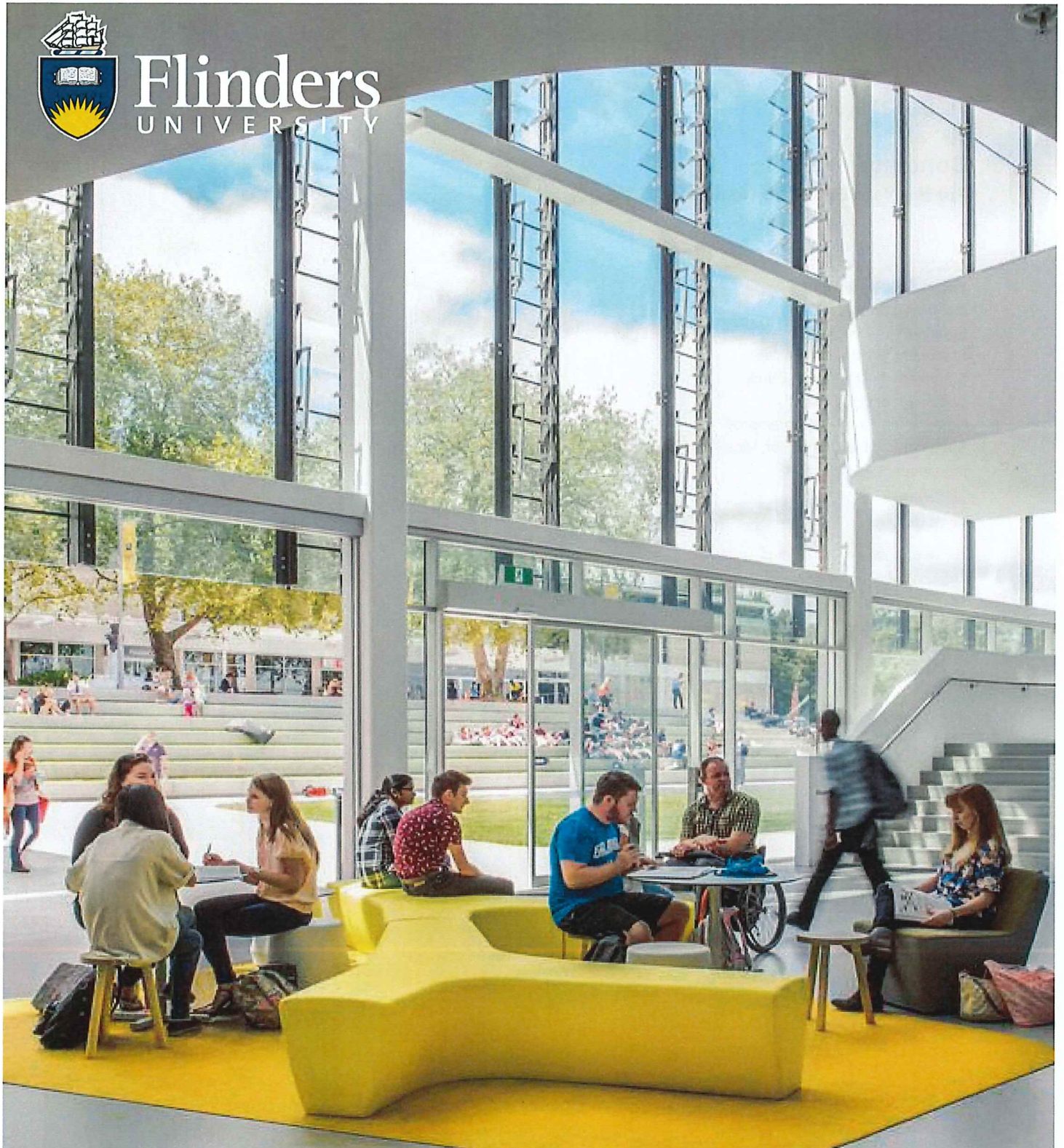




**Flinders**  
UNIVERSITY



# Flinders University Annual Financial Statements 2020

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For the Year Ended 31 December 2020

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Flinders University

**Income Statement**

For the Year Ended 31 December 2020

	Note	Consolidated		The University	
		2020 000's \$	2019 000's \$	2020 000's \$	2019 000's \$
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	3	235,972	234,405	235,972	234,405
HELP - Australian Government payments	3	111,984	106,559	111,984	106,559
State and local government financial assistance	4	7,088	7,236	7,088	7,236
HECS-HELP - Student Payments		6,234	7,506	6,234	7,506
Fees and charges	5	124,653	126,239	124,590	126,149
Investment revenue	6	11,154	9,843	11,150	9,741
Royalties, trademarks and licences	7	821	809	815	776
Consultancy and contracts	8	16,305	12,333	16,366	12,324
Other revenue	9	18,633	15,901	15,881	13,407
Gains on disposal of assets		140	220	140	220
Share of profit or loss on investments accounted for using the equity method	21	89	(37)	-	-
Other investment gains	6	1,987	9,247	1,978	9,238
<b>Total income from continuing operations</b>		<b>535,060</b>	<b>530,261</b>	<b>532,198</b>	<b>527,561</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	10	324,300	321,749	322,508	319,276
Depreciation and amortisation	11	41,703	42,260	41,581	42,120
Repairs and maintenance	12	14,674	17,234	14,601	17,168
Borrowing costs	13	496	300	496	300
Impairment of assets	14	107	9	107	(192)
Other expenses	15	115,403	123,896	115,110	123,809
<b>Total expenses from continuing operations</b>		<b>496,683</b>	<b>505,448</b>	<b>494,403</b>	<b>502,481</b>
<b>Net result from continuing operations</b>		<b>38,377</b>	<b>24,813</b>	<b>37,795</b>	<b>25,080</b>
<b>Net result attributable to</b>					
University		38,377	24,713	37,795	25,080
Non-controlling interest	35	(74)	100	-	-
<b>Total</b>		<b>38,303</b>	<b>24,813</b>	<b>37,795</b>	<b>25,080</b>

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

Flinders University

**Statement of Comprehensive Income**

For the Year Ended 31 December 2020

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
Note	\$	\$	\$	\$
<b>Net result for the period</b>	<b>38,377</b>	<b>24,813</b>	<b>37,795</b>	<b>25,080</b>
Items that will be reclassified to profit or loss:				
Gain/(loss) on financial assets designated at fair value through other comprehensive income	29 7,790	16,757	7,790	16,757
<b>Total</b>	<b>7,790</b>	<b>16,757</b>	<b>7,790</b>	<b>16,757</b>
Items that will not be reclassified to profit or loss:				
Gain / (loss) on revaluation of land, buildings, library and artworks	29 (801)	4,650	(801)	4,650
<b>Total</b>	<b>(801)</b>	<b>4,650</b>	<b>(801)</b>	<b>4,650</b>
<b>Total other comprehensive income</b>	<b>6,989</b>	<b>21,407</b>	<b>6,989</b>	<b>21,407</b>
<b>Total comprehensive income</b>	<b>45,366</b>	<b>46,220</b>	<b>44,784</b>	<b>46,487</b>
<b>Total comprehensive income attributable to:</b>				
University	45,440	46,120	44,784	46,487
Non-controlling interest	(74)	100	-	-
<b>Total</b>	<b>45,366</b>	<b>46,220</b>	<b>44,784</b>	<b>46,487</b>

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

Flinders University

Statement of Financial Position

As At 31 December 2020

	Note	Consolidated		The University	
		2020 000's \$	2019 000's \$	2020 000's \$	2019 000's \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16	124,913	65,366	123,271	64,248
Receivables	17	17,394	21,412	15,275	19,713
Contract Assets	17	2,487	1,857	2,487	1,857
Inventories	18	113	177	111	175
Other financial assets	19	-	20,367	-	20,367
Other non-financial assets	20	12,798	9,957	12,729	9,876
<b>Total current assets</b>		<b>157,705</b>	<b>119,136</b>	<b>153,873</b>	<b>116,236</b>
<b>Non-current assets</b>					
Receivables	17	45,374	50,136	45,374	50,136
Investments accounted for using the equity method	21	646	557	-	-
Other financial assets	19	139,932	132,123	141,525	133,816
Property, plant and equipment	23	648,592	627,701	647,211	626,240
Investment properties	22	8,404	8,404	8,404	8,404
Intangible assets	24	43,945	41,865	43,867	41,746
Other non-financial assets	20	2,269	2,716	2,269	2,716
<b>Total non-current assets</b>		<b>889,162</b>	<b>863,502</b>	<b>888,650</b>	<b>863,058</b>
<b>Total assets</b>		<b>1,046,867</b>	<b>982,638</b>	<b>1,042,523</b>	<b>979,294</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	25	49,401	41,884	46,179	38,979
Borrowings	26	3,402	2,280	3,402	2,280
Provisions	27	26,374	24,002	26,006	23,615
Other liabilities	28	191	538	629	895
Contract liabilities	25	43,185	44,028	42,996	43,966
<b>Total current liabilities</b>		<b>122,553</b>	<b>112,732</b>	<b>119,212</b>	<b>109,735</b>
<b>Non-current liabilities</b>					
Trade and other payables	25	7,783	3,012	7,783	3,012
Borrowings	26	13,019	8,770	13,019	8,770
Provisions	27	71,880	74,068	71,880	74,068
Contract liabilities	25	9,652	7,516	9,652	7,516
<b>Total non-current liabilities</b>		<b>102,334</b>	<b>93,366</b>	<b>102,334</b>	<b>93,366</b>
<b>Total liabilities</b>		<b>224,887</b>	<b>206,098</b>	<b>221,546</b>	<b>203,101</b>
<b>Net assets</b>		<b>821,980</b>	<b>776,540</b>	<b>820,977</b>	<b>776,193</b>
<b>Equity</b>					
<b>University interest</b>					
Reserves	29	205,423	198,434	209,176	202,187
Retained earnings	29	616,109	577,732	611,801	574,006
<b>University interest</b>		<b>821,532</b>	<b>776,166</b>	<b>820,977</b>	<b>776,193</b>
Non-controlling interest		448	374	-	-
<b>Total equity</b>		<b>821,980</b>	<b>776,540</b>	<b>820,977</b>	<b>776,193</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Flinders University

**Statement of Changes in Equity**  
For the Year Ended 31 December 2020

	Consolidated				The University			
	Reserves 000's	Retained Earnings 000's	University Interest 000's	Non- controlling Interest 000's	Total 000's	Reserves 000's	Retained Earnings 000's	Total 000's
Balance as at 1 January 2019	\$ 177,027	\$ 579,941	\$ 756,968	\$ 474	\$ 757,442	\$ 180,780	\$ 575,948	\$ 756,728
Net result	-	24,813	24,813	(100)	24,713	-	25,080	25,080
Gain on revaluation of land, buildings, infrastructure, library and artwork	4,650	-	4,650	-	4,650	4,650	-	4,650
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	16,757	-	16,757	-	16,757	16,757	-	16,757
Adjustment due to AASB15	-	(27,022)	(27,022)	-	(27,022)	-	(27,022)	(27,022)
<b>Total comprehensive income</b>	21,407	(2,209)	19,198	(100)	19,098	21,407	(1,942)	19,465
Recognition of non-controlling interest	-	-	-	-	-	-	-	-
Balance at 31 December 2019	198,434	577,732	776,166	374	776,540	202,187	574,006	776,193
Balance at 1 January 2020	198,434	577,732	776,166	374	776,540	202,187	574,006	776,193
Net Result	-	38,377	38,377	74	38,451	-	37,795	37,795
Gain on revaluation of land, buildings, infrastructure, library and artwork	(801)	-	(801)	-	(801)	(801)	-	(801)
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	7,790	-	7,790	-	7,790	7,790	-	7,790
<b>Total comprehensive income</b>	6,989	38,377	45,366	74	45,440	6,989	37,795	44,784
Recognition of non-controlling interest	-	-	-	-	-	-	-	-
Balance at 31 December 2020	205,423	616,109	821,532	448	821,980	209,176	611,801	820,977

