	-	-
Net increase in cash and cash equivalents		11,746	20,850	9,164	19,520
Cash and cash equivalents at the beginning of reporting period		74,740	53,795	62,829	43,214
Effects of exchange rate changes on cash and cash equivalents		99	95	99	95
Cash and cash equivalents at end of reporting period	7	86,585	74,740	72,092	62,829

The Cash Flow Statement should be read in conjunction with the accompanying notes.



## Notes to the Financial Statements for the year ended 31 December 2005

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# Notes to the Financial Statements for the year ended 31 December 2005

## 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 statements. The financial statements and notes collectively constitute a general purpose financial report prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Urgent Issue Group Consensus Views, unless otherwise disclosed in these notes. The report also conforms with the reporting requirements of the Department of Education, Science and Training (DEST).

### (a) Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the University financial statements and the Consolidated Entity, and notes comply with International Financial Reporting Standards (IFRSs).

### (b) Application of AASB 1 First-time adoption of Australian equivalents to International Financial Reporting Standards

These financial statements are the first University financial statements to be prepared in accordance with AIFRSs. AASB 1 First-time Adoption of Australian equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of the University until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the 2005 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRSs on the University's equity and its net income are given in note 37.

### (c) Early adoption of standard

The University has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the annual reporting period beginning 1 January 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

### (d) Critical accounting estimates

Preparation of financial statements in conformity with AIFRS 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where applicable, in the relevant notes to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and the future periods if the revision affects both current and future periods.

## 2. Scope of Reporting

The financial statements and notes disclose the 2005 operating results and 2004 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 financial results of The University of Adelaide together with the financial results of its controlled entities. It includes the University's interests in associated entities (note 34) and its joint venture operations (Note 35), recognised using the equity accounting method. Refer to Note 33 Investments in Controlled Entities.

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

Adelaide Research & Innovation Pty Ltd as trustee for The Adelaide Research & Innovation Investment Trust  
 Australian Company Number 060 292 486 Pty Ltd formerly Camtech (SA) Pty Ltd as trustee for Camtech Discretionary Trust (dissolved in 2005)  
 Disc Pty Ltd (dissolved in 2005)  
 Repromed Pty Ltd  
 Reproductive Health Science Pty Ltd  
 Lubims Pty Ltd  
 Martindale Holdings Pty Ltd as trustee for

- JS Davies Estate  
 - JAT Mortlock Trust





## Notes to the Financial Statements for the year ended 31 December 2005

### 3. Statement of Significant Accounting Policies

#### (a) Basis of Accounting

This general purpose 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 these policies have been consistently applied to all the years presented, unless otherwise stated.

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

#### (b) Principles of Consolidation

The consolidated financial statements of the Consolidated Entity include the financial statements of the University, being the parent entity, and its controlled entities ('the Consolidated Entity'). All entities have a 31 December reporting period except for Martindale Holdings Pty Ltd, which is a primary producer, and consequently has 31 March reporting period.

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 have been eliminated in the consolidated financial statements. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

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

The University and its controlled entities financial statements are prepared in Australian dollars as their primary activities are conducted within Australia where the functional currency is Australian dollars.

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

#### (d) Revenue Recognition

##### • Grant Revenue

Grant revenue is recognised in the accounting period it is received.

##### Financial Effects of Changes to Australian Government Payment Arrangements for 2005 Grant Year Background

DEST made changes to payment arrangements in late 2004 so that all recurrent payments in respect of a grant year will be made in that year. The past practice of making the first payment in respect of a grant year at the end of December of the previous year was discontinued. For the 2005 grant year, the first payment was made in January 2005 instead of December 2004.

##### Financial effects for 2004

Changes to payment arrangements will mean that those Higher Education Providers (HEPs) that reported the whole or part of the 8% first payment in respect of the 2004 grant year as revenue in 2003 will have the effect of understating the Australian Government funding for the 2004 grant year in their 2004 Income Statement. The HEPs were required to identify in their 2004 financial statements, the impact of the changed treatment on their operating result by restating the Australian Government financial assistance for 2004 (by incorporating the amount received in December 2003 as revenue for the 2004 reporting period) and the total revenue from operating activities. If the restated amounts for 2004 are not reported in the Income Statement, then that information is provided below:

	\$000
2004 operating revenue from continuing operations (per Income Statement)	153,116
Add grants received in 2003 for 2004 activities:	
Australian Government financial assistance	9,545
HECS - Australian Government payments	3,278
Australian Government loan programmes	-
Total restated 2004 operating revenue from continuing operations	<u>165,939</u>
Restated 2004 operating revenue from continuing operations	165,939
Reported 2004 operating revenue from continuing operations	153,116
Financial effect on 2004 operating result	<u>12,823</u>

The Australian Government will use the restated figures in all DEST publications, including the Finance 2004 publication, to ensure consistent treatment across all HEPs.

## Notes to the Financial Statements for the year ended 31 December 2005

**3. Statement of Significant Accounting Policies – continued****(d) Revenue Recognition - continued**

- **Student Tuition Fees and Charges**  
Student tuition fees and charges are recognised in the accounting period in which the service is provided.
- **Consultancy, Contract and Industry Research**  
Consultancy, contract and industry research income is recognised in the accounting period in which the service is provided.
- **Bequests and Donations**  
Bequests and donations are recognised as income in the accounting period they are received.
- **Interest and Investment Income**  
Interest and income from investments are recognised as they accrue (refer to Note 3(j)).
- **Asset Sales**  
The net gain/loss from asset sales is included as revenue in the Consolidated Entity Income Statement. The profit or loss on disposal of assets is brought to account at the date the contract of sale becomes unconditional.

**(e) Goods and Services Tax**

Revenues, expenses, assets and liabilities are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(f) Research and Development Costs (Intangible Assets)**

Research expenditure is expensed in the period in which it is incurred. Where no internally generated asset can be recognised, development expenditure is recognised in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment (refer to note 17).

**(g) Employee Benefits**

- **Wages and Salaries**  
The employees' entitlements to wages and salaries represent the amount which the Consolidated Entity has a present obligation to pay resulting from employees' services provided up to the balance date. The entitlements have been calculated at the wage and salary rates as at the balance date and have been recognised in payables.
- **Annual Leave**  
The employees' entitlements to annual leave expected to be settled within 12 months of the balance date have been calculated at the wage and salary rates as at the balance date and recognised in current provisions. Where the employees' entitlements to annual leave are not expected to be settled within 12 months of the balance date, the provision has been discounted to present value using the Australian Government 3 year bond rate and recognised in non-current provisions. The employee on-costs related to annual leave provision are recognised in payables.





## Notes to the Financial Statements for the year ended 31 December 2005

### 3. Statement of Significant Accounting Policies – continued

#### (g) Employee Benefits - continued

- **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 employees' entitlements, which are not expected to be settled within twelve months, are discounted using the rates attaching to Australian Government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employees' 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 been recognised in payables.

- **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 Income Statement. For defined benefit plans, the actuarial gains and losses are recognised immediately in the Statement of Changes in Equity in the year in which they occur and the liability in relation to the defined benefit obligation, net of assets, has been recognised in the Balance Sheet. Refer to Note 27 for details relating to the individual schemes.

#### (h) Receivables

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

#### (i) Cash and Cash Equivalents

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.

#### (j) Other Financial Assets

The Consolidated Entity classifies its investment into the following categories: financial assets held for trading, available for sale financial assets and loans and receivables. The classification depends on the purpose for which the investments were acquired. The classification of the investments is made at initial recognition and is reviewed at each balance date.

- **Financial assets held-for-trading**

The financial assets are classified in this category if acquired for the purpose of selling in the short-term and the assets are subject to frequent changes in fair value. Financial assets held for trading purposes are recorded at fair value in the Balance Sheet, with any realised and unrealised gains or losses recognised in the Income Statement.

*Composite Fund*

The majority 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 independent investment managers. It includes a mix of Australian equities, overseas equities, fixed interest securities and property trusts. These securities are traded by the investment managers, however, the composite fund represents a long term investment holding. As a consequence, these investments are reported in non-current financial assets in the Balance Sheet at market values obtained from the investment managers.

- **Available-for-sale financial assets**

The financial assets are classified in this category where there is an intention to dispose of the investment, rather than replacing the investment through trading. Available for sale financial assets are recorded at fair value less impairment in the Balance Sheet. Unrealised gains and losses arising from changes in fair value are recognised directly in the revaluation reserve, until the investment is disposed of or is determined impaired, at which time the cumulative unrealised gain or loss previously recognised in the reserve is included in the Income Statement for the period. The University's investments in controlled entities are classified as non-current available-for-sale financial assets as the University does not intend to dispose of these assets in the near future.

- **Loans and receivables**

The financial assets are classified in this category when the Consolidated Entity provides money, goods or services to a debtor with no intention of selling the receivable. Financial assets classified as loans and receivables are recorded at amortised cost less impairment. 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.



## Notes to the Financial Statements for the year ended 31 December 2005

**Statement of Significant Accounting Policies – continued****(j) Other Financial Assets - continued**

Fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes (refer to Note 32). The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. Financial instruments that are not traded in an active market are recognised at cost. The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values.

**(k) Investments in Business Undertakings**

- **Controlled Entities**

Investments in controlled entities are carried in the University's financial statements at cost. Dividends and distributions are brought to account in the Income Statement when they are declared by the controlled entities.

- **Associates**

An associate is an entity, other than a partnership, over which the Consolidated Entity exercises a 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 the equity method of accounting. 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 Income Statement 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.

- **Joint Venture Operations**

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 35 (a)(i). In the ordinary course of events this income, which is recognised in the financial statements of the University, is used to meet operational costs and/or acquire equipment. 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 the balance date, the University is not aware of any material intellectual property with commercial value. As such no accounting entries have been recorded.

The University's interest in Other Joint Ventures, as described in Note 35 (a)(iii), are accounted for using the equity method of accounting.

- **Other Business Undertakings**

The Consolidated Entity holds, through The Adelaide Research & Innovation Investment Trust, significant investment in a publicly listed entity, namely GroPep Ltd. It does not exercise any significant influence over the operations of this entity. As at 31 December 2005 the investment has been valued at market value.

In addition, the Consolidated Entity holds a number of investments. In the case of publicly listed investments, these have been valued at market value. In the case of non publicly listed investments, these have been valued at lower of cost or net realisable value (refer to Note 3 (j)).

**(l) Inventories**

- **Consumable Materials and Trading Stock**

The University has a number of inventory stores at several locations. The inventory is valued at the lower of cost or net realisable value. Where controlled entities have reported inventory, this is included in the Consolidated Entity at the lower of cost or net realisable value.

- **Livestock**

The University breeds animals for teaching and research activities and not for profit. Consequently it does not attribute a value to livestock for recording in the Balance Sheet. Where controlled entities have reported livestock, this is included at lower of cost or net realisable value.

**(m) Property, Plant and Equipment**

- **Acquisitions**

Items of property, plant and equipment are initially recorded at cost in the Balance Sheet (unless otherwise indicated) and depreciated in accordance with Note 3(p).



## Notes to the Financial Statements for the year ended 31 December 2005

### 3. Statement of Significant Accounting Policies – continued

#### (m) Property, Plant and Equipment – continued

- **Revaluations**

During 2005 land, buildings and works of art were independently valued on a fair value basis in accordance with Australian Accounting Standards. During 2004 land was independently valued on a fair value basis, however, buildings and works of art were assessed by the valuers as still representing fair value.

Increases in the carrying amounts arising on revaluation of each class of assets, being land and buildings, library collection and works of art are credited to capital reserves in equity within the Balance Sheet except to the extent that they reverse previous reductions in the carrying amounts which were charged to the Income Statement. Decreases that reverse previous increases of the same class of asset are first charged against the capital reserves in equity to the extent of the remaining reserve attributable to the class of asset. All other decreases are charged to the Income Statement.

- **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.

- **Land and Buildings**

The University differentiates between "trust" and "other" land and buildings. "Trust" land is land provided to the University by government to be held in trust for the specific purpose of operating the University, or acquired by settlement under a binding trust. Buildings constructed on land classified as "trust" land are classified as "trust" buildings.

All land and buildings are recorded at fair value which has been assessed via an independent valuation on the basis of market value for existing use. The valuation has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Edward Rushton Australia Pty Ltd on 31 December 2005.

- **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 Balance Sheet. 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**

The Library collection was revalued on 31 December 2004 using an internal valuation based on the annual price movement of books and journals. The additions to the library collection during 2005 have been recognised at cost.

- **Works of Art**

Works of art greater than \$2,000, are recorded at fair value on the basis of an independent valuation carried out by Mr J.F.B. Bruce valuer (MSAV) of Ian Bruce Pty Ltd on 31 December 2005. No provision for depreciation is made for works of art.

- **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.

Payments made under operating leases are charged to the Income Statement in equal instalments over the accounting periods covered by the lease term.

#### (n) Non-current Assets Held for Sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The University intends to dispose of any assets held for sale within the next 12 months after balance date.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised in the Income Statement for any subsequent increases in fair value less costs to sell of an asset, 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 is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately within current assets in the Balance Sheet.



## Notes to the Financial Statements for the year ended 31 December 2005

**3. Statement of Significant Accounting Policies – continued****(o) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Income Statement 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.