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

Flinders University

**Statement of Cash Flows**  
For the Year Ended 31 December 2020

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
Note	\$	\$	\$	\$
<b>Cash flows from operating activities:</b>				
Australian Government Grants	347,956	338,768	347,956	338,768
OS-HELP (net)	4,925	(228)	4,925	(228)
Superannuation Supplementation	3,301	3,463	3,301	3,463
State Government Grants	6,920	7,904	6,920	7,904
Local Government Grants received	168	175	168	175
HECS-HELP - Student payments	6,234	7,506	6,234	7,506
Receipts from student fees and other customers	169,003	164,387	165,701	161,129
Dividends received	5,483	4,310	5,483	4,310
Interest received	1,327	3,123	1,327	3,123
Other investment income	2,677	2,307	2,677	2,307
GST recovered/paid	10,619	9,848	10,619	9,848
Payments to suppliers and employees (inclusive of GST)	(461,029)	(489,098)	(458,294)	(486,016)
Interest and other costs of finance	(496)	(300)	(496)	(300)
Net cash provided by/(used in) operating activities	39	97,088	52,165	96,521
				51,989
<b>Cash flows from investing activities:</b>				
Proceeds from sale of property, plant and equipment	498	235	498	135
Proceeds from sale of investment	22,426	34,301	22,426	34,301
Other investing outflows	(42)	98	(42)	98
Purchase of property, plant and equipment	(59,233)	(55,491)	(59,190)	(55,415)
Payments for financial assets	(149)	(2,706)	(149)	(2,631)
Loans to related parties	-	(750)	-	(750)
Repayments of loans by related parties	120	78	120	78
Net cash provided by/(used in) investing activities		(36,380)	(24,235)	(36,337)
				(24,184)
<b>Cash flows from financing activities:</b>				
Repayment of lease liabilities	(1,161)	(2,020)	(1,161)	(2,020)
Net cash provided by/(used in) financing activities		(1,161)	(2,020)	(1,161)
				(2,020)
Net increase/(decrease) in cash and cash equivalents	59,547	25,910	59,023	25,785
Cash and cash equivalents at beginning of year	65,366	39,456	64,248	38,463
<b>Cash and cash equivalents at end of financial year</b>	16	<b>124,913</b>	65,366	<b>123,271</b>
Financing arrangements	26			64,248
Non-cash financing and investing activities	40			

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

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

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## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. The financial statements include separate statements for Flinders University (The University) as the parent entity and Flinders University and its subsidiaries as the Consolidated Entity.

The principal address of Flinders University is:

Sturt Road  
Bedford Park  
South Australia 5042

#### (a) Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of Flinders University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The Consolidated entity applies Tier 1 reporting requirements.

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

- Higher Education Support Act 2003
- Financial Statement Guidelines of the Department of Education and Training
- Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 (Cwth)
- Relevant provisions of the Treasurer's Instructions pursuant to the Public Finance and Audit Act 1987 and the Accounting Policy Statements issued pursuant to the Treasurer's Instructions, except where they conflict with the Department of Education and Training Guidelines.

Flinders University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standard requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

The financial report has been prepared based on a twelve month operating cycle and is presented in Australian dollars.

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of Flinders University on 20 May 2021.

Historical cost convention

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of gain/(loss) on financial assets designated at fair value through other comprehensive income, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The main areas involving a high degree of judgement where assumptions and estimates are significant to the financial statements are superannuation receivable and provision; valuation of property, plant and equipment; depreciation; long service leave liability and the recognition of revenue over time in accordance with AASB15.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 1 Summary of Significant Accounting Policies (Continued)

#### (b) Comparative Amounts

The previous year's figures are provided in the financial statements for comparative purposes. Where necessary comparative figures have been adjusted to conform to changes in presentation and classification in the present year.

The comparatives for the Consolidated Entity have been adjusted for a change in accounting policy of an associated entity GPEX Ltd. The Directors of that entity have amended their audited accounts to reflect a revision to the treatment of ATSIH funds from the Australian Government Department of Health which were previously treated as equity funds.

The net effect of the change to the comparative 2019 numbers is a decrease to net assets of \$1.8m due to a decrease in equity investment and a decrease to net profit of \$0.5m.

#### (c) Income Tax Status

The University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997.

Whilst University's major subsidiaries are exempt from income tax, smaller entities within the Group pay income tax when it is incurred.

The University is subject to fringe benefits tax, the GST and payroll tax.

#### (d) Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed net of GST recoverable from or payable to the ATO.

#### (e) Impairment of non-financial assets

At each reporting date, the University undertakes an assessment of its significant assets to determine if there is any evidence of impairment. Where impairment exists, the University recognises an impairment loss in the Income Statement. This is calculated as the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 1 Summary of Significant Accounting Policies (Continued)

(f) **Foreign currency translation**

(i) *Functional and presentation currency*

The consolidated financial statements are presented in Australian dollars, which is the Consolidated entity's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign currency monetary items outstanding at balance date are disclosed in note 41.

(g) **Rounding of amounts**

Unless otherwise indicated, all amounts have been rounded to the nearest thousand dollars.

(h) **Current and non-current classification**

Assets and liabilities are characterised as either current or non-current. The University and the Consolidated entity operate on a 12 month operating cycle. Assets and liabilities that are sold, consumed or realised as part of the 12 month operating cycle are classified as current. All other assets and liabilities are classified as non-current.

(i) **Web site costs**

Costs in relation to web sites contents are charged as expenses in the period in which they are incurred.

(j) **New Accounting Standards and Interpretations**

The accounting policies adopted are consistent with those of the previous year.

No new standards or interpretations have been issued that are mandatory for the 31 December 2020 reporting period or beyond, that the University has elected not to adopt and have a material impact.

### 2 Disaggregated information (dual sector and/or operations outside Australia)

The University operates in the field of higher education in Australia and its primary activities are the provision of teaching and research services. It has no material offshore operations.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

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

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		The University	
		2020	2019	2020	2019
		000's	000's	000's	000's
		\$	\$	\$	\$
Commonwealth Grants Scheme <sup>1</sup>		153,176	149,886	153,176	149,886
Indigenous Student Success Program		1,527	1,372	1,527	1,372
Higher Education Participation and Partnership Program		2,890	2,909	2,890	2,909
Disability Performance Funding		261	210	261	210
<b>Total Commonwealth Grants Scheme and Other Grants</b>	44(a)	<b>157,854</b>	<b>154,377</b>	<b>157,854</b>	<b>154,377</b>

<sup>1</sup> Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS - Medical Student Loading, Allocated Places and Non-Designated Courses.

(b) Higher Education Loan Programs

HECS - HELP		95,086	92,613	95,086	92,613
FEE - HELP		15,947	11,993	15,947	11,993
SA-HELP payments		951	1,953	951	1,953
<b>Total Higher Education Loan Programs</b>	44(b)	<b>111,984</b>	<b>106,559</b>	<b>111,984</b>	<b>106,559</b>

(c) Education Research

Research Support Program		11,245	11,630	11,245	11,630
Research Training Program		15,106	15,172	15,106	15,172
<b>Total Education Research Grants</b>	44(c)	<b>26,351</b>	<b>26,802</b>	<b>26,351</b>	<b>26,802</b>

(d) Australian Research Council

Discovery <sup>1</sup>		5,954	5,589	5,954	5,589
Linkages - Projects		1,297	1,696	1,297	1,696
Linkages - Special Research Initiatives		83	-	83	-
Networks and Centres - Research networks		296	96	296	96
<b>Total Australian Research Council</b>	44(e)	<b>7,630</b>	<b>7,381</b>	<b>7,630</b>	<b>7,381</b>

<sup>1</sup> Includes Early Career Researcher Award

(e) Other Capital Funding

Linkages - Infrastructure, equipment and facilities grant		484	720	484	720
<b>Total Other Capital Funding</b>	44(f)	<b>484</b>	<b>720</b>	<b>484</b>	<b>720</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Australian Government financial assistance including Australian Government loan programs (HELP)  
(Continued)

(f) Other Australian Government financial assistance

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Non-capital</b>				
National Health and Medical Research Council	10,924	11,233	10,924	11,233
Other Research	11,982	11,977	11,982	11,977
Other Non-Research	20,457	21,811	20,457	21,811
Commonwealth Scholarships	290	104	290	104
<b>Total other Australian Government financial assistance</b>	<b>43,653</b>	<b>45,125</b>	<b>43,653</b>	<b>45,125</b>
<b>Total Australian Government financial assistance</b>	<b>347,956</b>	<b>340,964</b>	<b>347,956</b>	<b>340,964</b>
<b>Reconciliation</b>				
Australian Government Grants	235,972	234,405	235,972	234,405
Higher Education Loan Programs	111,984	106,559	111,984	106,559
<b>Total Australian Government financial assistance</b>	<b>347,956</b>	<b>340,964</b>	<b>347,956</b>	<b>340,964</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 3 Australian Government financial assistance including Australian Government loan programs (HELP) (Continued)

#### *Accounting Policy*

Revenue from contracts with customers.

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction. The research grants that are considered within the scope of AASB15 meet the enforceability criteria due to the existence of refund clauses in the agreements with the grantor, and the promises to transfer good or services to the customer are sufficiently specific as the University has the obligation to provide:

- comprehensive academic paper with the results of research after completion
- research data and results published on an ongoing basis in an accessible repository as requested by the grantor
- intellectual property

Depending on the nature of the promise, the University either recognises revenue at a point in time when the promise is delivered (eg when the academic paper is published) or recognises revenue over time as the service is performed.

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

Remaining performance obligations represent services the University has promised to provide to customers under funding agreements, which are satisfied as the goods or services are provided over the contract term. For customer contracts with terms of one year or less, or where revenue is recognised using the "right to invoice" method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations.

These unsatisfied performance obligations are expected to be satisfied within the following periods.

	Consolidated		The University	
	within 1 year	1 to 5 years	within 1 year	1 to 5 years
	000's	000's	000's	000's
	\$	\$	\$	\$
Australian government grants	29,947	9,652	29,947	9,652
Student fees in advance	11,792	-	11,792	-
Other fees in advance	1,446	-	1,257	-
	<b>43,185</b>	<b>9,652</b>	<b>42,996</b>	<b>9,652</b>

Flinders University

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

4 State and Local Government financial assistance

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Non-capital financial assistance</b>				
South Australian State Government	5,215	5,352	5,215	5,352
South Australian Local Government	168	175	168	175
Other State/Territory Government	1,705	1,709	1,705	1,709
<b>Total State and Local Government financial assistance</b>	<b>7,088</b>	<b>7,236</b>	<b>7,088</b>	<b>7,236</b>

*Accounting Policy*

State and Local Government financial assistance is measured and recognised in accordance with the policy set out in Note 3.

5 Fees and charges

	Note	Consolidated		The University	
		2020	2019	2020	2019
		000's	000's	000's	000's
		\$	\$	\$	\$
<b>Course Fees and Charges</b>					
Fee-paying onshore overseas students		97,802	92,755	97,802	92,755
Fee-paying offshore overseas students		4,593	5,822	4,593	5,822
Fee-paying domestic postgraduate students		3,500	3,525	3,500	3,525
Fee-paying domestic undergraduate students		5,576	5,803	5,576	5,803
Fee-paying domestic non-award students		212	167	212	167
Other domestic course fees and charges		1,482	3,301	1,482	3,301
<b>Total Course Fees and Charges</b>		<b>113,165</b>	<b>111,373</b>	<b>113,165</b>	<b>111,373</b>
<b>Other Non-Course Fees and Charges</b>					
Student Services and Amenities Fees from students	44(i)	1,194	2,665	1,194	2,665
Student accommodation		4,909	6,558	4,909	6,558
Rental charges		1,105	1,673	1,042	1,583
Other student charges		103	389	103	389
Other hire fees		219	225	219	225
Parking fees		1,896	2,587	1,896	2,587
Other fees and charges		330	428	330	428
Administration Fees		1,732	341	1,732	341
<b>Total Other Fees and Charges</b>		<b>11,488</b>	<b>14,866</b>	<b>11,425</b>	<b>14,776</b>
<b>Total Fees and Charges</b>		<b>124,653</b>	<b>126,239</b>	<b>124,590</b>	<b>126,149</b>

*Accounting Policy*

Student tuition fees and charges are recognised as income in the year in which the service is provided.



**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

6 Investment revenue and other investment income

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Investment revenue</b>				
Dividends from equity investments	7,145	4,403	7,145	4,310
Interest Income	1,331	3,132	1,327	3,123
Managed fund distribution	1,851	1,278	1,851	1,278
Investment property rental revenue	827	1,030	827	1,030
<b>Total investment revenue</b>	<b>11,154</b>	<b>9,843</b>	<b>11,150</b>	<b>9,741</b>
<b>Other investment gains/(losses)</b>				
Net gain arising on financial assets designated at fair value through profit or loss	1,987	9,241	1,978	9,232
Realised gain on disposal of investments	-	6	-	6
<b>Total other investment gains/(losses)</b>	<b>1,987</b>	<b>9,247</b>	<b>1,978</b>	<b>9,238</b>
<b>Investment income gains/(losses)</b>	<b>13,141</b>	<b>19,090</b>	<b>13,128</b>	<b>18,979</b>

*Accounting Policy*

(a) *Investment property rental revenue*

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

(b) *Interest*

For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in net investment income in the income statement.

(c) *Dividends*

Dividend revenue and imputation credits are recognised when:

- the Consolidated entity's right to receive the payment is established, which is generally when shareholders approve the dividend;
- it is probable that the economic benefits associated with the dividend will flow to the entity; and
- the amount of the dividend can be measured reliably.

Flinders University

Notes to the Financial Statements

For the Year Ended 31 December 2020

7 Royalties, trademarks and licences

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Royalty income	821	809	815	776
<b>Total royalties, trademarks and licences</b>	<b>821</b>	<b>809</b>	<b>815</b>	<b>776</b>

*Accounting Policy*

Revenue from royalties, trademarks and licences are recognised on an accrual basis in accordance with the substance of the relevant agreement.

8 Consultancy and contracts

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Consultancy	1,600	1,036	1,606	1,027
Contract research	14,705	11,297	14,760	11,297
<b>Total consultancy and contracts</b>	<b>16,305</b>	<b>12,333</b>	<b>16,366</b>	<b>12,324</b>

*Accounting Policy*

Revenue from consultancy and contract research is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract. Other human resources revenue is recognised when the service is provided. The detailed accounting policy for consultancy and contracts is disclosed in Note 3.

9 Other revenue and income

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Other revenue</b>				
Donations and bequests	2,359	1,515	2,359	1,515
Scholarships and prizes	693	697	693	697
Non-government grants	6,602	4,830	6,602	4,830
Contributions of assets	114	104	114	104
Reimbursements	2,348	2,978	2,348	2,978
Sales and other charges	3,561	3,719	2,157	1,818
Other revenue	2,956	2,058	1,608	1,465
<b>Total other revenue</b>	<b>18,633</b>	<b>15,901</b>	<b>15,881</b>	<b>13,407</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 9 Other revenue and income (Continued)

*Accounting Policy*

Donations and bequests are received in cash and non-cash forms. Non-cash donations and bequests are recognised at the University's estimate of the fair value of the items donated or bequeathed.

Other revenue is recognised over time as and when the service is provided or at a point in time when the service is provided.

### 10 Employee related expenses

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Academic</b>				
Salaries	136,648	130,153	136,648	130,153
Contributions to superannuation and pension schemes				
Contributions to funded schemes	19,116	17,656	19,116	17,656
Contributions to unfunded schemes	(107)	127	(107)	127
Payroll tax	7,707	7,774	7,707	7,774
Workers' compensation	211	212	211	212
Long service leave expense	4,514	2,920	4,514	2,920
Annual leave	9,765	9,473	9,765	9,473
Redundancy expenses	889	6,037	889	6,037
<b>Total academic</b>	<b>178,743</b>	<b>174,352</b>	<b>178,743</b>	<b>174,352</b>
<b>Non-academic</b>				
Salaries	108,514	112,881	106,868	110,618
Contributions to superannuation and pension schemes				
Contributions to funded schemes	17,301	16,646	17,155	16,436
Contributions to unfunded schemes	-	6	-	6
Payroll tax	6,700	6,498	6,700	6,498
Workers' compensation	148	175	148	175
Long service leave expense	3,265	3,234	3,265	3,234
Annual leave	8,422	7,736	8,422	7,736
Redundancy expenses	1,207	221	1,207	221
<b>Total non-academic</b>	<b>145,557</b>	<b>147,397</b>	<b>143,765</b>	<b>144,924</b>
<b>Total employee related expenses</b>	<b>324,300</b>	<b>321,749</b>	<b>322,508</b>	<b>319,276</b>

*Accounting Policy*

The accounting policy for employee benefits is disclosed in Note 27.

Flinders University

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

11 Depreciation and amortisation

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Depreciation</b>				
Buildings	15,909	17,230	15,909	17,230
Infrastructure	1,539	1,963	1,539	1,963
Plant and equipment	6,417	6,913	6,317	6,794
Library	4,486	4,284	4,486	4,284
Right of Use Asset - Land & Buildings	2,320	972	2,320	972
Right of Use Asset - Leased Equipment	1,256	1,213	1,256	1,213
<b>Total depreciation</b>	<b>31,927</b>	<b>32,575</b>	<b>31,827</b>	<b>32,456</b>
<b>Amortisation</b>				
Computer software	9,308	9,000	9,286	8,979
Leasehold improvements	468	685	468	685
<b>Total amortisation</b>	<b>9,776</b>	<b>9,685</b>	<b>9,754</b>	<b>9,664</b>
<b>Total depreciation and amortisation</b>	<b>41,703</b>	<b>42,260</b>	<b>41,581</b>	<b>42,120</b>

*Accounting Policy*

Depreciation is calculated on a straight line basis on all property, plant and equipment, other than land and works of art, which are not depreciated. Where material, buildings are componentised and the individual components are depreciated over their useful lives. The basis for depreciation and the depreciation rates are reviewed annually. The following rates are based on the estimated useful life of the assets to the University:

Item	Percentage
<b>Depreciation:</b>	
Buildings and infrastructure	1.6 - 20.0
Equipment	
- Motor vehicles	20.0
- General equipment	10.0 - 33.3
- Computer hardware	16.6 - 33.3
- Furniture	10.0
Library collection	10.0
Right of Use Assets - Land & Buildings	6.0 - 40.0
Right of Use Assets - Leased Equipment	20.0
<b>Amortisation:</b>	
Computer software	20.0
Leasehold improvements	5.0 - 20.0

Right of use assets are depreciated over the lease term. Leasehold improvements are amortised over the shorter of the lease term and the useful life of the asset.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 12 Repairs and maintenance

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Buildings and grounds	8,831	8,818	8,787	8,769
Minor works	1,672	3,476	1,672	3,476
Equipment and artwork	4,171	4,940	4,142	4,923
<b>Total repairs and maintenance</b>	<b>14,674</b>	<b>17,234</b>	<b>14,601</b>	<b>17,168</b>

#### *Accounting Policy*

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

### 13 Borrowing costs

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Finance charges in respect of leases	496	300	496	300
<b>Total borrowing costs expensed</b>	<b>496</b>	<b>300</b>	<b>496</b>	<b>300</b>

#### *Accounting Policy*

Finance charges include both the interest charges implicit in finance leases, and other leases recognised in accordance with AASB 16.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

14 Impairment of assets

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Impairment losses - financial assets</b>				
Impairment of receivables	107	(191)	107	(192)
Impairment of assets	-	200	-	-
<b>Total impairment of assets</b>	<b>107</b>	<b>9</b>	<b>107</b>	<b>(192)</b>

*Accounting Policy*

At each reporting date, the University undertakes an assessment of its significant assets to determine if there is any evidence of Impairment. Where impairment exists, the University recognises an impairment loss in the Income Statement. This is calculated as the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

For further information on accounting policies of impairment of financial assets, refer to Note 17 and Note 19.

15 Other expenses

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Scholarships, grants and prizes	18,766	14,825	18,766	14,825
Non-capitalised equipment	9,285	8,247	9,285	8,246
Advertising, marketing and promotional expenses	5,085	6,582	5,085	6,563
Administration and management fees	17,887	14,961	17,791	14,856
Consulting and professional fees	2,684	3,717	2,661	3,639
Consumables	7,059	8,663	7,036	8,635
Printing & photocopying	1,119	1,304	1,116	1,302
Rental expenses	1,869	3,399	1,869	3,358
Telephone and fax	2,865	4,245	2,851	4,211
Travel, staff development and entertainment	5,858	15,835	5,858	15,831
Utilities	6,307	6,802	5,980	6,729
Student placement and practicum expenses	12,320	12,385	12,754	12,814
Library	4,140	2,924	4,140	2,924
Software expenses	13,024	11,394	12,986	11,357
Freight and cartage	618	743	616	742
Insurance	1,823	1,574	1,806	1,547
Miscellaneous	4,694	6,296	4,510	6,230
<b>Total other expenses</b>	<b>115,403</b>	<b>123,896</b>	<b>115,110</b>	<b>123,809</b>

Flinders University

**Notes to the Financial Statements**

For the Year Ended 31 December 2020

16 Cash and cash equivalents

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Cash at bank and on hand	124,913	65,366	123,271	64,248
<b>Total cash and cash equivalents</b>	<b>124,913</b>	<b>65,366</b>	<b>123,271</b>	<b>64,248</b>

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

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

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Balances as above	124,913	65,366	123,271	64,248
<b>Balance per Statement of Cash Flows</b>	<b>124,913</b>	<b>65,366</b>	<b>123,271</b>	<b>64,248</b>

(b) *Cash at bank and on hand*

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 0.00% and 0.35% (2019: 0.50% and 1.15%).