**(p) Depreciation and Amortisation**

Depreciation on freehold buildings is calculated on a diminishing value basis. Depreciation is provided on other property, plant and equipment, excluding land, on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The following estimated useful lives are used in the calculation of depreciation/amortisation:

	Range
• Buildings	20 – 160 years
• Leasehold improvements	10 – 50 years
• Library	10 years
• Plant and equipment including motor vehicles	5 – 10 years
• Software and implementation costs	3 – 5 years
• Leased plant and equipment	10 years

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

**(q) 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 Mercer Human Resource Consulting Pty Ltd using the Projected Incurred Cost method. Under the Projected Incurred Cost method the development of the case estimated incurred cost (case estimates plus paid to date) is calculated and development factors adopted based on past experience. These development factors are used, together with the adopted payment rates, to project payments and estimates for future payment years.

**(r) 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 such as professional development costs and fringe benefit tax.

**(s) 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, fund raising and bequests, sundry recoveries and recharges.

**(t) Rounding**

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

**4. Changes in Accounting Policy****Change in Useful Lives for Library Collection**

The library collection was revalued internally as at 31 December 2004. The useful life of the library collection was also reviewed at the time of the revaluation and a 10 year useful life has been adopted for the entire library collection from 1 January 2005. Depreciation recognised in prior years has not been changed, that is, the change in depreciation rate or method has been accounted for on a 'prospective' basis from 1 January 2005.





## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>5. Revenue from continuing operations</b>					
Student fee income includes:					
Award courses					
Australian fee paying undergraduate students		2,042	1,419	2,042	1,419
Australian fee paying postgraduate students		3,240	3,741	3,240	3,741
International fee paying students		49,110	39,503	49,110	39,503
		<b>54,392</b>	<b>44,663</b>	<b>54,392</b>	<b>44,663</b>
Non award courses					
Continuing education		519	443	519	443
Australian fee paying		1,968	1,423	1,968	1,423
Other teaching service fees		3,212	3,576	3,212	3,576
		<b>5,699</b>	<b>5,442</b>	<b>5,699</b>	<b>5,442</b>
		<b>60,091</b>	<b>50,105</b>	<b>60,091</b>	<b>50,105</b>
Tuition fees - Higher Education Support Act FEE-HELP		5,478	3,576	5,478	3,576
Overseas postgraduate research scholarship		860	773	860	773
		<b>66,429</b>	<b>54,454</b>	<b>66,429</b>	<b>54,454</b>
Investment revenue					
General fund earnings		7,806	5,782	5,219	3,631
Net realised gains on composite fund investments		3,393	2,690	3,393	2,690
General and composite fund investment market valuation adjustment		8,638	7,823	8,638	7,823
Unrealised gains on investment properties		2,032	1,080	2,032	1,080
Royalty, trademarks and licences		1,563	1,621	115	151
Dividends received		233	281	188	170
Distributions from controlled entities		-	-	411	1,925
		<b>23,665</b>	<b>19,277</b>	<b>19,996</b>	<b>17,470</b>
Property revenue					
Rental charges/accommodation fees		5,447	4,561	5,447	4,561
Parking fees		734	915	734	915
Building development and maintenance recovery		623	391	623	391
Other property revenue		781	826	781	826
		<b>7,585</b>	<b>6,693</b>	<b>7,585</b>	<b>6,693</b>
Specialist services and trading					
Consultancy fees		18,774	14,596	4,716	3,553
Library charges and fines		963	1,027	963	1,027
Sale of services		25,765	20,682	8,328	8,469
Sale of goods		6,492	6,497	2,714	2,358
Sponsorship and conference income		882	593	882	593
Other specialist services and trading		2,134	1,739	631	501
		<b>55,010</b>	<b>45,134</b>	<b>18,234</b>	<b>16,501</b>

## Notes to the Financial Statements for the year ended 31 December 2005

		Consolidated		University	
		2005	2004	2005	2004
	Note	\$000	\$000	\$000	\$000
<b>5. Revenue from continuing operations - continued</b>					
Other revenue					
Bequests and donations received for:					
Research		1,040	4,092	3,540	4,092
General operational purposes and capital works		2,910	2,139	2,910	3,373
		3,950	6,231	6,450	7,465
Prizes and scholarships		514	842	514	842
Net gain from sale of assets and minor equipment		381	470	322	285
Recharge of costs to other organisations		3,999	4,730	3,999	4,730
Application management and late fee		482	542	482	542
Franchise fees		939	867	939	867
Bad debts recoveries		237	428	237	428
Other revenue		7,324	5,521	6,050	4,823
		17,826	19,631	18,993	19,982
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method					
Joint venture operations	35	28	1,985	-	-
Associates	34	(2,123)	723	-	-
		(2,095)	2,708	-	-
Net foreign exchange gain					
		99	95	99	95



## Notes to the Financial Statements for the year ended 31 December 2005

	<b>Consolidated</b>		<b>University</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
<b>Note</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>6. Expenses from continuing operations</b>				
Salaries and related expenses				
Salaries and related expenses - Academic				
Salaries	88,093	81,982	88,093	81,982
Contributions to superannuation schemes:				
Emerging cost	1,526	1,538	1,526	1,538
Funded	12,234	11,241	12,234	11,241
	<b>13,760</b>	<b>12,779</b>	<b>13,760</b>	<b>12,779</b>
Payroll tax	5,407	4,984	5,407	4,984
Annual leave	9,711	8,797	9,711	8,797
Long service leave	3,015	2,691	3,015	2,691
Workers' compensation	427	386	427	386
Other	4,425	4,122	4,425	4,122
Total academic salaries and related expenses	<b>124,838</b>	<b>115,741</b>	<b>124,838</b>	<b>115,741</b>
Salaries and related expenses - Non-academic				
Salaries	84,092	75,333	71,809	64,555
Contributions to superannuation schemes:				
Emerging cost	1,148	1,117	1,148	1,117
Funded	10,069	9,155	9,450	8,620
	<b>11,217</b>	<b>10,272</b>	<b>10,598</b>	<b>9,737</b>
Payroll tax	4,365	3,933	4,275	3,857
Annual leave	7,903	6,808	7,580	6,786
Long service leave	2,633	2,148	2,314	2,057
Workers' compensation	450	388	338	299
Other	2,747	3,124	2,714	2,989
Total non-academic salaries and related expenses	<b>113,407</b>	<b>102,006</b>	<b>99,628</b>	<b>90,280</b>
	<b>238,245</b>	<b>217,747</b>	<b>224,466</b>	<b>206,021</b>
Deferred employee benefits for superannuation	4,600	900	4,600	900
Total salaries and related expenses	<b>242,845</b>	<b>218,647</b>	<b>229,066</b>	<b>206,921</b>
Total salaries and related expenses	242,845	218,647	229,066	206,921
Less:				
Emerging cost	2,674	2,655	2,674	2,655
Deferred employee benefits for superannuation	4,600	900	4,600	900
Salaries and related expenses	<b>235,571</b>	<b>215,092</b>	<b>221,792</b>	<b>203,366</b>
Teaching and research materials				
Agriculture, animals and cropping	2,019	1,956	2,019	1,956
Books, subscriptions and printed material	3,367	3,009	3,367	3,009
Laboratory expenses	12,401	11,982	12,401	11,982
Research transfer to other institutions	20,104	22,736	20,104	22,736
Other teaching and research materials	6,785	4,848	6,745	4,808
	<b>44,676</b>	<b>44,531</b>	<b>44,636</b>	<b>44,491</b>
Buildings and grounds				
Cleaning and security	4,517	3,861	4,517	3,861
Property maintenance	10,243	8,440	10,243	8,440
Building leases and rent	5,618	3,525	5,618	3,525
Utilities	5,518	5,415	5,518	5,415
	<b>25,896</b>	<b>21,241</b>	<b>25,896</b>	<b>21,241</b>



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>6. Expenses from continuing operations - continued</b>					
Borrowing costs					
Interest		25	12	19	-
Finance charges		138	143	138	143
		<b>163</b>	<b>155</b>	<b>157</b>	<b>143</b>
Amortisation of intangible assets					
Internally developed software		<b>2,813</b>	<b>3,217</b>	<b>2,799</b>	<b>3,217</b>
Amortisation	3(p)				
Leasehold improvements		569	307	390	127
Computer software		23	168	23	168
		<b>592</b>	<b>475</b>	<b>413</b>	<b>295</b>
		<b>3,405</b>	<b>3,692</b>	<b>3,212</b>	<b>3,512</b>
Depreciation	3(p)				
Buildings		8,601	8,509	8,505	8,416
Plant, equipment and motor vehicles		6,699	6,214	5,506	5,093
Library collection		3,946	6,488	3,946	6,488
Investment properties		332	348	332	348
		<b>19,578</b>	<b>21,559</b>	<b>18,289</b>	<b>20,345</b>
Bad and doubtful debts					
Student loans		9	15	9	15
Student tuition		522	176	522	176
Other debtors		323	445	297	897
		<b>854</b>	<b>636</b>	<b>828</b>	<b>1,088</b>
<b>7. Cash and Cash Equivalents</b>	3(ii)				
Cash at bank or on hand		5,632	13,991	2,290	2,651
Deposits at call		80,953	60,749	69,802	60,178
		<b>86,585</b>	<b>74,740</b>	<b>72,092</b>	<b>62,829</b>



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>8. Receivables</b>	3(h)				
Current					
Student tuition fees		4,304	3,051	4,304	3,051
Less: provision for doubtful debts		(1,039)	(664)	(1,039)	(664)
		<u>3,265</u>	<u>2,387</u>	<u>3,265</u>	<u>2,387</u>
 Sundry debtors, trade debtors and accrued income		 26,547	 18,993	 21,876	 15,467
Less: provision for doubtful debts		(1,601)	(1,755)	(927)	(1,175)
		<u>24,946</u>	<u>17,238</u>	<u>20,949</u>	<u>14,292</u>
 Student loans		 228	 243	 228	 243
Less: provision for doubtful debts		(184)	(183)	(184)	(183)
		<u>44</u>	<u>60</u>	<u>44</u>	<u>60</u>
 Other		 -	 19	 -	 -
		<u>28,255</u>	<u>19,704</u>	<u>24,258</u>	<u>16,739</u>

### Bad and doubtful debts

The University has recognised a loss of \$828,000 (2004: \$1,088,000) in respect of bad and doubtful receivables during the year ended 31 December 2005. The loss has been included in 'Finance and fund administration' expenses in the Income Statement.

### 9. Other Financial Assets

Current					
Loans to controlled entities		-	-	2,133	2,246
Term deposits		2,026	2,139	-	-
Other loans		68	172	68	172
		<u>2,094</u>	<u>2,311</u>	<u>2,201</u>	<u>2,418</u>



## Notes to the Financial Statements for the year ended 31 December 2005

		<b>Consolidated</b>		<b>University</b>	
		<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>Note</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>9. Other Financial Assets - continued</b>					
Non-current					
Held for trading					
Composite fund at fair value	3(j)				
Australian fixed interest securities		12,743	10,037	12,743	10,037
Overseas fixed interest securities		5,690	6,416	5,690	6,416
Australian equities		25,580	21,665	25,580	21,665
Overseas equities		23,540	19,119	23,540	19,119
Property trusts		5,119	4,442	5,119	4,442
Cash and liquid assets		2,762	2,397	2,762	2,397
Alternative strategies		1,098	1,003	1,098	1,003
		<b>76,532</b>	<b>65,079</b>	<b>76,532</b>	<b>65,079</b>
Managed investment held by Unisure Pty Ltd		7,596	7,172	7,596	7,172
Other shares		2,327	1,917	2,327	1,917
<b>Total non-current other financial assets held for trading</b>		<b>86,455</b>	<b>74,168</b>	<b>86,455</b>	<b>74,168</b>
Other loans		<b>1,257</b>	<b>1,373</b>	<b>1,257</b>	<b>1,373</b>
<b>Total non-current other financial assets</b>		<b>87,712</b>	<b>75,541</b>	<b>87,712</b>	<b>75,541</b>
Other loans are all secured by way of either a mortgage over land or a second priority fixed or floating charge over property.					
<b>10. Inventories</b>	3(l)				
Consumable materials and trading stock		1,954	2,116	1,761	1,877
Livestock		2,414	2,371	-	-
Provision for obsolescence		(100)	(123)	(100)	(123)
		<b>4,268</b>	<b>4,364</b>	<b>1,661</b>	<b>1,754</b>
<b>11. Other Non-Financial Assets</b>					
Current					
Prepayments		2,297	2,864	2,120	2,682
Accrued income		424	380	408	339
		<b>2,721</b>	<b>3,244</b>	<b>2,528</b>	<b>3,021</b>
Non-current					
Prepayments		<b>1,371</b>	<b>1,273</b>	<b>1,371</b>	<b>1,273</b>
<b>12. Non-current Assets Held for Sale</b>	3(n)				
Land held for sale		-	1,815	-	1,815
Buildings held for sale		-	50	-	50
		<b>-</b>	<b>1,865</b>	<b>-</b>	<b>1,865</b>



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>13. Investments Accounted for Using the Equity Method</b>	3(k)				
Investments in associates	34				
At cost		-	-	298	298
Equity accounted		392	2,515	-	-
Interests in joint ventures	35				
At cost		-	-	65	65
Equity accounted		2,451	2,423	-	-
		<u>2,843</u>	<u>4,938</u>	<u>363</u>	<u>363</u>
<b>14. Available-for-sale Financial Assets</b>					
Current					
Listed shares	3(k)				
BresaGen Ltd		-	324	-	-
GroPep Ltd		4,013	4,368	-	-
Other listed shares		2,429	2,010	-	-
		<u>6,442</u>	<u>6,702</u>	<u>-</u>	<u>-</u>
Non-current					
Investments in controlled entities	33	-	-	51,224	48,754