*Accounting Policy*

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

Flinders University

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

17 Receivables and Contract Assets

	Note	Consolidated		The University	
		2020 000's \$	2019 000's \$	2020 000's \$	2019 000's \$
<b>Receivables</b>					
<b>Current</b>					
Student fees		2,343	5,618	2,343	5,618
Less: Provision for impaired receivables		(168)	(196)	(168)	(196)
		<u>2,175</u>	<u>5,422</u>	<u>2,175</u>	<u>5,422</u>
Trade receivables		11,268	11,415	9,634	10,173
Less: Provision for impaired receivables		(146)	(179)	(146)	(178)
		<u>11,122</u>	<u>11,236</u>	<u>9,488</u>	<u>9,995</u>
Associate debtors		3,437	3,557	3,437	3,557
Less: Provision for impaired receivables		(2,885)	(2,885)	(2,885)	(2,885)
		<u>552</u>	<u>672</u>	<u>552</u>	<u>672</u>
		<u>13,849</u>	<u>17,330</u>	<u>12,215</u>	<u>16,089</u>
Accrued income		545	1,109	60	651
Deferred government benefit for superannuation	43	3,000	2,973	3,000	2,973
<b>Total current receivables</b>		<u>17,394</u>	<u>21,412</u>	<u>15,275</u>	<u>19,713</u>
<b>Non-current</b>					
Deferred government benefit for superannuation	43	45,374	50,136	45,374	50,136
<b>Total non-current receivables</b>		<u>45,374</u>	<u>50,136</u>	<u>45,374</u>	<u>50,136</u>
<b>Total receivables</b>		<u>62,768</u>	<u>71,548</u>	<u>60,649</u>	<u>69,849</u>
<b>Contract Assets</b>					
Contract Assets		2,487	1,857	2,487	1,857
<b>Total current contract assets</b>		<u>2,487</u>	<u>1,857</u>	<u>2,487</u>	<u>1,857</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 17 Receivables and Contract Assets (Continued)

#### Impaired Receivables

The movement in the allowance for expected credit losses of all receivables and contract assets is as follows:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
As at 1 January	374	681	3,259	3,566
Net provision for expected credit losses recognised/(reversed)	107	(192)	107	(192)
Receivables written off - student & trade debtors	(167)	(115)	(167)	(115)
<b>As at 31 December</b>	<b>314</b>	<b>374</b>	<b>3,199</b>	<b>3,259</b>

#### Accounting Policy

##### Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 30 days from the date of recognition.

##### Contract Assets

A contract asset is the Consolidated entity's right to consideration in exchange for goods or services that the Consolidated entity has transferred to the customer when that right is conditioned on something eg preliminary project expenditure incurred for which revenue has not been received. The classification of contract assets as current was made on the basis that all projects with expenditure in advance will be invoiced within 12 months.

##### Impairment

For trade receivables the Consolidated entity applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Consolidated entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Consolidated entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### Deferred Government Benefit for Superannuation

Details regarding the receivable from the Australian Government relating to the State Super Scheme are disclosed in Note 27 and Note 43.

Flinders University

**Notes to the Financial Statements**

For the Year Ended 31 December 2020

18 Inventories

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Current				
Raw materials and consumables - at cost	113	177	111	175
<b>Total current inventories</b>	<b>113</b>	<b>177</b>	<b>111</b>	<b>175</b>

*Accounting Policy*

Inventories are stores of consumable items including printing and maintenance materials and are measured at cost. Annual stocktakes are used to verify inventory account balances. Other small inventories of consumable items including stationery, fuel and antisera are expensed as purchased.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

19 Other financial assets

	Note	Consolidated		The University	
		2020 000's \$	2019 000's \$	2020 000's \$	2019 000's \$
<b>Current</b>					
<b>Other financial assets at amortised cost</b>					
Term deposits greater than 90 days		-	20,367	-	20,367
<b>Total current other financial assets</b>		<b>-</b>	<b>20,367</b>	<b>-</b>	<b>20,367</b>
<b>Non-current</b>					
Investments in financial assets designated at fair value through other comprehensive income					
Subsidiaries at Council valuation	35	-	-	4,331	4,331
Other entities <sup>1</sup>		49,412	41,622	49,412	41,622
<b>Total financial assets designated at fair value through other comprehensive income</b>		<b>49,412</b>	<b>41,622</b>	<b>53,743</b>	<b>45,953</b>
<b>Investments in financial assets at fair value through profit or loss<sup>2</sup></b>					
Debt securities		34,819	36,992	34,819	36,992
Australian equities		41,340	39,935	38,602	37,297
International equities		14,361	13,574	14,361	13,574
<b>Total investments in financial assets at fair value through profit or loss</b>		<b>90,520</b>	<b>90,501</b>	<b>87,782</b>	<b>87,863</b>
<b>Total non-current other financial assets</b>		<b>139,932</b>	<b>132,123</b>	<b>141,525</b>	<b>133,816</b>
<b>Total other financial assets</b>		<b>139,932</b>	<b>152,490</b>	<b>141,525</b>	<b>154,183</b>

<sup>1</sup> Education Australia Ltd has been revalued to \$49.4 million (2019: \$41.1 million). Refer Note 38 Events occurring after the reporting date.

<sup>2</sup> Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment revenue in the income statement (refer Note 6).

*Accounting Policy*

**Financial assets**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 19 Other financial assets (Continued)

#### *Accounting Policy (Continued)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Consolidated entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Consolidated entity commits to purchase or sell the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

#### **Financial assets at amortised cost**

The Consolidated entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Consolidated entity's financial assets at amortised cost includes trade receivables, and loan to related parties.

#### **Financial assets at fair value through other comprehensive income**

The Consolidated entity measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 19 Other financial assets (Continued)

#### *Accounting Policy (Continued)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### **Investments in equity instruments designated at fair value through other comprehensive income**

Upon initial recognition, the Consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as investment revenue in the income statement when the right of payment has been established, except when the Consolidated entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Consolidated entity elected to classify irrevocably its non-listed equity investments under this category.

#### **Financial assets at fair value through profit or loss (including designated)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

This category includes derivative instruments and listed equity investments which the Consolidated entity had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as investment revenue in the income statement when the right of payment has been established.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Consolidated entity's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 19 Other financial assets (Continued)

#### *Accounting Policy (Continued)*

- The Consolidated entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Consolidated entity has transferred substantially all the risks and rewards of the asset, or (b) the Consolidated entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Consolidated entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Consolidated entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Consolidated entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Consolidated entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Consolidated entity could be required to repay.

#### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Impairment of debt instruments other than receivables**

The Consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Consolidated entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at fair value through OCI, the Consolidated entity applies the low credit risk simplification. At every reporting date, the Consolidated entity evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Consolidated entity reassesses the internal credit rating of the debt instrument. In addition, the Consolidated entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Consolidated entity considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Consolidated entity may also consider a financial asset to be in default when internal or external information indicates that the Consolidated entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Consolidated entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Flinders University

### Notes to the Financial Statements

For the Year Ended 31 December 2020

#### 20 Other non-financial assets

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Prepayments	12,798	9,957	12,729	9,876
<b>Non-current</b>				
Prepayments	2,269	2,716	2,269	2,716
<b>Total other non-financial assets</b>	<b>15,067</b>	<b>12,673</b>	<b>14,998</b>	<b>12,592</b>

#### 21 Investments accounted for using the equity method

##### Investments in Associates

Name of associate	Country of incorporation	Principal activities	Ownership Interest %	
			2020	2019
Flinders Reproductive Medicine (FRM) <sup>1</sup>	Australia	FRM provides a high quality comprehensive infertility investigatory and treatment service.	50.0	50.0
GPEX Ltd <sup>1</sup>	Australia	GPEX Ltd was formed in 2015 to develop and deliver quality education and training services to general practice registrars.	50.0	50.0
Clevertar Pty Ltd <sup>2</sup>	Australia	Clevertar was formed in 2008 and is a health software development company.	29.6	29.6
SABRENet Ltd <sup>3</sup>	Australia	Delivers high capacity broadband network services to the education and research sector.	25.0	25.0

<sup>1</sup> Investment in associate held by The University.

<sup>2</sup> Investment held by Flinders Partners Pty Ltd. Equity accounting has been suspended for this associate because the carrying value of the investment has been reduced to zero.

<sup>3</sup> SABRENet Ltd is established to be a non-profit institution to further use of advanced data networking for the conduct of research and education in South Australia. The founding members are the three South Australian universities and the South Australian Government. The Defence Science and Technology Organisation (DSTO) is a contractual partner. The University's interests in SABRENet Ltd is not considered to be material to the University's core activities and consequently are not incorporated in the financial statements. The University has no rights to the residual assets of SABRENet Ltd.

## Flinders University

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 21 Investments accounted for using the equity method (Continued)

Summarised financial information for individually material associates is set out below:

	FRM <sup>(1)</sup>		GPEx	
	2020 000's \$	2019 000's \$	2020 000's \$	2019 000's \$
<b>Financial Position</b>				
Current assets	1,982	1,809	9,069	11,757
Non-current assets	2,608	2,760	479	839
<b>Total assets</b>	<b>4,590</b>	<b>4,569</b>	<b>9,548</b>	<b>12,596</b>
Current liabilities	1,497	7,310	8,126	10,993
Non-current liabilities	6,266	1,011	130	488
<b>Total liabilities</b>	<b>7,763</b>	<b>8,321</b>	<b>8,256</b>	<b>11,481</b>
<b>Net assets</b>	<b>(3,173)</b>	<b>(3,752)</b>	<b>1,292</b>	<b>1,115</b>
Share of associates' net assets	-	-	646	557
<b>Reconciliation of carrying amounts:</b>				
Balance at 1 January	-	-	557	527
Share of profit/(loss) for year	-	-	89	30
<b>Balance at 31 December</b>	<b>-</b>	<b>-</b>	<b>646</b>	<b>557</b>
<b>Financial Performance</b>				
Income	5,213	5,112	15,789	16,748
Expenses	(5,213)	(6,126)	(15,612)	(16,688)
<b>Total profit/(loss)</b>	<b>-</b>	<b>(1,014)</b>	<b>177</b>	<b>60</b>
Share of associates' profit/(loss)	-	-	89	30

<sup>1</sup> *Equity Accounting has been suspended because the carrying value of the investment has been reduced to zero and will resume when the associate returns to profit.*

#### Investments in Joint Ventures

The University participates in a number of joint ventures for which the University's interest is not considered to be material to the University's core activities and consequently are not incorporated in the financial statements.

Name of joint venture	Principal place of business	Principal activities	Ownership Interest %	
			2020	2019
South Australian Tertiary Admission Centre (SATAC)	South Australia	SATAC is a joint venture between the three South Australian public universities, Charles Darwin University (CDU) and the Minister of Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to TAFE SA, CDU and the three public universities in South Australia.	20.0	20.0



## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 21 Investments accounted for using the equity method (Continued)

##### *Accounting Policy*

##### *(a) Associates*

Associates are all entities over which the Consolidated entity has significant influence but not control. If material, investments in associates are accounted for in the University's financial statements using the cost method, and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

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

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

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

##### *(b) Joint ventures*

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

If material, the interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the University. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity.

Flinders University

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

22 Investment properties

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>At Fair Value</b>				
Opening balance at 1 January	8,404	8,404	8,404	8,404
<b>Total closing balance at 31 December</b>	<b>8,404</b>	<b>8,404</b>	<b>8,404</b>	<b>8,404</b>

For fair value hierarchy categorisation of investment properties refer Note 42(b).

(a) Amounts recognised in profit or loss for investment properties

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Rental income	827	1,030	827	1,030
Direct operating expenses (rent generating properties)	(334)	(362)	(334)	(362)
Other direct operating expenses	(213)	(162)	(213)	(162)
<b>Total recognised in profit or loss</b>	<b>280</b>	<b>506</b>	<b>280</b>	<b>506</b>

(b) Valuation basis

The investment property is valued at fair value being the estimated price that would be received to sell the property in an orderly transaction between market participants at the valuation date. The investment property was independently valued at fair value as at 31 December 2019 by Richard Wood AAPI CPV, B.App.Sc (Val) of Opteon Pty Ltd. The carrying value of this investment has been reviewed by management at balance date and reporting value is still reflective of fair value.

(c) Non-current assets pledged as security

No non-current assets have been pledged.

(d) Contractual obligations

There are no capital commitments for the investment property.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

22 Investment properties (Continued)

(e) *Leasing arrangements*

The future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Not later than one year	509	301	509	301
Later than one year and not later than five years	1,959	491	1,959	491
<b>Total</b>	<b>2,468</b>	<b>792</b>	<b>2,468</b>	<b>792</b>

As at 31 December 2020, 61% (2019: 60%) of the building is leased or available for lease to entities outside the Consolidated entity. Entities outside the University but within the Consolidated entity lease 39% (2019: 40%).

*Accounting Policy*

Investment properties exclude properties held to meet service delivery objectives of the University. The University holds an investment property (Mark Oliphant Building) which is measured on a fair value basis, based on active market prices of similar properties, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, alternative valuation methods such as recent prices in less active markets or discounted cash flow projections are used.

At each reporting date, the reported value is reviewed to ensure that it does not differ materially from the property's fair value at that date. Changes to fair value are recorded in the income statement as other income.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

23 Property, plant and equipment

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Land				
Crown land:				
At independent valuation - 2019	29,233	31,620	29,233	31,620
Freehold land:				
At cost	16,750	-	16,750	-
At independent valuation - 2019	7,685	7,955	7,685	7,955
<b>Total Land</b>	<b>53,668</b>	<b>39,575</b>	<b>53,668</b>	<b>39,575</b>
Buildings				
At independent valuation - 2019	448,158	446,598	448,158	446,598
At cost	17,580	6,506	17,222	6,148
Accumulated depreciation	(17,939)	(491)	(17,943)	(496)
<b>Total buildings - net book value</b>	<b>447,799</b>	<b>452,613</b>	<b>447,437</b>	<b>452,250</b>
Infrastructure				
At independent valuation - 2019	34,942	34,962	34,942	34,962
At cost	11,276	7,782	11,276	7,782
<b>Total Infrastructure</b>	<b>46,218</b>	<b>42,744</b>	<b>46,218</b>	<b>42,744</b>
Leasehold Improvements				
At cost	5,886	5,886	5,886	5,886
Accumulated amortisation	(4,105)	(3,638)	(4,105)	(3,638)
<b>Total leasehold improvements - net book value</b>	<b>1,781</b>	<b>2,248</b>	<b>1,781</b>	<b>2,248</b>
Construction in progress				
At cost	20,607	17,548	20,607	17,548
<b>Total Land, Building and Infrastructure - net book value</b>	<b>570,073</b>	<b>554,728</b>	<b>569,711</b>	<b>554,365</b>
Library Collections				
At fair value	50,104	47,814	50,104	47,814
Accumulated depreciation	(24,123)	(22,406)	(24,123)	(22,406)
<b>Total library collections - net book value</b>	<b>25,981</b>	<b>25,408</b>	<b>25,981</b>	<b>25,408</b>

Flinders University

Notes to the Financial Statements

For the Year Ended 31 December 2020

23 Property, plant and equipment (Continued)

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Equipment				
At cost deemed at fair value	84,913	83,129	82,392	80,620
Accumulated depreciation	(54,517)	(53,384)	(53,015)	(51,973)
Total plant and equipment	30,396	29,745	29,377	28,647
Works of art				
At independent valuation - 2018	6,855	6,855	6,855	6,855
At Council valuation	131	79	131	79
Total works of art - net book value	6,986	6,934	6,986	6,934
Right of Use Asset - Land & Buildings				
At cost	17,191	9,432	17,191	9,432
Accumulated depreciation	(3,292)	(972)	(3,292)	(972)
Total right of use asset - land & buildings	13,899	8,460	13,899	8,460
Right of Use Asset - Equipment				
At cost	3,726	3,639	3,726	3,639
Accumulated depreciation	(2,469)	(1,213)	(2,469)	(1,213)
Total right of use asset - equipment	1,257	2,426	1,257	2,426
Total property, plant and equipment	648,592	627,701	647,211	626,240

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

**23 Property, plant and equipment (Continued)**

	Land 000's	Buildings 000's	Infrastructure 000's	Capital Works in Progress 000's	Leasehold Improvements 000's	Library Collections 000's	Plant and Equipment 000's	Right of Use Equipment 000's	Right of Use Land & Build. 000's	Works of Art 000's	Total 000's
Consolidated	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2019</b>											
Opening net book amount	38,452	439,009	53,291	10,101	2,933	24,113	28,831	3,639	-	6,855	607,224
Additions at fair value	-	-	-	26,170	-	5,579	7,827	-	-	79	39,655
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	-	9,432	-	9,432
Capitalisation	-	10,876	7,847	(18,723)	-	-	-	-	-	-	-
Reclassifications	820	(820)	-	-	-	-	-	-	-	-	-
Revaluation increase recognised in equity	303	20,778	(16,431)	-	-	-	-	-	-	-	4,650
Depreciation charge	-	(17,230)	(1,963)	-	(685)	(4,284)	(6,913)	(1,213)	(972)	-	(33,260)
<b>Closing net book amount</b>	<b>39,575</b>	<b>452,613</b>	<b>42,744</b>	<b>17,548</b>	<b>2,248</b>	<b>25,408</b>	<b>29,745</b>	<b>2,426</b>	<b>8,460</b>	<b>6,934</b>	<b>627,701</b>
<b>Year ended 31 December 2020</b>											
Opening net book amount	39,575	452,613	42,744	17,548	2,248	25,408	29,745	2,426	8,460	6,934	627,701
Additions at fair value	16,750	368	-	17,725	-	5,059	7,104	87	7,759	52	54,904
Disposals - written down value	(270)	(20)	(20)	-	-	-	(36)	-	-	-	(346)
Reclassification	(820)	820	-	-	-	-	-	-	-	-	-
Capitalisations	-	10,700	3,494	(14,666)	-	-	-	-	-	-	(472)
Reversal of a revaluation increment	(1,567)	-	-	-	-	-	-	-	-	-	(1,567)
previously recognised in equity	-	766	-	-	-	-	-	-	-	-	766
Revaluation increase recognised in equity	-	(17,448)	-	-	(467)	(4,486)	(6,417)	(1,256)	(2,320)	-	(32,394)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-
<b>Closing net book amount</b>	<b>53,668</b>	<b>447,799</b>	<b>46,218</b>	<b>20,607</b>	<b>1,781</b>	<b>25,981</b>	<b>30,396</b>	<b>1,257</b>	<b>13,899</b>	<b>6,986</b>	<b>648,592</b>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

**23 Property, plant and equipment (Continued)**

The University	Land 000's	Buildings 000's	Infrastructure 000's	Capital Works in Progress 000's	Leasehold Improvements 000's	Library Collections 000's	Plant and Equipment 000's	Right of Use Equipment 000's	Right of Use Land/Build. 000's	Works of Art 000's	Total 000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2019</b>	38,452	438,646	53,291	10,101	2,933	24,113	27,690	3,639	-	6,855	605,720
Opening net book amount	-	-	-	26,170	-	5,579	7,914	-	-	79	39,742
Additions at fair value	-	-	-	-	-	-	-	-	9,432	-	9,432
Initial adoption of AASB16	-	-	-	-	-	-	(163)	-	-	-	(163)
Disposals - written down value	-	10,876	7,847	(18,723)	-	-	-	-	-	-	-
Capitalisations	-	(820)	-	-	-	-	-	-	-	-	-
Reclassification	820	20,778	(16,431)	-	-	-	-	-	-	-	4,650
Revaluation increase recognised in equity	303	(17,230)	(1,963)	-	(685)	(4,284)	(6,794)	(1,213)	(972)	-	(33,141)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-
<b>Closing net book amount</b>	<b>39,575</b>	<b>452,250</b>	<b>42,744</b>	<b>17,548</b>	<b>2,248</b>	<b>25,408</b>	<b>28,647</b>	<b>2,426</b>	<b>8,460</b>	<b>6,934</b>	<b>626,240</b>
<b>Year ended 31 December 2020</b>	39,575	452,250	42,744	17,548	2,248	25,408	28,647	2,426	8,460	6,934	626,240
Opening net book amount	16,750	368	-	17,725	-	5,059	7,083	87	7,759	52	54,883
Additions at fair value	(270)	(19)	(20)	-	-	-	(36)	-	-	-	(345)
Disposals - written down value	-	10,700	3,494	(14,666)	-	-	-	-	-	-	(472)
Capitalisations	-	820	-	-	-	-	-	-	-	-	-
Reclassification	(820)	-	-	-	-	-	-	-	-	-	-
Reversal of a revaluation increment	(1,567)	-	-	-	-	-	-	-	-	-	(1,567)
previously recognised in equity	-	766	-	-	-	-	-	-	-	-	766
Revaluation increase recognised in equity	-	(17,448)	-	-	(467)	(4,486)	(6,317)	(1,256)	(2,320)	-	(32,294)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-
<b>Closing net book amount</b>	<b>53,668</b>	<b>447,437</b>	<b>46,218</b>	<b>20,607</b>	<b>1,781</b>	<b>25,981</b>	<b>29,377</b>	<b>1,257</b>	<b>13,899</b>	<b>6,986</b>	<b>647,211</b>

The University has restrictions imposed on the real property listed in this note under the "Flinders University Act 1966."

Section 3(5) of the Act states: "The University must not alienate (except by way of lease term for a term not exceeding 21 years), mortgage or charge land vested in or conveyed to the University on trust, except with and in accordance with any terms or conditions of an approval given by the Governor."

The University also occupies various sites in the Northern Territory on Crown Land. These properties have a value of \$15.4 million (2019: \$16.0 million).

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 23 Property, plant and equipment (Continued)

#### *Valuations*

##### *Land and buildings*

Land, buildings and infrastructure were revalued as at 31 December 2019 by Richard Wood B.App.Sc (Val) AAPI CPV, of Opteon Pty Ltd. The basis of the valuation was written down current value (existing use). The basis of valuation of land, buildings and infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

##### *Works of Art*

The last independent valuation was conducted as at 31 December 2018 by Helen Miller BA SYD AVAA CPV NCJV (Fine Arts Division) Rodney Hyman Asset Services Pty Ltd.

#### *Accounting Policy*

Property, plant and equipment (except for investment properties - refer Note 22) are shown on a fair value basis. At each reporting date, the value of each asset class is reviewed to ensure that it does not differ materially from the asset class fair value at that date. Where necessary, the asset class is revalued to reflect its fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the carrying amount is adjusted to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of land, buildings & infrastructure, library and works of art are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in revaluation surplus to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

#### (a) *Land*

Land is owned by the University in its own right and by the State and Northern Territory Governments. The value of land owned by the State Government is reflected in the University's financial statements on the basis that the University effectively controls the land occupied. Comprehensive independent land valuations are undertaken triennially with an annual update based on relevant price movements if material.

#### (b) *Buildings*

Comprehensive independent valuations are undertaken triennially with an annual update based on relevant price movements if material. Below ground Infrastructure is not included as an asset as the value is not able to be reliably estimated. Buildings under construction are measured at cost.

#### (c) *Leasehold Improvements*

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

#### (d) *Library Collection*

The University has determined that purchased Library collections are measured at historical cost which approximates fair value. For library items received free of charge, fair value of these items is based on average costs of purchased items over the year. The value is depreciated over a 10 year period on a straight-line basis.



## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 23 Property, plant and equipment (Continued)

##### *Accounting Policy (Continued)*

(e) *Equipment*

This class of assets includes computer hardware (not software), furniture, vehicles, marine and general equipment. Individual items costing \$10,000 or more are capitalised and recorded in the Statement of Financial Position initially at cost. Items costing less than \$10,000 are recognised as an expense in the Income Statement in the period acquired. The depreciated value of equipment is deemed to be its fair value.

(f) *Works of Art*

The value of the Works of Art collection is assessed annually at fair value at Council valuation. Comprehensive independent valuations are undertaken periodically.

(g) *Right of Use Assets*

At inception of a contract, the Consolidated entity assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Consolidated entity assesses whether:

- (a) The contract involves the use of an identified asset. The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- (b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- (c) The customer has the right to direct the use of the asset throughout the period of use - The customer is considered to have the right to direct the use of the asset only if either:
  - i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
  - ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

In contracts where the Consolidated entity is a lessee, it recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless they are short-term (less than 12 months) or low-value (less than \$10,000).