## Notes to the Financial Statements for the year ended 31 December 2005

## 15. Property, Plant and Equipment

Consolidated	Trust Land	Other Land	Trust Buildings	Other Buildings	WIP Buildings	Leasehold Improvements	Library Collections	Works of Art	Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>As at 1 January 2004</b>										
Cost	-	220	1,703	2,068	17,910	3,090	3,156	-	87,293	115,440
Valuation	92,335	61,989	273,391	26,505	-	-	55,819	4,188	-	514,227
Accumulated depreciation/amortisation	-	-	(7,663)	(905)	-	(479)	(6,380)	-	(61,272)	(76,699)
Net book amount	92,335	62,209	267,431	27,668	17,910	2,611	52,595	4,188	26,021	552,968
<b>Year ended 31 December 2004</b>										
Opening net book amount	92,335	62,209	267,431	27,668	17,910	2,611	52,595	4,188	26,021	552,968
Revaluation increments/(decrements)	11,355	3,593	-	-	-	-	(9,720)	-	-	5,228
Additions	-	-	15,217	767	(6,590)	1,237	3,267	-	12,825	26,723
Disposals	-	-	-	-	-	-	(197)	-	(915)	(1,112)
Depreciation/amortisation	-	-	(7,498)	(1,011)	-	(307)	(6,488)	-	(6,382)	(21,686)
Closing net book amount	103,690	65,802	275,150	27,424	11,320	3,541	39,457	4,188	31,549	562,121
<b>As at 31 December 2004</b>										
Cost	-	220	16,920	2,835	11,320	4,327	-	-	99,139	134,761
Valuation	103,690	65,582	273,391	26,505	-	-	39,457	4,188	-	512,813
Accumulated depreciation/amortisation	-	-	(15,161)	(1,916)	-	(786)	-	-	(67,590)	(85,453)
Net book amount	103,690	65,802	275,150	27,424	11,320	3,541	39,457	4,188	31,549	562,121



# Notes to the Financial Statements for the year ended 31 December 2005

## 15. Property, Plant and Equipment - continued

Consolidated	Trust Land \$'000	Other Land \$'000	Trust Buildings \$'000	Other Buildings \$'000	WIP Buildings \$'000	Leasehold Improvements \$'000	Library Collections \$'000	Works of Art \$'000	Plant and Equipment \$'000	Total \$'000
<b>Year ended 31 December 2005</b>										
Opening net book amount	103,690	65,802	275,150	27,424	11,320	3,541	39,457	4,188	31,549	562,121
Revaluation increments/(decrements)	8,445	7,028	2,472	249	-	-	-	777	-	18,971
Additions	-	-	17,570	1,012	4,875	3,138	3,180	62	11,954	41,791
Disposals	-	-	-	-	-	-	(193)	(31)	(1,000)	(1,224)
Transfers	-	-	-	(31)	-	31	-	-	-	-
Depreciation/amortisation	-	-	(7,763)	(838)	-	(569)	(3,946)	-	(6,722)	(19,838)
Closing net book amount	112,135	72,830	287,429	27,816	16,195	6,141	38,498	4,996	35,781	601,821
<b>As at 31 December 2005</b>										
Cost	-	-	784	664	16,195	7,495	2,987	-	104,008	132,133
Valuation	112,135	72,830	286,649	27,194	-	-	39,457	4,996	-	543,261
Accumulated depreciation/amortisation	-	-	(4)	(42)	-	(1,354)	(3,946)	-	(68,227)	(73,573)
Net book amount	112,135	72,830	287,429	27,816	16,195	6,141	38,498	4,996	35,781	601,821



## Notes to the Financial Statements for the year ended 31 December 2005

**15. Property, Plant and Equipment - continued**

University	Trust Land \$000	Other Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP Buildings \$000	Leasehold Improvements \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
<b>As at 1 January 2004</b>										
Cost	-	220	1,703	1,800	17,910	1,278	3,156	-	78,911	104,978
Valuation	92,335	29,891	273,391	24,561	-	-	55,819	4,188	-	480,185
Accumulated depreciation/amortisation	-	-	(7,663)	(832)	-	(264)	(6,390)	-	(56,741)	(71,880)
<b>Net book amount</b>	<b>92,335</b>	<b>30,111</b>	<b>267,431</b>	<b>25,529</b>	<b>17,910</b>	<b>1,014</b>	<b>52,595</b>	<b>4,188</b>	<b>22,170</b>	<b>513,283</b>
<b>Year ended 31 December 2004</b>										
Opening net book amount	92,335	30,111	267,431	25,529	17,910	1,014	52,595	4,188	22,170	513,283
Revaluation increments/(decrements)	11,355	4,640	-	-	-	-	(9,720)	-	-	6,275
Additions	-	-	15,217	682	(6,590)	1,214	3,267	-	11,093	24,883
Disposals	-	-	-	-	-	-	(197)	-	(636)	(833)
Depreciation/amortisation	-	-	(7,498)	(918)	-	(127)	(6,488)	-	(5,261)	(20,292)
<b>Closing net book amount</b>	<b>103,690</b>	<b>34,751</b>	<b>275,150</b>	<b>25,293</b>	<b>11,320</b>	<b>2,101</b>	<b>39,457</b>	<b>4,188</b>	<b>27,366</b>	<b>523,316</b>
<b>As at 31 December 2004</b>										
Cost	-	220	16,920	2,482	11,320	2,492	-	-	89,368	122,802
Valuation	103,690	34,531	273,391	24,561	-	-	39,457	4,188	-	479,818
Accumulated depreciation/amortisation	-	-	(15,161)	(1,750)	-	(391)	-	-	(62,002)	(79,304)
<b>Net book amount</b>	<b>103,690</b>	<b>34,751</b>	<b>275,150</b>	<b>25,293</b>	<b>11,320</b>	<b>2,101</b>	<b>39,457</b>	<b>4,188</b>	<b>27,366</b>	<b>523,316</b>



# Notes to the Financial Statements for the year ended 31 December 2005

## 15. Property, Plant and Equipment - continued

University	Trust Land \$000	Other Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP Buildings \$000	Leasehold Improvements \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
<b>Year ended 31 December 2005</b>										
Opening net book amount	103,690	34,751	275,150	25,293	11,320	2,101	39,457	4,188	27,366	523,316
Revaluation increments/(decrements)	8,445	5,558	2,472	(17)	-	-	-	777	-	17,235
Additions	-	-	17,570	971	4,875	3,137	3,180	62	10,880	40,675
Disposals	-	-	-	-	-	-	(193)	(31)	(953)	(1,177)
Transfers	-	-	-	(31)	-	31	-	-	-	-
Depreciation/amortisation	-	-	(7,763)	(742)	-	(390)	(3,946)	-	(5,529)	(18,370)
Closing net book amount	112,135	40,309	287,429	25,474	16,195	4,879	38,498	4,996	31,764	561,679
<b>As at 31 December 2005</b>										
Cost	-	-	784	664	16,195	5,659	2,987	-	93,588	119,877
Valuation	112,135	40,309	286,649	24,852	-	-	39,457	4,996	-	508,398
Accumulated depreciation/amortisation	-	-	(4)	(42)	-	(780)	(3,946)	-	(61,824)	(66,596)
Net book amount	112,135	40,309	287,429	25,474	16,195	4,879	38,498	4,996	31,764	561,679



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>16. Investment Property</b>					
Balance at the beginning of the year		16,017	15,051	16,017	15,051
Additions from subsequent expenditure		-	234	-	234
Depreciation/amortisation		(332)	(348)	(332)	(348)
Net gain from fair value adjustments		2,032	1,080	2,032	1,080
Balance at the end of the year		<u>17,717</u>	<u>16,017</u>	<u>17,717</u>	<u>16,017</u>
<b>17. Intangible Assets</b>	3(f)				
Non-current					
As at 1 January 2004					
Cost		17,801		17,652	
Accumulated depreciation and impairment		<u>(11,798)</u>		<u>(11,791)</u>	
Net book amount		<u>6,003</u>		<u>5,861</u>	
Year ended 31 December 2004					
Opening net book amount		6,003		5,861	
Additions		1,090		951	
Amortisation charge		<u>(3,217)</u>		<u>(3,217)</u>	
Closing net book amount		<u>3,876</u>		<u>3,595</u>	
As at 31 December 2004					
Cost		10,798		10,510	
Accumulated depreciation and impairment		<u>(6,922)</u>		<u>(6,915)</u>	
Net book amount		<u>3,876</u>		<u>3,595</u>	
Year ended 31 December 2005					
Opening net book amount		3,876		3,595	
Additions		22		-	
Amortisation charge		<u>(2,813)</u>		<u>(2,799)</u>	
Closing net book amount		<u>1,085</u>		<u>796</u>	
As at 31 December 2005					
Cost		10,820		10,510	
Accumulated depreciation and impairment		<u>(9,735)</u>		<u>(9,714)</u>	
Net book amount		<u>1,085</u>		<u>796</u>	
<b>18. Payables</b>					
Current					
Accounts payable		30,218	23,008	22,742	16,314
Accruals		4,214	9,433	999	6,655
OS-HELP Liability to Australian Government		453	-	453	-
		<u>34,885</u>	<u>32,441</u>	<u>24,194</u>	<u>22,969</u>
Non-current					
Accounts payable		<u>3,159</u>	<u>2,630</u>	<u>3,056</u>	<u>2,624</u>



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>19. Interest-bearing Liabilities</b>					
Current					
Other - unsecured		37	108	6	6
Non-current					
Other - unsecured		75	129	75	81

During 2005 the University extended a \$20m Bill Acceptance and Discount Facility for a three year period. This standby working capital facility is unsecured and has not been drawn down as at 31 December 2005.

### 20. Provisions

Current					
Workers' compensation provision		861	742	861	742
Annual and long service leave		10,261	9,003	9,642	8,371
Insurance provision		1,552	1,716	1,552	1,716
		<b>12,674</b>	<b>11,461</b>	<b>12,055</b>	<b>10,829</b>
Non-current					
Workers' compensation provision		2,043	1,608	2,043	1,608
Annual and long service leave		22,442	18,875	21,775	18,655
Defined benefit fund net liability		8,273	8,164	8,273	8,164
		<b>32,758</b>	<b>28,647</b>	<b>32,091</b>	<b>28,427</b>

#### Workers' compensation provision

Provision is made based on an actuarial assessment of workers' compensation estimated claims liability for future years. Refer to policy note 3(q) Workers' Compensation.

#### Annual and long services leave

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Refer to policy note 3(g) Employee Benefits.

#### Insurance provision

Provision has been made for the actuarial assessment of future liability to the University for losses incurred prior to 31 December 2005 that were expected to be paid subsequent to 1 January 2006 and are below the University deductible in the University insurance policies.

#### Defined benefit fund net liability

Provision is made for the Super Scheme A 1985 defined benefit obligation in accordance with AASB 119 Employee Benefits. Refer to note 3(g) Employee Benefits and note 27(c) The University of Adelaide Super Scheme A 1985.

### 21. Other Liabilities

Current					
Outside funded positions		1,615	947	1,615	947
Income in advance		156	487	156	487
Salary and wage deductions		4,438	4,097	4,438	4,097
Student tuition fees received in advance		3,322	2,658	3,322	2,658
Residential bonds		132	32	132	32
Employee benefits – redundancy		446	455	446	455
Other		286	264	-	-
		<b>10,395</b>	<b>8,940</b>	<b>10,109</b>	<b>8,676</b>

## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>22. Employee Benefits and Related On-Cost Liabilities</b>					
In accordance with the requirements of AASB 119 "Employee Benefits", employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately as "Employee Benefits". Below is a composite note disclosure showing the total liabilities the Consolidated Entity has as at 31 December 2005 relating to employee benefits:					
<b>Annual Leave</b>					
On-costs included in payables - current	18	948	925	898	813
Employee benefits - current	20	3,917	3,541	3,593	3,251
		4,865	4,466	4,491	4,064
On-costs included in payables - non-current	18	274	238	254	238
Employee benefits - non-current	20	1,215	1,022	1,017	924
		1,489	1,260	1,271	1,162
<b>Long Service Leave</b>					
On-costs included in payables - current	18	842	742	817	692
Employee benefits - current	20	6,344	5,462	6,049	5,120
		7,186	6,204	6,866	5,812
On-costs included in payables - non-current	18	2,861	2,392	2,802	2,386
Employee benefits - non-current	20	21,227	17,853	20,758	17,731
		24,088	20,245	23,560	20,117
		37,628	32,175	36,188	31,155
<b>23. Retained Surplus and Reserves</b>					
<b>23(a) Summary</b>					
<b>Capital reserves</b>					
Capital reserve		3,020	2,970	-	-
Capital profits reserve		687	687	-	-
Asset revaluation reserve		182,850	163,879	159,087	141,852
Initial asset recognition reserve		279,124	279,124	279,124	279,124
Available-for-sale investments revaluation reserve		6,166	5,971	48,326	45,856
		471,847	452,631	486,537	466,832
<b>Specific purpose reserves</b>					
Special reserve		55,434	55,542	55,434	55,542
Bequests/donations unspent income reserve		13,567	12,651	13,567	12,651
Restricted purpose bequest capital reserve		56,613	53,261	56,613	53,261
Composite fund revaluation reserve		27,261	19,747	27,261	19,747
		152,875	141,201	152,875	141,201
<b>Retained surplus</b>		122,448	96,631	102,604	75,840





# Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>23(b) Movements in reserves</b>					
<b>Capital reserve</b>					
Opening balance		2,970	2,970	-	-
Current year movement		50	-	-	-
Closing balance		<u>3,020</u>	<u>2,970</u>	<u>-</u>	<u>-</u>
<b>Capital profits reserve</b>					
Opening balance		687	687	-	-
Current year movement		-	-	-	-
Closing balance		<u>687</u>	<u>687</u>	<u>-</u>	<u>-</u>
<b>Asset revaluation reserve</b>					
Opening balance		163,879	158,651	141,852	135,577
Add revaluation increment on property, plant and equipment		18,971	5,228	17,235	6,275
Closing balance		<u>182,850</u>	<u>163,879</u>	<u>159,087</u>	<u>141,852</u>
<b>Initial asset recognition reserve</b>					
Opening balance		279,124	279,124	279,124	279,124
Current year movement		-	-	-	-
Closing balance		<u>279,124</u>	<u>279,124</u>	<u>279,124</u>	<u>279,124</u>
<b>Available-for-sale financial assets revaluation reserve</b>					
Opening balance		5,971	6,206	45,856	47,731
Current year movement		195	(235)	2,470	(1,875)
Closing balance		<u>6,166</u>	<u>5,971</u>	<u>48,326</u>	<u>45,856</u>
<b>Special reserve</b>					
Opening balance		55,542	51,669	55,542	51,669
Transfer (to) / from retained surplus		(108)	3,873	(108)	3,873
Closing balance		<u>55,434</u>	<u>55,542</u>	<u>55,434</u>	<u>55,542</u>
<b>Bequests/donations unspent income reserve</b>					
Opening balance		12,651	12,088	12,651	12,088
Transfer from retained surplus		916	563	916	563
Closing balance		<u>13,567</u>	<u>12,651</u>	<u>13,567</u>	<u>12,651</u>
<b>Restricted purpose bequest capital reserve</b>					
Opening balance		53,261	46,310	53,261	46,310
Transfer from retained surplus		3,352	6,951	3,352	6,951
Closing balance		<u>56,613</u>	<u>53,261</u>	<u>56,613</u>	<u>53,261</u>
<b>Composite fund revaluation reserve</b>					
Opening balance		19,747	12,962	19,747	12,962
Transfer from retained surplus		7,514	6,785	7,514	6,785
Closing balance		<u>27,261</u>	<u>19,747</u>	<u>27,261</u>	<u>19,747</u>

## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>23. Reserves - continued</b>					
<b>23(c) Nature and purpose of reserves</b>					
<b>Capital reserve</b>					
Represents capital accounts held within controlled entities of the University.					
<b>Capital profits reserve</b>					
Represents the accumulation of realised revalued increments of assets sold.					
<b>Asset revaluation reserve</b>					
Is used to record increments and decrements on the revaluation of non-current assets. Refer accounting policy note 3(m).					
<b>Initial asset recognition reserve</b>					
Represents the equity impact arising from the recognition of assets which until the first time the University prepared a set of accrual financial statements, had not previously been recognised.					
<b>Available for sale financial assets revaluation reserve</b>					
Is used to record increments and decrements on the revaluation of available for sale financial assets. Refer accounting policy note 3(j).					
<b>Specific purpose reserves</b>					
Represents a number of reserves generated through a series of specific purpose transactions, that can only be used in accordance with the attributes of the generating transactions. The special reserve is created for surplus funds which will be specifically acquitted in future accounting periods.					
<b>24. Reconciliation of net cash provided by operating activities to operating result</b>					
Operating result		37,335	24,788	38,192	22,081
Add/(subtract) non cash items					
Amortisation	6	3,405	3,692	3,212	3,512
Depreciation	6	19,578	21,559	18,289	20,345
Write (up) of investments		(13,575)	(10,948)	(13,575)	(10,798)
Bad debts written off		16	-	-	565
Superannuation expense		(4,600)	(900)	(4,600)	(900)
Superannuation revenue		4,600	900	4,600	900
Other revenue/expenses		514	(5,598)	696	(340)
(Profit)/loss on sale of property, plant and equipment		45	(315)	99	(284)
<b>Changes in assets/liabilities</b>					
(Increase)/decrease in inventories		96	(233)	93	55
(Increase)/decrease in receivables		(8,437)	3,565	(7,519)	3,266
(Increase)/decrease in other assets		621	700	395	727
Increase/(decrease) in payables		3,574	6,529	1,657	4,805
Increase/(decrease) in other current liabilities		1,242	891	1,433	627
Increase/(decrease) in provisions		5,156	3,641	4,890	2,329
<b>Net cash provided by operating activities</b>		<b>49,570</b>	<b>48,271</b>	<b>47,862</b>	<b>46,890</b>



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>25. Future Expenditure Commitments</b>					
Operating Expenditure					
Contracted but not provided for and payable:					
Not later than one year		16,502	11,572	16,502	11,572
Later than one year, but not later than five years		11,313	11,580	11,313	11,580
Later than five years		367	75	367	75
		<b>28,182</b>	<b>23,227</b>	<b>28,182</b>	<b>23,227</b>
Capital Expenditure					
Property, plant and equipment					
Contracted but not provided for and payable:					
Not later than one year		10,635	2,975	10,635	2,975
Later than one year, but not later than five years		-	-	-	-
Later than five years		-	-	-	-
		<b>10,635</b>	<b>2,975</b>	<b>10,635</b>	<b>2,975</b>
Operating Lease Commitments					
Future operating base rental not provided for and payable:					
Not later than one year		3,775	3,061	3,066	2,418
Later than one year, but not later than five years		7,728	5,604	4,856	3,296
Later than five years		3,317	2,451	960	789
		<b>14,820</b>	<b>11,116</b>	<b>8,882</b>	<b>6,503</b>
Representing:					
Cancellable operating leases		8,882	6,503	8,882	6,503
Non-cancellable operating leases		5,938	4,613	-	-
		<b>14,820</b>	<b>11,116</b>	<b>8,882</b>	<b>6,503</b>
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
Within one year		709	643	-	-
Later than one year, but not later than five years		2,872	2,308	-	-
Later than five years		2,357	1,662	-	-
		<b>5,938</b>	<b>4,613</b>	<b>-</b>	<b>-</b>

The operating lease commitments primarily relate to leases of photocopiers, computers, office equipment and office space.

## 26. 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 period.

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

### (b) Superannuation

#### (i) 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. Employer contributions of 14% of salaries recommenced on actuarial advice as from 1 January 2003 to ensure there are sufficient assets in the scheme to meet expected future liabilities of remaining members. In addition the University has agreed to a contribution program to finance the current deficit where by the University contributes \$0.6 million annually over the next five years. Refer to Note 27(c).

#### (ii) UniSuper Limited Superannuation Schemes

Refer to Note 27(b).



## Notes to the Financial Statements for the year ended 31 December 2005

**26. Contingent Liabilities - continued****(c) Litigation**

In the ordinary course of its operations, the University and its controlled entities became involved in legal disputes. At the date of adoption of these financial statements, 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. Claims of an insurance nature have been covered by a provision of \$1.6m under the self insurance component of the University programme. Refer note 20.

**27. Superannuation Schemes****(a) Categories**

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
  - UniSuper Award Plus Plan
- (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 Limited Superannuation Schemes**

The employees' UniSuper plan is determined by the terms of employment and is administered by UniSuper Management Pty Ltd with UniSuper Ltd as the trustee.

The employer contribution rate during 2005 for employees in either the Defined Benefit Plan or Investment Choice Plan was 14% of salaries plus 3% of salaries contribution to the Award Plus Plan and for employees only in the Award Plus Plan was 9% of salaries. The employee contribution rate throughout 2005 for employees in either the Defined Benefit Plan or Investment Choice Plan was 7% of their gross salaries.

Sufficient information is not available to account for the defined benefits provided by the Defined Benefit Plan as a defined benefit plan. As set out under paragraph 32(b) of AASB 119 Employee Benefits, the Defined Benefit Plan exposes the participating employers to actuarial risks associated with the current and former employees of other participating employers, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to participating employers.

As at 30 June 2005 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the Defined Benefit Plan.

Historically, surplus in the Defined Benefit Plan has been used to improve members' benefits and has not affected the amount of participating employers' contributions.



## Notes to the Financial Statements for the year ended 31 December 2005

### 27. Superannuation Schemes – continued

#### (b) UniSuper Limited Superannuation Schemes - continued

As at 30 June 2005 the assets of the Defined Benefit Plan in aggregate were estimated to be \$230 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving service of the participating institution) and include the value of CPI indexed pensions being provided by the Defined Benefit Plan.

As at 30 June 2005 the assets of the Defined Benefit Plan in aggregate were estimated to be \$1,543 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI 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 Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 16 May 2003 on the actuarial investigation of the Defined Benefit Plan as at 31 December 2002. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return	7.0% p.a.	9.1% p.a.
Net of tax investment return	6.5% p.a.	8.6% p.a.
Consumer Price Index	2.5% p.a.	2.5% p.a.
Inflationary salary increases	3.5% p.a.	3.5% p.a.

(additional promotional salary increases are assumed to apply based on past experience)

Assets have been included at their net market value, i.e. allowing for realisation costs.

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee to be insufficient to provide benefits payable under the Deed. At least four years notice that such a request may be made is required. If such a request was agreed to by employers then members must also contribute additional contributions equal to one-half of the rate which their employer is prepared to contribute. If employers do not agree to increase contributions the Trustee must reduce benefits on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but it considered this was unlikely at that time.

#### (c) The University of Adelaide Superannuation Scheme A 1985

The University of Adelaide Superannuation Scheme A 1985 (Scheme) is a defined benefit plan in accordance with AASB 119 Employee Benefits that provides superannuation benefits for employees who had 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). The Scheme is closed to new members.

Reconciliation of the present value of the defined benefit obligation		2005 \$000	2004 \$000
Present value of defined benefit obligations at the beginning of the year		17,451	17,838
Add	Current service costs	394	367
	Interest cost	750	807
	Contributions by scheme participants	55	67
	Actuarial (gains)/losses	262	(460)
Less	Benefits paid	(824)	(1,013)
	Taxes, premiums and expenses paid	(308)	(155)
Present value of defined benefit obligations at the end of the year		17,780	17,451
Reconciliation of the fair value of scheme assets			
Fair value of scheme assets at the beginning of the year		9,287	9,256
Add	Expected return on scheme assets	495	495
	Actuarial gains/(losses)	508	512
	Employer contributions	294	125
	Contributions by scheme participants	55	67
Less	Benefits paid	(824)	(1,013)
	Taxes, premiums and expenses paid	(308)	(155)
Fair value of scheme assets at the end of the year		9,507	9,287



## Notes to the Financial Statements for the year ended 31 December 2005

**27. Superannuation Schemes – continued****(c) The University of Adelaide Superannuation Scheme A 1985 - continued**

Reconciliation of the assets and liabilities recognised in the Balance Sheet		2005	2004
	Note	\$000	\$000
Defined benefit obligation including contributions tax provision		17,780	17,451
Less Fair value of scheme assets		(9,507)	(9,287)
Defined benefit fund net liability	20	<u>8,273</u>	<u>8,164</u>

**Expense recognised in the Income Statement**

Service cost	394	367
Interest cost	750	807
Expected return on assets	(495)	(495)
Superannuation expense	<u>649</u>	<u>679</u>

**Amounts recognised in the Statement of Recognised Income and Expense**

Actuarial (gains)	<u>(246)</u>	<u>(972)</u>
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**Cumulative amount recognised in the Statement of Recognised Income and Expense**

Cumulative amount of actuarial (gains)	<u>(1,218)</u>	<u>(972)</u>
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**Scheme assets**

The percentage invested in each asset class at the balance sheet date:

Australian equity	19%	18%
International equity	12%	12%
Fixed income	55%	55%
Property	5%	5%
Cash	9%	10%

**Fair value of scheme assets**

The fair value of scheme assets does not include amounts relating to any of the University's own financial instruments or any property occupied by, or other assets used by the University.

**Expected rate of return on scheme assets**

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each asset class are net of investment tax and investment fees.

Actual return on scheme assets	<u>1,003</u>	<u>1,007</u>
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**Principal actuarial assumptions at the balance sheet date**

Discount rate (active members)	4.4%	4.5%
Discount rate (pensioners)	5.2%	5.3%
Expected rate of return on plan assets (active members)	6.5%	6.5%
Expected rate of return on plan assets (pensioners)	5.5%	5.5%
Expected salary increase rate	5.0%	5.0%
Expected pension increase rate	2.5%	2.5%

**Historical information**

Present value of defined benefit obligation	17,780	17,451
Fair value of scheme assets at the beginning of the year	9,507	9,287
Deficit in scheme	8,273	8,164
Experience adjustments (gain) - scheme assets	(508)	(512)
Experience adjustments (gain) - scheme liabilities	(7)	(1,789)





## Notes to the Financial Statements for the year ended 31 December 2005

### 7. Superannuation Schemes – continued

#### (c) The University of Adelaide Superannuation Scheme A 1985 - continued

##### Expected contributions

The expected employer contributions for the year ended 31 December 2006 are \$1 million, which includes the \$0.6 million annual payment detailed below (refer to contribution recommendations).