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

**23 Property, plant and equipment (Continued)**

*Accounting Policy (Continued)*

Concessionary (peppercorn) leases

The University has 27 leases over land and buildings throughout Australia, with significantly below market terms. These leases are entered into with the principal aim of enabling the University to further its objectives, and are all of a similar nature. The lease terms vary from 2 years to 67 years with annual rental of \$0 or \$1.

The University has elected to measure the class of right-of-use assets arising under concessionary leases at cost, in accordance with AASB16 paragraphs 23-25, which incorporates the amount of the initial measurement of the lease liability,

Leased Buildings

The University has entered into various arrangements with other entities to occupy buildings on land not owned by the University.

The University initially recognises a lease asset as the value of its contribution to construction costs plus any future amounts payable under the lease agreement and revalues it to fair value each year. The University depreciates the asset over the shorter of their useful life or the remaining life of the lease.

**24 Intangibles**

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Software cost	80,467	63,668	80,467	63,668
Accumulated amortisation and impairment	(43,870)	(35,368)	(43,870)	(35,368)
	36,597	28,300	36,597	28,300
IT development in progress cost	7,270	13,446	7,270	13,446
Project costs carried forward (development costs)	78	119	-	-
<b>Total Intangibles</b>	<b>43,945</b>	<b>41,865</b>	<b>43,867</b>	<b>41,746</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 24 Intangibles (Continued)

Reconciliation of the carrying amounts of each class of intangible assets at the beginning and end of the current year are as follows:

	Software costs 000's \$	IT development in progress 000's \$	Project costs carried forward 000's \$	Total 000's \$
<b>Consolidated</b>				
<b>At 1 January 2019</b>				
Cost	54,193	8,532	995	63,720
Accumulated amortisation and impairment	(26,873)	-	(831)	(27,704)
<b>Net book amount</b>	<b>27,320</b>	<b>8,532</b>	<b>164</b>	<b>36,016</b>
<b>Year ended 31 December 2019</b>				
Opening net book amount	27,320	8,532	164	36,016
Additions	-	16,281	-	16,281
Capitalisation	9,980	(11,367)	-	(1,387)
Amortisation charge	(9,000)	-	-	(9,000)
Impairment reversal in income	-	-	(45)	(45)
<b>Closing net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>119</b>	<b>41,865</b>
<b>At 31 December 2019</b>				
Cost	63,668	13,446	119	77,233
Accumulated amortisation and impairment	(35,368)	-	-	(35,368)
<b>Net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>119</b>	<b>41,865</b>
<b>Year ended 31 December 2020</b>				
Opening net book amount	28,300	13,446	119	41,865
Additions	-	13,200	-	13,200
Disposals	(13)	-	(41)	(54)
Capitalisation	17,618	(19,376)	-	(1,758)
Amortisation	(9,308)	-	-	(9,308)
<b>Closing net book amount</b>	<b>36,597</b>	<b>7,270</b>	<b>78</b>	<b>43,945</b>
<b>At 31 December 2020</b>				
Cost	80,467	7,270	78	87,815
Accumulated amortisation and impairment	(43,870)	-	-	(43,870)
<b>Net book amount</b>	<b>36,597</b>	<b>7,270</b>	<b>78</b>	<b>43,945</b>

## Flinders University

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 24 Intangibles (Continued)

	Software costs 000's \$	IT development in progress 000's \$	Total 000's \$
<b>The University</b>			
<b>At 1 January 2019</b>			
Cost	54,193	8,532	62,725
Accumulated amortisation and impairment	(26,873)	-	(26,873)
<b>Net book amount</b>	<b>27,320</b>	<b>8,532</b>	<b>35,852</b>
<b>Year ended 31 December 2019</b>			
Opening net book amount	27,320	8,532	35,852
Additions	-	16,281	16,281
Capitalisation	9,959	(11,367)	(1,408)
Amortisation charge	(8,979)	-	(8,979)
<b>Closing net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>41,746</b>
<b>At 31 December 2019</b>			
Cost	63,668	13,446	77,114
Accumulated amortisation and impairment	(35,368)	-	(35,368)
<b>Closing net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>41,746</b>
<b>Year ended 31 December 2020</b>			
Opening net book amount	28,300	13,446	41,746
Additions	-	13,200	13,200
Disposals	(13)	-	(13)
Capitalisation	17,596	(19,376)	(1,780)
Amortisation charge	(9,286)	-	(9,286)
<b>Closing net book amount</b>	<b>36,597</b>	<b>7,270</b>	<b>43,867</b>
<b>At 31 December 2020</b>			
Cost	80,467	7,270	87,737
Accumulated amortisation and impairment	(43,870)	-	(43,870)
<b>Net book amount</b>	<b>36,597</b>	<b>7,270</b>	<b>43,867</b>

#### Accounting Policy

##### (a) Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the Income Statement as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Income Statement as an expense when incurred.

The University expenses development costs when incurred, as the expenses are not recoverable beyond reasonable doubt. One of the University's subsidiaries, Flinders Partners Pty Ltd, has the rights to commercialise intellectual property arising from the University. Development costs incurred by Flinders Partners Pty Ltd are treated as deferred expenditure:

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 24 Intangibles (Continued)

##### *Accounting Policy (Continued)*

- during the assessment phase of projects, until financial viability is determined; and
- for projects expected to be financially viable, to offset future revenue.

Development costs are capitalised and are included in the Consolidated Statement of Financial Position under Project costs carried forward.

The recoverability of deferred expenditure is reviewed annually and any amounts previously deferred that are no longer expected to be recovered are charged to the Net Operating Result.

##### (b) *Software costs*

The University capitalises certain software costs with a purchase price greater than \$40,000 and an expected useful life greater than 12 months, together with costs associated with implementation. These are recorded on the basis of cost less amortisation once the system is operational. Impairment is assessed annually. IT development in progress relates to costs incurred in the development of IT software projects. On project completion the balances are transferred to software costs.

#### 25 Trade and other payables

##### (a) *Payables*

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Creditors	14,533	15,444	12,718	13,720
OS-HELP liability to Australian Government	4,588	3,484	4,588	3,484
Accrued expenses	16,908	17,073	15,501	15,892
Annual leave on costs	3,400	2,996	3,400	2,996
Long service leave on costs	734	622	734	622
Accrued salary expenses	9,238	2,265	9,238	2,265
<b>Total current trade and other payables</b>	<b>49,401</b>	<b>41,884</b>	<b>46,179</b>	<b>38,979</b>
<b>Non-current</b>				
Long service leave on costs	3,961	3,012	3,961	3,012
OS-HELP Liability to Australian Government	3,822	-	3,822	-
<b>Total non-current trade and other payables</b>	<b>7,783</b>	<b>3,012</b>	<b>7,783</b>	<b>3,012</b>
<b>Total trade and other payables</b>	<b>57,184</b>	<b>44,896</b>	<b>53,962</b>	<b>41,991</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 25 Trade and other payables (Continued)

(b) *Contract Liabilities*

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Australian Government financial assistance	29,947	22,592	29,947	22,592
Student fees in advance	11,792	21,107	11,792	21,107
Other fees in advance	1,446	329	1,257	266
<b>Total current contract liabilities</b>	<b>43,185</b>	<b>44,028</b>	<b>42,996</b>	<b>43,965</b>
<b>Non Current</b>				
Australian Government financial assistance	9,652	7,516	9,652	7,516
<b>Total non current contract liabilities</b>	<b>9,652</b>	<b>7,516</b>	<b>9,652</b>	<b>7,516</b>

*Accounting Policy*

(a) *Trade creditors and sundry payables*

Trade creditors and payables are shown at amounts due to suppliers, inclusive of GST and exclusive of any applicable discounts that will be taken. The amounts are unsecured and the standard University terms of trade is payment within 30 days of invoice. Sundry payables includes redundancy and termination benefits.

(b) *Redundancy benefits*

Redundancy benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The University recognises redundancy benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing redundancy benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value. Expenses are disclosed in Note 10.

(c) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises the expense when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing redundancy benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value. Expenses are disclosed in Note 10.

(d) *Employee benefits and oncosts*

Liabilities for short-term employee benefits including salaries, non-monetary benefits and bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled. The leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

25 Trade and other payables (Continued)

*Accounting Policy (Continued)*

(e) *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Consolidated entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Consolidated entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Consolidated entity performs under the contract. The classification of contract liabilities as current and non-current was made with consideration to the completion rate during the year.

Student fees received in advance arise when students prepay all or part of their fees prior to services being delivered. The Consolidated entity recognises a contract liability at census date, and then progressively recognises revenue over time as and when courses are delivered to students.

26 Borrowings

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Lease liabilities	3,402	2,280	3,402	2,280
<b>Total current borrowings</b>	<b>3,402</b>	<b>2,280</b>	<b>3,402</b>	<b>2,280</b>
<b>Non-Current</b>				
Lease liabilities	13,019	8,770	13,019	8,770
<b>Total non-current borrowings</b>	<b>13,019</b>	<b>8,770</b>	<b>13,019</b>	<b>8,770</b>
<b>Total borrowings</b>	<b>16,421</b>	<b>11,050</b>	<b>16,421</b>	<b>11,050</b>

(a) *Assets pledged as security*

There are no assets pledged as security.

Flinders University

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

26 Borrowings (Continued)

(b) *Financing arrangements*

Unrestricted access was available at reporting date to the following lines of credit:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Credit standby arrangements</b>				
<b>Total facilities</b>				
Overdraft facility <sup>1</sup>	500	500	500	500
Credit card facility <sup>1</sup>	2,000	2,000	2,000	2,000
Revolving term loan facility <sup>2</sup>	80,000	-	80,000	-
<b>Total credit standby arrangements</b>	<b>82,500</b>	<b>2,500</b>	<b>82,500</b>	<b>2,500</b>
<b>Used at balance date</b>				
Credit card facility	630	680	630	680
<b>Unused at reporting date</b>				
Overdraft facility	500	500	500	500
Credit card facility	1,370	1,320	1,370	1,320
Revolving term loan facility	80,000	-	80,000	-
<b>Total unused at balance date</b>	<b>81,870</b>	<b>1,820</b>	<b>81,870</b>	<b>1,820</b>

1 These facilities are unsecured

2. The University has obtained an \$80m unsecured floating loan facility during the year that remains unused at balance date.

(c) *University as Lessee*

Amounts recognised in the income statement:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Interest on lease liabilities	496	300	496	300
Expenses relating to short-term leases	1,741	3,205	1,741	3,205
Expenses relating to leases of low-value assets, excluding short term leases	128	153	128	153
	<b>2,365</b>	<b>3,658</b>	<b>2,365</b>	<b>3,658</b>



**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

26 Borrowings (Continued)

(c) University as Lessee (Continued)

Maturity analysis - undiscounted contractual cash flows:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Less than one year	3,510	2,748	3,510	2,748
One to five years	9,095	4,325	9,095	4,325
More than 5 years	6,661	7,773	6,661	7,773
<b>Total undiscounted lease payments receivable</b>	<b>19,266</b>	<b>14,846</b>	<b>19,266</b>	<b>14,846</b>
Lease liabilities recognised in the statement of financial position	16,421	11,050	16,421	11,050

The lease liability (right of use liability) is for various land and buildings leased by the University throughout Australia with lease terms varying between 13 months to 20 years. The leases are either indexed to CPI or fixed rate and there are no material make good obligations, termination payments or incentives that need to be disclosed. In addition there is a short term lease liability for network equipment expiring December 2021.

Amounts recognised in statement of cash flows:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Total cash outflow for leases	1,161	2,020	1,161	2,020

*Accounting Policy*

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable, or if the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used.

Lease payments included in the measurement of lease liabilities comprise:

- fixed payments, including in substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 26 Borrowings (Continued)

#### Accounting Policy (Continued)

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index, rate or lease term, with a corresponding adjustment to the right of use asset. The adjustment amount is factored into depreciation of the right of use asset prospectively.

The University has elected not to recognise right of use assets and lease liabilities for short term leases (less than 12 months) and leases of low value assets. The University recognises the lease payments associated with these leases on a straight line basis over the lease term.

For the accounting policy relating to concessionary leases refer Note 23.

The University has no loans. However the University receives deposits from subsidiaries, certain joint ventures and related external entities for group investments along with University funds and shares the investment income with those entities (refer Note 28).

### 27 Provisions

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current provisions expected to be settled within 12 months</b>				
Annual leave	12,161	10,610	12,000	10,446
Long service leave	4,721	4,617	4,648	4,543
Defined benefit obligation	43 3,000	2,973	3,000	2,973
Severance (contract employees)	1,207	1,452	1,074	1,304
Workers' compensation	392	447	391	446
	<b>21,481</b>	<b>20,099</b>	<b>21,113</b>	<b>19,712</b>
<b>Current provisions expected to be settled after more than 12 months</b>				
Annual leave	4,893	3,903	4,893	3,903
<b>Total current provisions</b>	<b>26,374</b>	<b>24,002</b>	<b>26,006</b>	<b>23,615</b>
<b>Non-current provisions</b>				
Long service leave	25,679	23,120	25,679	23,120
Defined benefit obligation	43 45,374	50,136	45,374	50,136
Severance (contract employees)	314	309	314	309
Workers compensation	513	503	513	503
<b>Total non-current provisions</b>	<b>71,880</b>	<b>74,068</b>	<b>71,880</b>	<b>74,068</b>
<b>Total provisions</b>	<b>98,254</b>	<b>98,070</b>	<b>97,886</b>	<b>97,683</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 27 Provisions (Continued)

#### *Accounting Policy*

#### *(a) Employee benefits and provisions*

Employee expenses expected to be settled within one year have been recognised at their nominal amount. These liabilities are measured at the amounts expected to be paid when the liability is settled. Oncosts on the leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables as required under SA State Government Accounting Policy Statements - Part IV (APS 5.25). Benefits expected to be settled later than one year have been measured at the present value of the estimated applicable future cash flows to be made for those benefits and related on costs.

#### *(i) Short-term obligations*

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

#### *(ii) Annual leave*

The calculation to measure the value of annual leave has assumed a 1.7% (2.0% in 2019) salary inflation factor. The provision for annual leave is classified as a current liability as the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### *(iii) Sick leave*

No provision has been made for sick leave as all sick leave is non vesting and the average sick leave taken each year is expected to be less than the annual entitlement for sick leave.

#### *(iv) Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The long service leave liability is independently actuarially estimated each year in accordance with AASB 119 Employee Benefits. The last update was performed at 31 December 2020 by Mark Samuels, FIAA, of Mercer (Australia) Pty Ltd. The assumptions used by the actuary include:

- investment earnings rate of 0.33% pa (2019: 1.05%) pa. salary inflation rate of between 1.7% to 3.0% pa (2019: 1.7% to 3.0%).
- on costs have been applied at the rate of 15.5% (2019: 13.1%).
- the proportion of leave taken in service is 57% (2019: 60%), the balance at termination of service.

The current portion represents the amount expected to be paid in the following 12 months.

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 27 Provisions (Continued)

##### *Accounting Policy (Continued)*

##### *(b) Workers' compensation*

The University is responsible for payments of workers' compensation and is registered with ReturnToWorkSA as an exempt employer. Lawsons Risk Management Services Pty Ltd administers workers' compensation arrangements on behalf of the University.

The provision for workers' compensation liability is actuarially determined each year. The valuation as at 31 December 2020 was performed by B A Watson, FIA, FIAA. The method used is the claims paid development method where all past claims are brought to current values with an allowance for late claims reporting and administration costs.

##### *(c) Severance*

Provision is made for severance payments where it is probable payments will be made under industrial awards for fixed-term staff. The current portion represents the amount expected to be paid in the following 12 months. Severance payments are included under Salaries within Employee related expenses.

##### *(d) Superannuation*

Superannuation schemes exist to provide benefits to University employees and their dependents upon resignation, retirement, disability or death. The contributions made to these schemes by the University and the emerging costs from unfunded schemes are expensed in the Income Statement. Except in the case of multi-employer schemes such as UniSuper, the University recognises, as an asset or a liability, the difference between the employer established defined benefit superannuation scheme's accrued benefits and the net market value of the scheme's assets. Refer Note 43.

##### *Unfunded superannuation - State Superannuation Scheme*

An arrangement exists between the Australian Government and the State Government to share the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables (refer Note 17). The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University or the Consolidated entity. Refer Note 43.

Superannuation Supplementation funding received from the Australian Government must not be shown as revenue as this is a partial settlement of an asset recognised in accordance with AASB 119.116. The net difference between the gross expense and the amount received from the Australian Government is shown as an expense within employee related expenses.

Flinders University

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

28 Other liabilities

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Australian Government unspent financial assistance	-	225	-	225
<b>Total current unsecured non-interest-bearing liabilities</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>225</b>
<b>Interest-bearing liabilities</b>				
Interest-bearing funds held on behalf of external parties:				
Student entities	15	92	453	449
Other entities	176	221	176	221
<b>Total current unsecured interest-bearing liabilities</b>	<b>191</b>	<b>313</b>	<b>629</b>	<b>670</b>
<b>Total current other liabilities</b>	<b>191</b>	<b>538</b>	<b>629</b>	<b>895</b>
<b>Total other liabilities</b>	<b>191</b>	<b>538</b>	<b>629</b>	<b>895</b>

*Accounting Policy*

Australian Government financial assistance that is related to the acquisition or building of a recognisable financial asset as per AASB1058 (ie capital grants) and is unspent at balance date is recognised within other liabilities.

Funds held on behalf of external entities are shown at amounts due. These do not incur any interest charges.

Interest-bearing liabilities consist of funds held at the request of related entities. These are not borrowings. The University invests these funds and provides an investment return to those entities. The funds held are at call. The University has no assets pledged as security for interest-bearing liabilities.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

29 Reserves and retained earnings

(a) Reserves

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Property, plant and equipment revaluation surplus	156,646	157,447	157,165	157,966
Financial assets reserve	48,777	40,987	52,011	44,221
<b>Total reserves</b>	<b>205,423</b>	<b>198,434</b>	<b>209,176</b>	<b>202,187</b>

(b) Movements in reserves

<b>Property, plant and equipment revaluation surplus</b>				
Balance at 1 January	157,447	152,797	157,966	153,316
Increment/(decrement) on revaluation of property, plant and equipment and reversal of previous increments on disposal of assets	(801)	4,650	(801)	4,650
Balance 31 December	156,646	157,447	157,165	157,966
<b>Financial assets reserve</b>				
Balance 1 January	40,987	24,230	44,221	27,464
Increment/(decrement) on revaluation	7,790	16,757	7,790	16,757
Balance 31 December	48,777	40,987	52,011	44,221
<b>Total reserves</b>	<b>205,423</b>	<b>198,434</b>	<b>209,176</b>	<b>202,187</b>

(c) Nature and purpose of reserves

*Property, plant and equipment revaluation surplus*

The property, plant and equipment revaluation surplus records revaluation in land, buildings, infrastructure, library and artwork.

*Financial assets reserve*

The financial assets reserve records revaluations in assets held at fair value through other comprehensive income.

(d) Movements in retained earnings

Balance at 1 January	577,732	579,941	574,006	575,948
Adjustment due to new standard (AASB15)	-	(27,022)	-	(27,022)
Net result for the period	38,377	24,813	37,795	25,080
<b>Balance at 31 December</b>	<b>616,109</b>	<b>577,732</b>	<b>611,801</b>	<b>574,006</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 30 Key Management Personnel Disclosures

(a) *Responsible persons*

The principal governing body of the University is its Council. All members of the University Council were appointed or elected under the provisions of the Flinders University Act, 1966. Council members include University employees who may be ex-officio members or elected staff members.

(b) *Names of responsible persons and executive officers*

The following persons were responsible persons and executive officers of the Consolidated entity during the financial year:

#### COUNCIL MEMBERS IN 2020

Persons listed were all Council members for the full year unless otherwise indicated.

##### Members ex officio

###### Chancellor

Mr Stephen Gerlach AM

###### Vice-Chancellor

Professor Colin Stirling\*

###### Presiding member of the Academic Senate

Professor John Roddick\*

##### Member co-opted and appointed by the Council

Vacant

##### Members elected by the academic staff

Dr Amanda Muller\*

##### Members appointed by the Council

Mr George Freney

Mr Douglas Gautier AM

Ms Kathryn Gramp

Mr Stephen Hains

Mr John Hood

Ms Elizabeth Perry AM

Professor Brenda Wilson AM

Ms Sharon Wilson

##### Members elected by the non-academic staff

Ms Natalie Hills\* (to 31/12/20)

##### Student Members elected by students

Mr Aidan Cornelius Bell\* (from 01/01/20)

Ms Natasha Kidd\* (from 01/01/20)

#### UNIVERSITY SENIOR MANAGEMENT IN 2020

Professor Jonathan Craig

Mr Mark Gregory

Professor Alison Kitson

Professor Alistair Rendell

Professor Michael Kyrios

Professor Vanessa Lemm (to 31/12/20)

Professor Clare Pollock

Mr Richard Porter

Mr Sebastian Raneskold

Professor Robert Saint

Professor Colin Stirling

Professor Phyllis Tharenou (to 31/12/20)

Ms Callista Thillou

\* *Council member is a University employee.*

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 30 Key Management Personnel Disclosures (Continued)

(c) *Remuneration of Council Members and Executives*

*Remuneration of Council Members*

The following table comprises total remuneration that falls within the prescribed bandwidths for Council members. Remuneration for Executive Officers who are also Council members is shown as zero in this table, with their total remuneration shown under Remuneration of University senior management. Some members of Council are employees of the University and they receive no additional remuneration above their normal entitlements for being a Council member.

In November 2019 The Flinders University Act 1966 was amended to enable the remuneration of Council members generally. Effective 1 January 2020 all Council members and committee members were remunerated for their roles and responsibilities on Council, with the exception of those staff members who are ex officio members of Council, namely the Vice Chancellor and the Chair of the Academic Senate.

	Consolidated		The University	
	2020	2019	2020	2019
	Number	Number	Number	Number
Nil to \$14,999	6	13	6	13
\$15,000 to \$29,999	5	-	5	-
\$30,000 to \$44,999	2	2	2	2
\$60,000 to \$74,999	1	1	1	1
	<b>14</b>	<b>16</b>	<b>14</b>	<b>16</b>
Aggregate remuneration of Council members (\$'000)	<b>322</b>	<b>147</b>	<b>322</b>	<b>147</b>

*Remuneration of University Senior Management*

The remuneration includes salary, bonuses, employer's superannuation costs and other benefits, including the associated fringe benefits tax. No loans have been provided to key management personnel and any other transaction between personnel and the University has been undertaken on a normal commercial basis. No members of Council received any remuneration from the University other than by way of salary and related benefits arising from a normal employment relationship.