##### Funding arrangements for employer contributions

The following is a summary of the most recent financial position of the University of Adelaide Superannuation Scheme A 1985 calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans".

	<b>2005</b>
	<b>\$000</b>
Accrued benefits	15,497
Net market value of scheme assets	9,664
Net (deficit)	<u>(5,833)</u>

##### Contribution recommendations

The current contribution recommendations, as set out in the report of the most recent actuarial valuation of Scheme A 1985 as at 1 July 2004, are 14% of salaries of defined benefit members, plus \$25,000 per month from 1 January 2006 (\$14,000 per month from 1 July 2005 to 31 December 2005), plus additional contributions in a number of situations. The University, the Trustee and the actuary have also agreed to a contribution programme to finance the current deficit whereby the University contributes \$0.6 million annually over the next five years.

##### Funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the Accrued benefit method. The method adopted affects the timing of the cost to the employer.

Under the accrued benefit method, a "normal cost" is calculated which is the estimated employer contribution rate required to provide benefits in respect of future service after the review date. The "normal cost" is then adjusted to take into account any surplus (or deficiency) of assets over the value of liabilities in respect of service prior to the review date. Any surplus or deficiency can be used to reduce or increase the "normal" employer contribution rate over a suitable period of time.

##### Economic assumptions

The long-term economic assumptions adopted for the last actuarial review of the scheme as at 1 July 2005 were:

Expected rate of return on assets (discount rate)	
active members	6.5% p.a.
pensioners	5.5% p.a.
Expected salary increase rate	5.0% p.a.
Expected pension increase rate	2.5% p.a.

##### Nature of asset/liability

The University has recognised a liability in the balance sheet in respect of its defined benefit superannuation arrangements. The University has covenanted to ensure that the benefits as set down in the Trust Deed will be paid irrespective of the performance of Scheme A 1985.

## Notes to the Financial Statements for the year ended 31 December 2005

**27. Superannuation Schemes – continued****(d) State Government Superannuation Schemes**

In 1991, employees of the City Campus of the 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 2005 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 2005, there is an unfunded liability of \$42.9 million (2004 - \$38.3 million). This represents an increase in liability of \$4.6 million since 31 December 2004. This is recognised as expenditure in the 2005 Income Statement, with a corresponding adjustment to revenue.

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. 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 financial statements is in accordance with "Financial Statement Guidelines for Australian Higher Education Providers for 2005 Reporting Period" provided by DEST. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$42.9 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 Benefits for Superannuation".

Summary	Consolidated		University	
	2005	2004	2005	2004
	\$000	\$000	\$000	\$000
Deferred Government Superannuation Contribution	42,900	38,300	42,900	38,300
Current Liability	3,200	3,000	3,200	3,000
Non-current Liability	39,700	35,300	39,700	35,300
	<b>42,900</b>	<b>38,300</b>	<b>42,900</b>	<b>38,300</b>
The total employer contributions were:				
UniSuper Defined Benefit Plan or Investment Choice Plan	16,823	15,027	16,823	15,027
UniSuper Award Plus Plan	7,640	7,084	7,640	7,084
State Government Superannuation Schemes (3%)	25	27	25	27
The University of Adelaide Superannuation Scheme A 1985	114	123	114	123
	<b>24,602</b>	<b>22,261</b>	<b>24,602</b>	<b>22,261</b>

**28. Post Balance Date Event**

Single Cell Pty Ltd made an advance payment for the purchase of shares in Reproductive Health Science Pty Ltd (a subsidiary of Adelaide Research and Innovation Pty Ltd) in December 2005. The balance of the purchase of shares in Reproductive Health Science Pty Ltd was completed in January 2006. On completion of the share purchase, Reproductive Health Science Pty Ltd will no longer be a controlled entity and will be recognised as an associate within the consolidated entity.

A business sale agreement for Repromed Pty Ltd (a subsidiary of Adelaide Research and Innovation Pty Ltd) was signed on 21 March 2006 for \$8 million. As at 31 December 2005 Repromed Pty Ltd net assets totalled \$3.8 million. Upon finalisation of the sale, all assets and liabilities, excluding cash, will be transferred to the new owners. The overall impact of this transaction cannot be determined until the sale is finalised.

**29. Disaggregation 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 is not significant so as to warrant disaggregation information disclosure.





## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>30. Auditors' Remuneration</b>					
Amounts paid or payable were:					
South Australian Auditor-General		206	202	206	202
Other auditors of controlled entities		88	73	-	-
		<u>294</u>	<u>275</u>	<u>206</u>	<u>202</u>
Other services		18	19	-	-
		<u>312</u>	<u>294</u>	<u>206</u>	<u>202</u>

### 31. The University Council Members and Senior Management

#### (a) Names of the University Council Members and Senior Management

##### University Council Members

Ex officio	von Doussa QC, the Hon John William McWha, Professor James Alexander Bodman Rae, Professor John Charles	commenced 26/3/2005
Co-opted	Crafter, The Hon Gregory John	
Appointed	Adler AO, Mr Norman Ross Bagot, Mr Charles Castine, Ms Kate Croser AO, Mr Brian Kowalick, Mr Ian John Martin, Ms Pamela Young, Mr Stephen Elliott	
Elected	Cecchin, Mr John Cox, Ms Rosslyn Crewther, Dr Rodney James Dibb-Smith, Ms Janet Ann Gill, Dr Peter Maxwell Handshin, Ms Mia Llewellyn-Smith, Mr Michael Medlin, Dr Edwin Harry	commenced 6/3/2005 ceased 5/3/2005 commenced 1/1/2005
Student	Campbell, Ms Alice Giam, Mr Patrick Cheng Tiam Longbottom, Ms Mardi Louise Nicholson, Mr Rowan Pearson, Mr David Rai, Ms Felicity	ceased 5/3/2005 ceased 5/3/2005 ceased 5/3/2005 commenced 6/3/2005 commenced 6/3/2005 commenced 6/3/2005

##### University Senior Management

McWha, Professor James McDougall, Professor Fred Boumelha, Professor Penny Marsh, Professor Neville Taplin, Professor John Duldig, Mr Paul Macintosh, Ms Susan Beilby, Professor Justin Frewin, Professor Derek Dowd, Professor Peter Innes, Professor Michael Quester, Professor Pascale Rathjen, Professor Peter Stoler, Mr Andrew	ceased 26/8/2005 commenced 13/6/2005 ceased 30/6/2005 commenced 12/9/2005
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## Notes to the Financial Statements for the year ended 31 December 2005

			2005 \$000	2004 \$000
<b>31. The University Council Members and Senior Management - continued</b>				
(b) Remuneration of the University Council Members and Senior Management				
University Council Members				
No remuneration was received by the University Council Members from the University during 2005 or 2004.				
University Senior Management				
Amounts paid or payable to University senior management:				
			3,350	3,011
			Number	Number
\$	\$			
100,000	-	109,999	-	-
110,000	-	119,999	1	-
130,000	-	139,999	-	1
150,000	-	159,999	1	-
160,000	-	169,999	1	1
170,000	-	179,999	1	1
190,000	-	199,999	1	1
200,000	-	209,999	-	1
210,000	-	219,999	2	-
230,000	-	239,999	1	2
240,000	-	249,999	-	1
250,000	-	259,999	1	1
260,000	-	269,999	1	-
280,000	-	289,999	1	-
420,000	-	429,999	1	1
560,000	-	569,999	-	1
590,000	-	599,999	1	-
			13	11

The DEST Guidelines specify that executives are defined as the CEO and/or any person in a senior management position considered to be part of the University's executive group who is directly accountable and responsible for the strategic direction and operational management of the entity.

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



# Notes to the Financial Statements for the year ended 31 December 2005

## 32. Financial Instruments

### (a) Interest Rate Risk

The Consolidated Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into interest rate swaps, futures 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	Weighted Average Effective Rate	Floating Interest Rate	Fixed Maturity Dates					Non- Interest Bearing	Total
				Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years	
		%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2005</b>										
<b>Financial Assets</b>										
Cash & Cash Equivalents	7	5.44%	79,504	7,081	-	-	-	-	-	86,585
Receivables	8	0.00%	-	-	-	-	-	-	-	28,255
<b>Financial Assets Held for Trading</b>										
Other Financial Assets	9, 13	6.15%	-	2,094	25	94	117	117	777	86,455
Available for Sale	14	0.00%	-	-	-	-	-	-	-	6,194
			<b>79,504</b>	<b>9,175</b>	<b>25</b>	<b>94</b>	<b>117</b>	<b>117</b>	<b>777</b>	<b>213,931</b>
<b>Weighted Average Interest Rate</b>										
			5.41%	5.74%	3.37%	6.03%	6.22%	6.22%	6.47%	
<b>Financial Liabilities</b>										
Payables	18	0.00%	-	-	-	-	-	-	-	38,044
Interest-bearing Liabilities	19	4.73%	-	31	-	-	-	-	-	81
			<b>-</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,125</b>
<b>Weighted Average Interest Rate</b>										
			0.00%	4.73%	0.00%	0.00%	0.00%	0.00%	0.00%	

## Notes to the Financial Statements for the year ended 31 December 2005

## 32. Financial Instruments - continued

	Note	Weighted Average Effective Rate	Floating Interest Rate	Fixed Maturity Dates					Non- Interest Bearing	Total
				Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years	
		%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2004</b>										
<b>Financial Assets</b>										
Cash & Cash Equivalents	7	4.88%	68,041	6,699	-	-	-	-	-	74,740
Receivables	8	0.00%	-	-	-	-	-	-	-	19,704
Financial Assets Held for Trading	9	0.00%	-	-	-	-	-	-	-	74,168
Other Financial Assets	9, 13	5.80%	-	2,311	67	25	117	117	870	8,622
Available for Sale	14	0.00%	-	-	-	-	-	-	-	6,702
			<b>68,041</b>	<b>9,010</b>	<b>67</b>	<b>25</b>	<b>117</b>	<b>117</b>	<b>870</b>	<b>183,936</b>
Weighted Average Interest Rate			4.83%	5.42%	3.37%	3.37%	6.22%	6.22%	6.43%	
<b>Financial Liabilities</b>										
Payables	18	0.00%	-	-	-	-	-	-	-	35,071
Interest-bearing Liabilities	19	6.06%	-	101	48	-	-	-	-	237
			-	101	48	-	-	-	-	35,159
Weighted Average Interest Rate			0.00%	6.06%	6.06%	0.00%	0.00%	0.00%	0.00%	





## Notes to the Financial Statements for the year ended 31 December 2005

### 32. Additional Financial Instruments Disclosure - continued

#### (b) Foreign Exchange Risk

The Consolidated 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 fixed interest securities and a portion of overseas equities. 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 fail to perform as contracted.

##### (i) On Balance Sheet Financial Instruments

The credit risk on financial assets recognised in the Balance Sheet is the carrying amount of those assets, net of any allowances for losses.

The credit risk relating to Receivables is limited as it consists of a large number of customers across different industries and sectors, including a significant amount owing from Government customers with minimal credit risk. The credit risk relating to Cash Holdings and Investments is limited as the counterparties are banks and investment managers with high credit ratings assigned by international credit-rating agencies.

##### (ii) Off Balance Sheet Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Balance Sheet Financial Instruments.

#### (d) Fair Values of Financial Assets and Financial Liabilities

Fair values of financial assets and financial liabilities are determined by the Consolidated Entity on the following basis:

##### (i) On Balance Sheet Financial Instruments

The Consolidated 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 Consolidated 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 fair value.

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

##### (ii) Off Balance Sheet Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Balance Sheet Financial Instruments.

### 33. Investments in Controlled Entities

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

Controlled Entity	Holding		Investment at Fair Value		Investment at Cost		Contribution to Operating Result	
	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$000	\$000	\$000	\$000	\$000	\$000
The Adelaide Research & Innovation Investment Trust	100	100	10,248	9,405	2,898	2,898	1,248	1,376
Lubims Pty Ltd	100	100	2,478	1,995	-	-	363	174
Martindale Holdings Pty Ltd as trustee for:								
• JS Davies Estate	83	83	16,968	17,058	-	-	(200)	(347)
• JAT Mortlock Trust	100	100	21,530	20,296	-	-	238	700
			<b>51,224</b>	<b>48,754</b>	<b>2,898</b>	<b>2,898</b>	<b>1,649</b>	<b>1,903</b>

All of the above controlled entities are incorporated in Australia.

#### JS Davies Estate

The University holds a 5/6th interest 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 the Consolidated Entity. The remaining 1/6th is recognised as an outside equity interest.

## Notes to the Financial Statements for the year ended 31 December 2005

**34. Investments in Associates****(a) Equity and Contribution to Operating Result**

Associated Entity	Principal Activity	Holding		Consolidated Carrying Amount		Investment at Cost	
		2005	2004	2005	2004	2005	2004
		%	%	\$000	\$000	\$000	\$000
Held by the University							
Unisure Pty Ltd	Responsible for processing of Tertiary Institution Workers' Compensation Insurance.	33	33	-	-	-	-
Ngee Ann Adelaide Education Centre Pte Ltd	Operates a graduate education centre in Singapore.	50	50	327	644	298	298
Australian Centre for Plant Functional Genomics Pty Ltd	Responsible for the development of world-class capability in plant genomic research & its application for economic & social benefit to Australia.	31	27	65	27	-	-
Australian Grain Technology Pty Ltd	Responsible for the development of research into new grain varieties.	17	25	-	1,844	-	-
				392	2,515	298	298

Ngee Ann Adelaide Education Centre Pte Ltd is incorporated in Singapore. All other associates are incorporated in Australia.

Australian Grain Technology Pty Ltd ceased to be an associated entity of the University of Adelaide in 2005 in accordance with the definition of associated entities within accounting standard AASB 128.

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>(b) Movements in Carrying Amounts of Investments in Associates</b>				
At beginning of financial year	2,515	1,792	-	-
Share of operating result	(2,123)	723	-	-
	<b>392</b>	<b>2,515</b>	<b>-</b>	<b>-</b>
<b>(c) Results Attributed to Associates</b>				
Operating result	(2,123)	723	-	-
Retained surplus attributable to associates at the beginning of the financial year	2,515	1,792	-	-
Retained surplus attributable to associates at the end of the financial year	<b>392</b>	<b>2,515</b>	<b>-</b>	<b>-</b>

**(d) Accounting for Associates****(i) Capital and Other Expenditure Commitments**

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

**(ii) Contingent Liabilities**

There are no material contingent liabilities relating to associated entities.

**(iii) Post Balance Date Events**

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

**(iv) Assets, Revenue and Expenditure**

Since the above activities do not materially affect the Consolidated Entity figures, assets, revenue and expenditure have been reported as net amounts.

**(v) Off Balance Sheet Financial Instruments**

Neither the Consolidated Entity, nor any of its associated entities, have any Off Balance Sheet Financial Instruments.





# Notes to the Financial Statements for the year ended 31 December 2005

## 34. Investments in Associates – continued

### (e) Unisure Pty Ltd

The University of Adelaide is a shareholder along with the University of South Australia and Flinders University in Unisure Pty Ltd, the Associate, which manages workers' compensation claims on behalf of the three institutions. The University's interest (33.3%) in Unisure Pty Ltd is not considered to be material to the University's core activities. Consequently, the investments in the associates has not been accounted for using the equity method as per AASB 128 Investments in Associates.

Unisure Pty Ltd is the trustee of the Unisure Unit trust which holds the University's workers' compensation liabilities and the associated investment funds. As at 31 December 2005 the Unit Trust held net assets of \$5.387 million on behalf of the University of Adelaide (2004: \$5.465 million).

The University has incorporated its share of the financial transactions of the Unisure Unit Trust into the University column of the Financial Statements.

## 35. Interests in Joint Ventures

### (a) Groups

The University participates in a number of joint ventures. For reporting purposes these have been segregated into three groups as follows:

#### (i) Cooperative Research Centres

CRCs have the characteristics of joint ventures. These operations are not material to the University and there is no separate disclosure for 2005 in accordance with the Australian Accounting Standard AASB 131 Interests in Joint Ventures.

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 CRCs 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.

			Participation
CRC for Greenhouse Gas Technologies	(U)	(C)	11%
CRC for Welded Structures Ltd	(I)	(C)	7%
CRC for Molecular Plant Breeding	(U)	-	18%
CRC for Clean Power from Lignite	(U)	(C)	9%
CRC for Sensor Signal and Information Processing	(U)	-	13%
CRC for Viticulture	(U)	(C)	7%
CRC for Water Quality and Treatment	(U)	(C)	5%
CRC for Australian Weed Management	(U)	(C)	7%
CRC for Pest Animal Control	(U)	(C)	8%
CRC for Cattle & Beef Quality	(U)	(C)	-
CRC for Freshwater Ecology	(U)	(C)	1%
CRC for Smart Internet Technology Pty Ltd	(I)	-	5%
CRC for Plant-Based Management of Dryland Salinity	(U)	(C)	5%
CRC for Landscape Environments and Mineral Exploration	(U)	(C)	7%
CRC for Aquafin	(U)	(C)	-
CRC for NPB Ltd	(I)	(C)	-
Beef CRC Limited	(I)	(C)	10%
Pork CRC Ltd	(I)	-	25%
eWater Ltd	(I)	(C)	2%

The University is a supporting participant (but not a signatory) for the CRC for Cattle & Beef Quality, the CRC for Aquafin and the CRC for NPB Ltd.

The University over the next seven years will make both cash and in-kind contributions to support the work of the CRCs. The University has committed to participate in the work of these CRCs, with contributions in constant dollars, of \$2.6 million in cash (2004: \$2.1 million) and \$31.8 million in kind (2004: 30.5 million).



## Notes to the Financial Statements for the year ended 31 December 2005

**35. Interests in Joint Ventures - continued****(ii) Joint Ventures Accounted for Using the Equity Method**

Name	Principal Activity		Participation
Middleback Field Centre	To provide pastoral-zone courses and range land ecology research programmes.	(U)	33%
Professional Certificate in Arbitration (previously - National Course in General Arbitration & Dispute Resolution)	To develop and deliver tertiary courses in arbitration.	(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%
South Australian Consortium for Information Technology & Telecommunications	Represents the three South Australian Universities by providing a focal point for the State in pursuing & winning major research funding in IT & T.	(I)	33%
Ethics Centre of South Australia (ECSA)	ECSA draws on expertise from the three SA Universities to conduct research and provide education and advice on ethical issues. ECSA also aims to provide discussion and understanding of ethical issues in the SA community.	(U)	33%
Water Ed Australia Pty Ltd	A centre of leadership and innovation in collaborative water resources management education and training.	(I)	20%
(I) Incorporated	(U) Unincorporated (C) CSIRO is a partner		

The Consolidated Entity's reported interest in the assets employed in the joint ventures totals \$2,451,000 (2004-\$2,423,000). These are included in the consolidated Balance Sheet, in accordance with the accounting policy described in note 3(k). The Ethics Centre of South Australia and Water Ed Australia Pty Ltd joint ventures commenced during 2005.

**(iii) Other**

The University has a 25% interest in the incorporated entity SABRENet Ltd, which has been established to further the use of advanced data networking, for the conduct of research and education in South Australia.

SABRENet Ltd is not accounted for using the equity method as the University does not have access to the residual assets of the entity.

**(b) Equity and Contribution to Operating Result**

Joint Venture Entity			Consolidated Carrying Amount		Investment at Cost	
	2005 %	2004 %	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Held by the University</b>						
Middleback Field Centre	33%	33%	31	25	-	-
Professional Certificate in Arbitration	50%	50%	49	73	65	65
South Australian Centre for Economic Studies	50%	50%	88	31	-	-
South Australian Tertiary Admissions Centre	25%	25%	334	336	-	-
South Australian Consortium for Information Technology & Telecommunications	33%	33%	972	1,958	-	-
SABRENet Ltd	25%	0%	-	-	-	-
Ethics Centre of South Australia	33%	0%	24	-	-	-
Water Ed Australia Pty Ltd	20%	0%	953	-	-	-
			<b>2,451</b>	<b>2,423</b>	<b>65</b>	<b>65</b>



## Notes to the Financial Statements for the year ended 31 December 2005

### 35. Interests in Joint Ventures - continued

	Consolidated		University	
	2005	2004	2005	2004
	\$000	\$000	\$000	\$000
<b>(c) Movements in Carrying Amounts of Joint Ventures</b>				
At beginning of financial year	2,423	438	-	-
Share of operating result	28	1,985	-	-
	<b>2,451</b>	<b>2,423</b>	<b>-</b>	<b>-</b>
<b>(d) Results Attributed to Joint Ventures</b>				
Operating result	28	1,985	-	-
Retained surplus attributable at the beginning of the financial year	2,423	438	-	-
Retained surplus attributable at the end of the financial year	<b>2,451</b>	<b>2,423</b>	<b>-</b>	<b>-</b>
<b>(e) Accounting for Joint Ventures</b>				
<b>(i) Capital and other expenditure commitments</b>				
There are no material capital and other expenditure commitments relating to joint ventures.				
<b>(ii) Contingent Liabilities</b>				
There are no known material contingent liabilities relating to joint ventures.				
<b>(iii) Post Balance Date Events</b>				
There are no material post balance date events to report for joint ventures.				
<b>(iv) Assets, Revenue and Expenditure</b>				
Since the above activities do not materially affect the University group figures, assets, revenue and expenditure have been reported as net amounts.				
<b>(v) Off Balance Sheet Financial Instruments</b>				
Neither the reporting entity, nor any of its joint ventures, have any Off Balance Sheet Financial Instruments.				

### 36. Related Parties

- (a) Parent entity**  
The ultimate parent entity within the group is the University of Adelaide.
- (b) Controlled entities, joint ventures and associated entities**  
Investments in controlled entities are detailed in note 33, investments in associates are detailed in note 34 and interests in joint ventures are detailed in note 35.
- (c) Council members and senior management**  
Disclosures relating to the University Council Members and Senior Management are detailed in note 31.
- (d) 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.  
  
Certain Council members hold positions and interests in entities that provide goods and services to the University and its subsidiaries. The provision of these goods and services is on normal trading terms.
- (e) Property Leases**  
The University is the lessor of long term leases at peppercorn rents to the CSIRO, Australian Wine Research Institute and SARDI. On this land, these organisations have 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 35.
- (f) Fees Paid To Members of Council**  
No remuneration was paid to any members of Council, or members of its standing committees for the financial year in their role councillor or members of those committees. Some members of Council are employees of the University or were contractors of the University, and as such receive remuneration in the course of their employment with the University.
- (g) Students at The University of Adelaide**  
From time to time, Council members will have members of their immediate family who are students at the University. Unless specifically stated within these financial statements, such students are subject to the normal fee structure and scholarships as any other students. This also applies to members of Council who are enrolled as students.



## Notes to the Financial Statements for the year ended 31 December 2005

**37. Explanation of Transition to Australian Equivalents to IFRSs**

(a) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRSs (AIFRS)

(i) As at the date of transition to AIFRS 1 January 2004

	Consolidated			University		
	Effect of		AIFRS	Effect of		AIFRS
	Previous transition	AGAAP to AIFRS		Previous transition	AGAAP to AIFRS	
	AGAAP	to AIFRS	AIFRS	AGAAP	to AIFRS	AIFRS
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Current Assets</b>						
Cash and cash equivalents	14,925	38,870	53,795	4,696	38,518	43,214
Receivables	23,269	-	23,269	20,005	-	20,005
Other financial assets	46,007	(44,560)	1,447	41,493	(38,518)	2,975
Inventories	4,131	-	4,131	1,809	-	1,809
Other non-financial assets	4,737	-	4,737	3,681	-	3,681
Available-for-sale financial assets	-	7,001	7,001	-	-	-
	93,069	1,311	94,380	71,684	-	71,684
Non-current assets held-for-sale	-	1,865	1,865	-	1,865	1,865
<b>Total current assets</b>	<b>93,069</b>	<b>3,176</b>	<b>96,245</b>	<b>71,684</b>	<b>1,865</b>	<b>73,549</b>
<b>Non-current Assets</b>						
Other financial assets	63,512	(1,311)	62,201	112,742	(50,541)	62,201
Investments accounted for using the equity method	2,230	-	2,230	363	-	363
Available-for-sale financial assets	-	-	-	-	50,629	50,629
Property, plant and equipment	576,293	(23,325)	552,968	536,608	(23,325)	513,283
Investment property	-	15,051	15,051	-	15,051	15,051
Intangible assets	142	5,861	6,003	-	5,861	5,861
Other non-financial assets	1,340	-	1,340	1,340	-	1,340
Deferred government superannuation contribution	37,400	-	37,400	37,400	-	37,400
<b>Total non-current assets</b>	<b>680,917</b>	<b>(3,724)</b>	<b>677,193</b>	<b>688,453</b>	<b>(2,325)</b>	<b>686,128</b>
<b>Total assets</b>	<b>773,986</b>	<b>(548)</b>	<b>773,438</b>	<b>760,137</b>	<b>(460)</b>	<b>759,677</b>
<b>Current Liabilities</b>						
Payables	26,160	(406)	25,754	18,498	(254)	18,244
Interest-bearing liabilities	114	-	114	6	-	6
Provisions	10,434	(1,312)	9,122	9,768	(1,015)	8,753
Deferred government superannuation contribution	3,000	-	3,000	3,000	-	3,000
Other	8,049	-	8,049	8,049	-	8,049
<b>Total current liabilities</b>	<b>47,757</b>	<b>(1,718)</b>	<b>46,039</b>	<b>39,321</b>	<b>(1,269)</b>	<b>38,052</b>
<b>Non-current Liabilities</b>						
Payables	2,326	248	2,574	2,324	220	2,544
Interest-bearing liabilities	209	-	209	87	-	87
Provisions	18,734	9,797	28,531	18,710	9,464	28,174
Deferred government superannuation contribution	34,400	-	34,400	34,400	-	34,400
<b>Total non-current liabilities</b>	<b>55,669</b>	<b>10,045</b>	<b>65,714</b>	<b>55,521</b>	<b>9,684</b>	<b>65,205</b>
<b>Total liabilities</b>	<b>103,426</b>	<b>8,327</b>	<b>111,753</b>	<b>94,842</b>	<b>8,415</b>	<b>103,257</b>
<b>Net assets</b>	<b>670,560</b>	<b>(8,875)</b>	<b>661,685</b>	<b>665,295</b>	<b>(8,875)</b>	<b>656,420</b>
<b>Equity</b>						
Capital reserves	451,455	(3,817)	447,638	466,161	(3,729)	462,432
Specific purpose reserves	123,029	-	123,029	123,029	-	123,029
Retained surplus	94,041	(5,058)	88,983	76,105	(5,146)	70,959
<b>Total University interest</b>	<b>668,525</b>	<b>(8,875)</b>	<b>659,650</b>	<b>665,295</b>	<b>(8,875)</b>	<b>656,420</b>
Minority interest	2,035	-	2,035	-	-	-
<b>Total equity</b>	<b>670,560</b>	<b>(8,875)</b>	<b>661,685</b>	<b>665,295</b>	<b>(8,875)</b>	<b>656,420</b>





## Notes to the Financial Statements for the year ended 31 December 2005

### Explanation of Transition to Australian Equivalents to IFRSs - continued

(ii) As at the end of the last reporting period under previous AGAAP: 31 December 2004

	Consolidated			University		
	Effect of			Effect of		
	Previous Transition		Previous Transition			
	AGAAP	to AIFRS	AIFRS	AGAAP	to AIFRS	AIFRS
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Current Assets</b>						
Cash and cash equivalents	13,991	60,749	74,740	2,651	60,178	62,829
Receivables	19,704	-	19,704	16,739	-	16,739
Other financial assets	67,752	(65,441)	2,311	62,596	(60,178)	2,418
Inventories	4,364	-	4,364	1,754	-	1,754
Other non-financial assets	3,244	-	3,244	3,021	-	3,021
Available-for-sale financial assets	-	6,702	6,702	-	-	-
	109,055	2,010	111,065	86,761	-	86,761
Non-current assets held-for-sale	-	1,865	1,865	-	1,865	1,865
<b>Total current assets</b>	<b>109,055</b>	<b>3,875</b>	<b>112,930</b>	<b>86,761</b>	<b>1,865</b>	<b>88,626</b>
<b>Non-current Assets</b>						
Other financial assets	77,551	(2,010)	75,541	124,186	(48,645)	75,541
Investments accounted for using the equity method	4,938	-	4,938	363	-	363
Available-for-sale financial assets	-	-	-	-	48,754	48,754
Property, plant and equipment	584,450	(22,329)	562,121	545,506	(22,190)	523,316
Investment property	-	16,017	16,017	-	16,017	16,017
Intangible assets	127	3,749	3,876	-	3,595	3,595
Other non-financial assets	1,273	-	1,273	1,273	-	1,273
Deferred government superannuation contribution	38,300	-	38,300	38,300	-	38,300
<b>Total non-current assets</b>	<b>706,639</b>	<b>(4,573)</b>	<b>702,066</b>	<b>709,628</b>	<b>(2,469)</b>	<b>707,159</b>
<b>Total assets</b>	<b>815,694</b>	<b>(698)</b>	<b>814,996</b>	<b>796,389</b>	<b>(604)</b>	<b>795,785</b>
<b>Current Liabilities</b>						
Payables	32,784	(343)	32,441	23,227	(258)	22,969
Interest-bearing liabilities	108	-	108	6	-	6
Provisions	12,677	(1,216)	11,461	11,863	(1,034)	10,829
Deferred government superannuation contribution	3,000	-	3,000	3,000	-	3,000
Other	8,940	-	8,940	8,676	-	8,676
<b>Total current liabilities</b>	<b>57,509</b>	<b>(1,559)</b>	<b>55,950</b>	<b>46,772</b>	<b>(1,292)</b>	<b>45,480</b>
<b>Non-current Liabilities</b>						
Payables	2,399	231	2,630	2,393	231	2,624
Interest-bearing liabilities	129	-	129	81	-	81
Provisions	19,386	9,261	28,647	19,339	9,088	28,427
Deferred government superannuation contribution	35,300	-	35,300	35,300	-	35,300
<b>Total non-current liabilities</b>	<b>57,214</b>	<b>9,492</b>	<b>66,706</b>	<b>57,113</b>	<b>9,319</b>	<b>66,432</b>
<b>Total liabilities</b>	<b>114,723</b>	<b>7,933</b>	<b>122,656</b>	<b>103,885</b>	<b>8,027</b>	<b>111,912</b>
<b>Net assets</b>	<b>700,971</b>	<b>(8,631)</b>	<b>692,340</b>	<b>692,504</b>	<b>(8,631)</b>	<b>683,873</b>
<b>Equity</b>						
Capital reserves	457,693	(5,062)	452,631	471,785	(4,953)	466,832
Specific purpose reserves	141,201	-	141,201	141,201	-	141,201
Retained surplus	100,200	(3,569)	96,631	79,518	(3,678)	75,840
<b>Total University interest</b>	<b>699,094</b>	<b>(8,631)</b>	<b>690,463</b>	<b>692,504</b>	<b>(8,631)</b>	<b>683,873</b>
Minority interest	1,877	-	1,877	-	-	-
<b>Total equity</b>	<b>700,971</b>	<b>(8,631)</b>	<b>692,340</b>	<b>692,504</b>	<b>(8,631)</b>	<b>683,873</b>

## Notes to the Financial Statements for the year ended 31 December 2005

**37. Explanation of Transition to Australian Equivalents to IFRSs - continued**

(b) Reconciliation of profit for the year ended 31 December 2004

	Note	Consolidated			University		
		Effect of		AIFRS	Effect of		AIFRS
		Previous	Transition		Previous	Transition	
		AGAAP	to AIFRS		AGAAP	to AIFRS	
		\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue from continuing operations</b>							
<b>Received under Higher Education Support Act</b>							
Base operating financial assistance		99,692	-	99,692	99,692	-	99,692
Other operating financial assistance		5,570	-	5,570	5,570	-	5,570
Higher Education Contribution Scheme		47,854	-	47,854	47,854	-	47,854
		<b>153,116</b>	<b>-</b>	<b>153,116</b>	<b>153,116</b>	<b>-</b>	<b>153,116</b>
<b>Learning and Teaching</b>							
Student fees		54,454	-	54,454	54,454	-	54,454
Grants		15,453	-	15,453	15,453	-	15,453
		<b>69,907</b>	<b>-</b>	<b>69,907</b>	<b>69,907</b>	<b>-</b>	<b>69,907</b>
<b>Research Grants and Fees</b>							
National competitive grants		51,316	-	51,316	51,316	-	51,316
Public sector - other		19,760	-	19,760	19,540	-	19,540
Industry and other		13,419	-	13,419	13,419	-	13,419
		<b>84,495</b>	<b>-</b>	<b>84,495</b>	<b>84,275</b>	<b>-</b>	<b>84,275</b>
<b>Research Other</b>							
Cooperative Research Centre direct funding		7,754	-	7,754	7,754	-	7,754
Research infrastructure program		12,953	-	12,953	12,953	-	12,953
		<b>20,707</b>	<b>-</b>	<b>20,707</b>	<b>20,707</b>	<b>-</b>	<b>20,707</b>
<b>Other</b>							
Investment revenue		18,197	1,080	19,277	16,390	1,080	17,470
Property revenue		6,693	-	6,693	6,693	-	6,693
Specialist services and trading		45,134	-	45,134	16,501	-	16,501
Deferred government superannuation contributions		900	-	900	900	-	900
Other		19,631	-	19,631	19,982	-	19,982
		<b>90,555</b>	<b>1,080</b>	<b>91,635</b>	<b>60,466</b>	<b>1,080</b>	<b>61,546</b>
<b>Total operating revenue from continuing operations</b>		<b>418,780</b>	<b>1,080</b>	<b>419,860</b>	<b>388,471</b>	<b>1,080</b>	<b>389,551</b>
Share of net profits of associates and joint ventures accounted for using the equity method		2,708	-	2,708	-	-	-
<b>Total revenue from continuing operations</b>		<b>421,488</b>	<b>1,080</b>	<b>422,568</b>	<b>388,471</b>	<b>1,080</b>	<b>389,551</b>
<b>Expenses from continuing operations</b>							
Salaries and related expenses		214,514	578	215,092	202,782	584	203,366
Student services		19,794	-	19,794	19,794	-	19,794
Teaching and research materials		44,531	-	44,531	44,491	-	44,491
Buildings and grounds		21,241	-	21,241	21,241	-	21,241
Borrowing costs		155	-	155	143	-	143
Administration, communication and travel		57,581	(15)	57,566	39,899	-	39,899
Finance and fund administration		1,308	-	1,308	1,873	-	1,873
Misc equip, dep'n and net loss on disposal of assets		34,538	-	34,538	33,108	-	33,108
Deferred employee benefits for superannuation		3,555	-	3,555	3,555	-	3,555
<b>Total expenses from continuing operations</b>		<b>397,217</b>	<b>563</b>	<b>397,780</b>	<b>366,866</b>	<b>584</b>	<b>367,470</b>
<b>Operating result before minority interests</b>		<b>24,271</b>	<b>517</b>	<b>24,788</b>	<b>21,585</b>	<b>496</b>	<b>22,081</b>
Operating result attributable to minority interest		58	-	58	-	-	-
<b>Operating result from continuing operations</b>		<b>24,329</b>	<b>517</b>	<b>24,846</b>	<b>21,585</b>	<b>496</b>	<b>22,081</b>







## Notes to the Financial Statements for the year ended 31 December 2005

### 37. Explanation of Transition to Australian Equivalents to IFRSs - continued

#### (c) Reconciliation of Cash Flow Statement for the year ended 31 December 2004

The adoption of AIFRS has not resulted in any material adjustments to the Cash Flow Statement.

#### (d) Notes to the reconciliations

##### (i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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. Previously, short term deposits and other liquid investments were reported as other financial assets.

##### (ii) Investment property

Properties that are principally used to generate commercial rental income have been reclassified from Property, Plant and Equipment to Investment Property in Non-current assets. These properties are revalued in a similar manner to Property, Plant and Equipment, however the revaluation increment is recognised within the Income Statement rather than being recognised in the asset revaluation reserve.

##### (iii) Intangible assets

Internally developed software has been reclassified from Property, Plant and Equipment to Intangible Assets. The carrying value of these assets are to be reassessed for impairment on an annual basis.

##### (iv) Assets held for sale

Properties that the University has an intention to sell within 12 months have been reclassified from Property, Plant and Equipment to Non-current assets held for sale within current assets. These assets are not revalued or depreciated.

##### (v) Employee benefits

A liability has been recognised for the shortfall in net assets in The University of Adelaide Superannuation Scheme A 1985 which is a defined benefit superannuation fund. The University has elected to recognise this liability through retained earnings.

Where the employee entitlements to annual leave are not expected to be settled within 12 months of the balance date, the provision has been discounted to present value using the Australian Government three year bond rate and reclassified from current provisions to non-current provisions.

##### (vi) Available-for-sale financial assets

Certain financial assets held by the controlled entities of the University have been designated as available for sale. These assets have been disclosed as a separate category of assets, Available-For-Sale Financial Assets. Previously, under AGAAP, these assets were reported within Other Financial Assets.



## Notes to the Financial Statements for the year ended 31 December 2005

The following information being Note 38 to Note 43 has been prepared in accordance with the DEST reporting guidelines.

## 38. Income Statement for the Year Ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>					
Australian Government financial assistance					
Australian Government grants	39	210,920	188,449	210,920	188,449
HECS-HELP - Australian Government payments	39(b)	44,338	40,328	44,338	40,328
Other Australian Government loan programmes	39(b)	5,478	3,576	5,478	3,576
State and Local Government financial assistance	41	16,894	15,866	16,674	15,481
HECS- HELP - student payments		10,215	7,525	10,215	7,525
Fees and charges	42	78,814	67,568	77,480	66,456
Investment income		22,103	17,656	19,882	17,319
Royalties, trademarks and licenses	5	1,563	1,621	115	151
Consultancy and contract revenue	43	37,333	36,757	24,553	25,714
Other revenue		43,136	42,322	23,736	23,652
Sub-total		470,794	421,668	433,391	388,651
Deferred government superannuation contributions		4,600	900	4,600	900
Total revenue from continuing operations		475,394	422,568	437,991	389,551
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employee benefits	6	238,245	217,747	224,466	206,021
Depreciation and amortisation	6	22,983	25,251	21,501	23,857
Buildings and grounds	6	25,896	21,241	25,896	21,241
Bad and doubtful debts	6	854	636	828	1,088
Borrowing costs	6	163	155	157	143
Scholarships, grants and prizes		20,524	19,021	20,524	19,021
Non-capitalised equipment		11,987	9,273	11,987	9,273
Advertising, marketing and promotional expenses		2,615	2,497	2,512	2,497
Other expenses		110,192	101,059	87,328	83,429
Sub-total		433,459	396,880	395,199	366,570
Deferred employee benefits for superannuation		4,600	900	4,600	900
Total expenses from continuing operations		438,059	397,780	399,799	367,470
Operating result from continuing operations		37,335	24,788	38,192	22,081



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>39. Australian Government Financial Assistance</b>					
<b>(a) DEST - Commonwealth Grants Scheme and Other DEST Grants</b>					
Commonwealth Grants Scheme		70,035	55,784	70,035	55,784
Indigenous Support Fund		401	-	401	-
Equity Programmes		174	121	174	121
Workplace Reform Programme		1,037	2,287	1,037	2,287
Capital Development Pool		-	2,098	-	2,098
Superannuation Programme		2,370	2,628	2,370	2,628
Collaboration & Structural Reform Programme		73	-	73	-
		<b>74,090</b>	<b>62,918</b>	<b>74,090</b>	<b>62,918</b>
<b>(b) Higher Education Loan Programmes</b>					
HECS-HELP (Australian Government payments only)		44,338	40,328	44,338	40,328
FEE-HELP		5,478	3,576	5,478	3,576
		<b>49,816</b>	<b>43,904</b>	<b>49,816</b>	<b>43,904</b>
<b>(c) Scholarships</b>					
Australian Postgraduate Awards		4,461	4,186	4,461	4,186
International Postgraduate Research Scholarships		860	773	860	773
Commonwealth Education Costs Scholarships		314	100	314	100
Commonwealth Accommodation Scholarships		592	264	592	264
		<b>6,227</b>	<b>5,323</b>	<b>6,227</b>	<b>5,323</b>
<b>(d) DEST Research:</b>					
Institutional Grants Scheme		16,311	14,675	16,311	14,675
Research Training Scheme		29,640	27,670	29,640	27,670
Systemic Infrastructure Initiative		-	87	-	87
Research Infrastructure Block Grants		13,773	11,218	13,773	11,218
		<b>59,724</b>	<b>53,650</b>	<b>59,724</b>	<b>53,650</b>
<b>(e) Australian Research Council</b>					
<b>(i) Discovery</b>					
Projects		10,677	7,923	10,677	7,923
Fellowships		1,438	1,448	1,438	1,448
Indigenous Researchers Development		15	20	15	20
		<b>12,130</b>	<b>9,391</b>	<b>12,130</b>	<b>9,391</b>
<b>(ii) Linkages</b>					
Special Research Initiatives		56	-	56	-
Infrastructure		1,968	1,734	1,968	1,734
International		303	122	303	122
Projects		3,781	3,754	3,781	3,754
		<b>6,108</b>	<b>5,610</b>	<b>6,108</b>	<b>5,610</b>
<b>(iii) Networks and Centres</b>					
Networks		613	300	613	300
Centres		4,784	3,544	4,784	3,544
		<b>5,397</b>	<b>3,844</b>	<b>5,397</b>	<b>3,844</b>

## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
<b>39. Australian Government Financial Assistance - continued</b>					
(f) Other Australian Government financial assistance received:					
Attorney General's Department		20	19	20	19
Australian Centre for International Agricultural Research		426	549	426	549
Australian Institute of Health and Welfare		-	891	-	891
Bureau of Meteorology		40	35	40	35
CSIRO		271	188	271	188
Defence, Science and Technology Organisation		219	693	219	693
Department of Agriculture, Fisheries and Forestry		11,194	13,181	11,194	13,181
Department of Communications, IT and the Arts		790	8	790	8
Department of Defence		2,159	300	2,159	300
Department of Education, Science and Training		1,708	3,087	1,708	3,087
Department of Environment and Heritage		226	133	226	133
Department of Finance and Administration		-	1	-	1
Department of Foreign Affairs and Trade		10	-	10	-
Department of Health and Aged Care		29,586	28,298	29,586	28,298
Department of Immigration, Multicultural and Indigenous Affairs		28	67	28	67
Department of Industry, Tourism and Resources		14	-	14	-
Department of Treasury		-	20	-	20
Department of Veterans' Affairs		-	44	-	44
Other		553	199	553	199
		<b>47,244</b>	<b>47,713</b>	<b>47,244</b>	<b>47,713</b>
<b>Reconciliation</b>					
Australian Government grants		210,920	188,449	210,920	188,449
HECS-HELP - Australian Government payments		44,338	40,328	44,338	40,328
Other Australian Government loan programmes		5,478	3,576	5,478	3,576
		<b>260,736</b>	<b>232,353</b>	<b>260,736</b>	<b>232,353</b>





# Notes to the Financial Statements for the year ended 31 December 2005

## 40. Acquittal of Australian Government Financial Assistance

### (a) DEST - Commonwealth Grants Scheme and Other DEST Grants

Parent Entity (University) Only

	Notes	Commonwealth Grants Scheme		Indigenous Support Fund		Equity Programmes		Workplace Reform Programme		Capital Development Pool	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period		70,197	62,840	401	-	174	121	1,037	2,287	-	2,098
Net accrual adjustments		(162)	(7,056)	-	-	-	-	-	-	-	-
Revenue for the period	39(a)	70,035	55,784	401	-	174	121	1,037	2,287	-	2,098
Surplus/(Deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue		70,035	55,784	401	-	174	121	1,037	2,287	-	2,098
Total expenses including accrued expenses		70,035	55,784	401	-	174	121	1,037	2,287	-	2,098
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	-	-	-	-

## Notes to the Financial Statements for the year ended 31 December 2005

## 40. Acquittal of Australian Government Financial Assistance - continued

Parent Entity (University) Only

(a) DEST - Commonwealth Grants Scheme and Other DEST Grants - continued

	Notes	Collaboration & Structural Reform Programme						Total	
		Superannuation Programme			2005 \$000			2005 \$000	2004 \$000
		2005 \$000	2004 \$000	2005 \$000	2005 \$000	2004 \$000	2005 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period		2,370	2,308	73	-	-	74,252	69,654	
Net accrual adjustments		-	320	-	-	-	(162)	(6,736)	
Revenue for the period	39(a)	2,370	2,628	73	-	-	74,090	62,918	
Surplus/(Deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		2,370	2,628	73	-	-	74,090	62,918	
Total expenses including accrued expenses		2,370	2,628	73	-	-	74,090	62,918	
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	-	-



Notes to the Financial Statements for the year ended 31 December 2005

40. Acquittal of Australian Government Financial Assistance - continued

(b) Higher Education Loan Programmes

Parent Entity (University) Only

	Notes	HECS-HELP (Australian Government payments only)		FEE-HELP		Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period		44,338	40,328	5,442	3,176	49,780	43,504
Net accrual adjustments		-	-	36	400	36	400
Revenue for the period	39(b)	44,338	40,328	5,478	3,576	49,816	43,904
Surplus/(Deficit) from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		44,338	40,328	5,478	3,576	49,816	43,904
Total expenses including accrued expenses		44,338	40,328	5,478	3,576	49,816	43,904
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-



## Notes to the Financial Statements for the year ended 31 December 2005

## 40. Acquittal of Australian Government Financial Assistance - continued

## (c) Scholarships

Parent Entity (University) Only

	Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period		4,461	4,186	860	790	314	100	592	264	6,227	5,340
Net accrual adjustments		-	-	-	(17)	-	-	-	-	-	(17)
Revenue for the period	39(c)	4,461	4,186	860	773	314	100	592	264	6,227	5,323
Surplus/(Deficit) from the previous year		160	140	-	-	-	-	8	-	168	140
Total revenue including accrued revenue		4,621	4,326	860	773	314	100	600	264	6,395	5,463
Total expenses including accrued expenses		4,304	4,166	860	773	302	100	530	256	5,996	5,295
Surplus/(Deficit) for the reporting period		317	160	-	-	12	-	70	8	399	168



# Notes to the Financial Statements for the year ended 31 December 2005

## 40. Acquittal of Australian Government Financial Assistance - continued

### (d) DEST Research

Parent Entity (University) Only

	Notes	Grants Scheme				Research Training Scheme				Infrastructure Initiative				Block Grants				Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000		
Financial assistance received in cash during the reporting period		16,311	15,951		29,161														
Net accrual adjustments		-	(1,276)		(1,491)				(8)										
Revenue for the period	39(d)	16,311	14,675	29,640	27,670				87				13,773	11,218	59,724	53,650			
Surplus/(Deficit) from the previous year		-	-	-	-			31	55				(448)	528	(417)	583			
Total revenue including accrued revenue		16,311	14,675	29,640	27,670			31	142				13,325	11,746	59,307	54,233			
Total expenses including accrued expenses		16,311	14,675	29,640	27,670			21	111				13,325	12,194	59,297	54,650			
Surplus/(Deficit) for the reporting period		-	-	-	-			10	31				-	(448)	10	(417)			

## Notes to the Financial Statements for the year ended 31 December 2005

## 40. Acquittal of Australian Government Financial Assistance - continued

(e) Australian Research Council Grants - Discovery Parent Entity (University) Only

	Notes	Projects		Fellowships		Indigenous Researchers Development		Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period		10,716	8,129	1,486	1,547	15	20	12,217	9,696
Net accrual adjustments		(39)	(206)	(48)	(99)	-	-	(87)	(305)
Revenue for the period	39(e)	10,677	7,923	1,438	1,448	15	20	12,130	9,391
Surplus/(Deficit) from the previous year		2,555	2,070	690	713	2	-	3,247	2,638
Total revenue including accrued revenue		13,232	9,993	2,128	2,161	17	20	15,377	12,029
Total expenses including accrued expenses		9,365	7,438	1,376	1,471	11	18	10,752	8,927
Surplus/(Deficit) for the reporting period		3,867	2,555	752	690	6	2	4,625	3,102





# Notes to the Financial Statements for the year ended 31 December 2005

## 40(f) Acquittal of Australian Government Financial Assistance - continued

### Australian Research Council Grants - Linkages

Parent Entity (University) Only

	Notes	Special Research Initiatives						Infrastructure			International			Projects			Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000
Financial assistance received in cash during the reporting period		56	-	1,968	1,734	331	139	4,104	3,833	6,459	5,706							
Net accrual adjustments		-	-	-	-	(28)	(17)	(323)	(79)	(351)	(96)							
Revenue for the period	39(e)	56	-	1,968	1,734	303	122	3,781	3,754	6,108	5,610							
Surplus/(Deficit) from the previous year		-	-	220	499	137	142	1,649	558	2,006	1,199							
Total revenue including accrued revenue		56	-	2,188	2,233	440	264	5,430	4,312	8,114	6,809							
Total expenses including accrued expenses		2	-	1,417	2,013	148	127	3,680	2,663	5,247	4,803							
Surplus/(Deficit) for the reporting period		54	-	771	220	292	137	1,750	1,649	2,867	2,006							

## Notes to the Financial Statements for the year ended 31 December 2005

## 40. Acquittal of Australian Government Financial Assistance - continued

Parent Entity (University) Only

(g) Australian Research Council Grants - Networks and Centres

	Notes	Networks		Centres		Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period		613	300	4,784	3,544	5,397	3,844
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	39(e)	613	300	4,784	3,544	5,397	3,844
Surplus/(Deficit) from the previous year		280	120	97	1,235	377	1,355
Total revenue including accrued revenue		893	420	4,881	4,779	5,774	5,199
Total expenses including accrued expenses		308	140	4,526	4,682	4,834	4,822
Surplus/(Deficit) for the reporting period		585	280	355	97	940	377



# Notes to the Financial Statements for the year ended 31 December 2005

	Consolidated		University	
	2005	2004	2005	2004
Note	\$000	\$000	\$000	\$000
<b>41. State and Local Government Financial Assistance</b>				
(a) South Australian Government and Local Government financial assistance				
Arts South Australia	105	87	105	87
Bio Innovation SA	2,102	1,845	2,102	1,774
Central Northern Adelaide Health Service	2,372	2,020	2,372	2,020
Department for Environment and Heritage	237	256	237	256
Department for Families and Communities	140	165	140	165
Department of Further Education, Employment, Science and Technology	2,247	2,667	2,247	2,667
Department of Health	1,072	1,133	1,072	1,133
Department of the Premier and Cabinet	339	343	339	343
Department of Primary Industries & Resources	1,751	905	1,751	905
Department of Education & Children Services	156	884	156	884
Department for Trade and Economic Development	211	8	211	8
Department for Transport, Energy and Infrastructure	727	636	727	636
Department of Water, Land and Biodiversity Conservation	649	576	649	576
Institute of Medical and Veterinary Science	118	182	118	182
Land Management Corporation	-	5	-	5
Motor Accident Commission	650	665	650	665
Office for the Commissioner for Public Employment	70	5	70	5
Planning SA	-	41	-	41
Police Department SA	150	150	150	150
Port Pirie Regional Health Service	-	25	-	25
Public Trustee Office	19	23	19	23
Repatriation General Hospital	25	20	25	20
Royal Adelaide Hospital	1,568	1,173	1,568	1,173
South Australian Dental Service	79	239	79	239
South Australian Museum	219	113	219	113
Southern Adelaide Health Service	565	-	565	-
Southern York Peninsula Health Commission	220	220	-	-
South Australian State Energy Research Advisory Committee	-	10	-	10
Torrens and Patawalonga Catchment Water Management Board	-	29	-	29
Children, Youth and Women's Health Service	468	537	468	537
Workcover Corporation	11	32	11	32
Other	158	131	158	131
<b>Total South Australian Government and Local Government financial assistance</b>	<b>16,428</b>	<b>15,125</b>	<b>16,208</b>	<b>14,834</b>
(b) Other State Government and Local Government financial assistance	466	741	466	647
<b>Total State and Local Government financial assistance</b>	<b>16,894</b>	<b>15,866</b>	<b>16,674</b>	<b>15,481</b>



## Notes to the Financial Statements for the year ended 31 December 2005

	Note	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>42. Fees and Charges</b>					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	5	60,091	50,105	60,091	50,105
Library charges and fines		963	1,027	963	1,027
Application management and late fees		482	542	482	542
Parking fees		734	915	734	915
Rental charges/accommodation fees		5,447	4,561	5,447	4,561
Recharge of costs to other organisations		3,999	4,730	3,999	4,730
Franchise fees		939	867	939	867
Other		6,159	4,821	4,825	3,709
		<b>78,814</b>	<b>67,568</b>	<b>77,480</b>	<b>66,456</b>
<b>43. Consultancy and Contract Revenue</b>					
Consultancy		15,318	12,199	4,716	3,553
Contract research		22,015	24,558	19,837	22,161
		<b>37,333</b>	<b>36,757</b>	<b>24,553</b>	<b>25,714</b>





## Notes

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