**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

30 Key Management Personnel Disclosures (Continued)

(c) Remuneration of Council Members and Executives (Continued)

	Consolidated		The University	
	2020	2019	2020	2019
	Number	Number	Number	Number
\$20,000 - \$29,999	-	1	-	1
\$300,000 - \$309,999	1	1	1	1
\$320,000 - \$329,999	-	1	-	1
\$330,000 - \$339,999	1	1	1	1
\$360,000 - \$369,999	1	-	1	-
\$370,000 - \$379,999	-	1	-	1
\$410,000 - \$419,999	1	-	1	-
\$420,000 - \$429,999	1	-	1	-
\$430,000 - \$439,999	1	-	1	-
\$440,000 - \$449,999	1	2	1	2
\$450,000 - \$459,999	2	3	2	3
\$460,000 - \$469,999	1	-	1	-
\$480,000 - \$489,999	-	1	-	1
\$500,000 - \$509,999	1	1	1	1
\$540,000 - \$549,999	1	-	1	-
\$550,000 - \$559,999	-	1	-	1
\$1,170,000 - \$1,179,999	-	1	-	1
\$1,220,000 - \$1,229,999	1	-	1	-
<b>Total number of executive officers</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>14</b>
<b>Aggregate remuneration of executives (\$'000)</b>	<b>6,351</b>	<b>6,331</b>	<b>6,351</b>	<b>6,331</b>

(d) Key management personnel compensation

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Short-term employee benefits	5,484	5,486	5,484	5,486
Post-employment benefits	867	845	867	845
<b>Total key management personnel compensation</b>	<b>6,351</b>	<b>6,331</b>	<b>6,351</b>	<b>6,331</b>

The Department of Education and Training Guidelines specify that: "For the purposes of AASB 124, key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the University, directly or indirectly, including any director (whether executive or otherwise) of the University". The Department of Education guidelines provide further guidance on the definition of key management personnel applicable to Universities by stating that "such persons should have authority and responsibility for planning, directing and controlling the activities of the whole University, and not just a faculty".

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 30 Key Management Personnel Disclosures (Continued)

(e) *Related party transactions*

From time to time the University Council members have interests with which the University conducts business. In all cases, transactions are undertaken on a normal commercial basis. The University may employ close family members of senior management. When this occurs it follows normal recruitment practice.

In 2020 the following transactions occurred between the University and entities in which Council members have declared an interest:

Entity	Nature of goods/service	Council member and Senior Management interest	Value \$'000
ACH Group	Health related	Director	138
Adelaide Community Health Care Alliance Inc	Health related	Director	393
AusSMC	Media company	Director	37
Australian College of Nursing Ltd	Health related	Director	5
Australian Institute of Company Directors	Education	Director	16
Bedford Phoenix Group	Grounds maintenance	Director	65
Cook Building & Development Pty Ltd	Building & Construction	Director	103
Don Dunstan Foundation	Charitable foundation	Director	2
FMC Foundation Incorporated	Charitable foundation	Director	633
IDP Education	Education	Director	629
NAHLN	Health related	Director	102
RAA	Security services	Director	11
SAHMRI	Health related	Director	3,597
SATAC	Education	Director	1,592
Women's and Children's Health Network (WCHN)	Health related	Director	229

From time to time there may be Council or Senior Executive Team (SET) members that have associated parties employed by the University. When this occurs the standard recruitment process applies.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

**31 Remuneration of Auditors**

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

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Audit the Financial Statements</b>				
Fees paid to the South Australian Auditor-General's Department	301	302	301	302
Nexia Edwards Marshall	23	17	-	-
<b>Total paid for audit</b>	<b>324</b>	<b>319</b>	<b>301</b>	<b>302</b>
<b>Other audit and assurance services</b>				
<b>Fees paid to main audit firm</b>				
Fees paid to KPMG	176	244	176	244
Fees paid to others	62	106	51	89
<b>Total paid for audit and assurance</b>	<b>238</b>	<b>350</b>	<b>227</b>	<b>333</b>
<b>Total remuneration for audit services</b>	<b>562</b>	<b>669</b>	<b>528</b>	<b>635</b>

Fees paid to other audit and assurance services include payment for internal audit (KPMG), audit of the Higher Education Research Data Collection (Messenger Zerner) and grant reporting, and medical grant programs (Australian Independent Audit Services).

It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

**32 Contingencies**

*Contingent assets*

There are no contingent assets.

*Contingent liabilities*

The University is an exempt employer for ReturnToWorkSA purposes. The University is required by ReturnToWorkSA to have a bank guarantee in place for the purposes of covering workers compensation liabilities in the event that the University was unable to pay them. As at 31 December 2020 the University had a bank guarantee facility of \$1.169 million in place (2019: \$1.169 million).

*Contingent liabilities arising from Group's interests in joint ventures and associates*

There are no contingent liabilities.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

**33 Commitments**

(a) *Capital commitments*

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

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Property, plant and equipment</b>				
Within one year	11,572	10,815	11,572	10,815
<b>Total PPE commitments</b>	<b>11,572</b>	<b>10,815</b>	<b>11,572</b>	<b>10,815</b>
<b>Intangibles</b>				
Within one year	3,423	3,810	3,423	3,810
Between one year and five years	135	70	135	70
<b>Total intangible asset commitments</b>	<b>3,558</b>	<b>3,880</b>	<b>3,558</b>	<b>3,880</b>
<b>Total capital commitments</b>	<b>15,130</b>	<b>14,695</b>	<b>15,130</b>	<b>14,695</b>

(b) *Other expenditure commitments*

Commitments in existence at the reporting date but not recognised as liabilities payable:

	Consolidated		The University	
	2020	2019	2020	2019
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	15,332	18,144	15,332	18,144
Between one year and five years	16,476	8,108	16,476	8,108
<b>Total</b>	<b>31,808</b>	<b>26,252</b>	<b>31,808</b>	<b>26,252</b>

## Flinders University

### Notes to the Financial Statements

For the Year Ended 31 December 2020

#### 34 Related Parties

(a) *Parent entities*

The ultimate parent entity within the Consolidated entity is Flinders University.

(b) *Subsidiaries, joint operations and associates*

Interests in subsidiaries are set out in Note 35, interests in joint operations are set out in Note 36 and interests in associates and joint ventures are set out in Note 21.

(c) *Council members and senior management*

Disclosures relating to the University Council Members and Senior Management are set out in Note 30.

(d) *Students at the Flinders University*

From time to time, Council members will have members of their immediate family who are students at the University. Such students are subject to the same fee structure and scholarships as any other students. This also applies to members of Council who are enrolled as students.

(e) *Loans to/from subsidiaries and associates*

	The University	
	2020	2019
	000's	000's
	\$	\$
<b>Loans to associates</b>		
Loans advanced	672	750
Loan repayments received	(120)	(78)
<b>End of year</b>	<b>552</b>	<b>672</b>

A loan was advanced during 2019 to an associated entity Flinders Reproductive Medicine Pty Ltd (Flinders Fertility), for \$750,000 and is repayable on commercial terms by 31 December 2022 (this was extended by 6 months from the original 31 July 2022 due to Covid 19).

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 35 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of Entity	Principal Activities	Ownership interest	
		2020 %	2019 %
Flinders University Sport & Fitness Inc.	Provides on-campus services and support for students	100.00	100.00
Flinders Partners Pty. Ltd.	Commercialisation of University sourced intellectual property and conduct of commercial consultancies	100.00	100.00
<i>Subsidiaries of Flinders Partners Pty. Ltd.:</i>			
Strategiize Pty. Ltd.	Software development company.	100.00	100.00
UniPartners Pty Ltd. <sup>1</sup>	Research development company.	62.00	62.00
FCD Health <sup>2</sup>	Operate the Palmerston GP Super Clinic providing placements for medical students in NT.	50.00	50.00
Lung Health Diagnostics Pty. Ltd.	Biotech development company.	60.00	60.00

<sup>1</sup> *Unipartners Pty Ltd is a dormant company with limited investment holdings..*

<sup>2</sup> *FCD Health cannot pay dividends and on wind up the assets cannot be distributed to the University.*

#### Accounting Policy

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2020 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated entity.

The financial statements of the Consolidated entity comprise the accounts of Flinders University (the Parent entity) and all of its subsidiaries. A subsidiary is any entity controlled by the University. Control exists where the University is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

Intercompany transactions, balances and unrealised gains on transactions between members of the Consolidated entity are eliminated to the extent of the Consolidated entity's interest in the subsidiaries. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

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

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the former subsidiary is recognised and accounted for in accordance with the relevant Standards. The loss or gain associated with loss of control attributable to the former controlling interest is recognised.

## Flinders University

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 36 Joint Operations

Name of joint operation	Nature of relationship	Principal place of business	Ownership interest/ voting rights held	
			2020	2019
Rubuntja, Building, Alice Springs Hospital	Education and research services providing health services to local and remote indigenous populations.	Northern Territory	41	41
Universities Research Repositories of South Australia	Provision of storage areas for library materials from three South Australian universities.	South Australia	28	28

The assets employed in the above jointly controlled operations are detailed below. The amounts are included in the financial statements under their respective categories.

	Consolidated		The University	
	2020 000's \$	2019 000's \$	2020 000's \$	2019 000's \$
<b>Property, plant and equipment:</b>				
Rubuntja, Building, Alice Springs Hospital	766	875	766	875
Universities Research Repositories of South Australia (URRSA)	5,552	5,700	5,552	5,700
<b>Total</b>	<b>6,318</b>	<b>6,575</b>	<b>6,318</b>	<b>6,575</b>

The University's joint operations have no contingent liabilities as at 31 December 2020 (2019: \$nil).

The University operates a joint facility for the storage of library materials in conjunction with the University of Adelaide, and the University of South Australia.

The University also has collaborative arrangements in place with a number of overseas institutions for joint teaching of students. Revenue is shared between the University and collaborating institutions. The University's share of revenues and expenses are included in the income statement.

#### *Accounting Policy*

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 37 Interests in Co-operative Research Centres

The University participates in a number of Cooperative Research Centres (CRC) Programme. A CRC is a research initiative of the Australian Government established to pursue specific areas of research and supports industry-led collaborations between researchers, industry and the community. Flinders University participates in the below listed CRCs but does not control or have any significant influence in these entities that require the University to record them as either Joint Operations or Associates. The University does not record any of the CRC entities as investments in the financial statements.

Name of Entity	Principal Activity
Alertness CRC Ltd	To promote the prevention and control of sleep loss and sleep disorders and to develop new tools and products for individuals and organisations to improve alertness, productivity and safety.
Innovative Manufacturing CRC	To lead Australia's transition into high value, high knowledge based manufacturing through support and facilitation of innovative manufacturing organisations.
Australasian Pork Research Institute	To maintain local pork production of high quality food for a reasonable price and return on production capital invested, without negatively impacting pig welfare, the environment or the health of the consumer.
Defend Tex Pty Ltd	To provide defence technology to military and law enforcement to communities around the world.
The CRC for Remote Economic Participation	To deliver solutions to the economic challenges that affect remote Australia.
The Lowitja Institute	To provide a cross cultural framework for strategic research leading to evidence based improvements in education and health practice.

### 38 Events Occurring After the Reporting Date

The University has long term investments in Australian and International equities managed by professional fund managers. The value of these investments fluctuates broadly in line with indicators of equity market movements and any adjustments to these values are taken up as unrealised gains or losses in the Income Statement. Note 19 has information about the value of these investments at 31 December 2020.

Subsequent to balance date, on 11 March 2021, IDP Education Limited (IDP) announced a restructure of Education Australia's shareholding in IDP to the Australian Stock Exchange. Under the terms of the restructure, Education Australia will be making an in specie distribution of 25% of its shareholding in IDP to all of its 38 University members, resulting in each of those shareholders becoming the direct owner of 1,831,159 shares in IDP and divesting its remaining shareholding in IDP via a market sell down.

Implementation of the proposed restructure is subject to a number of conditions and is yet to be approved by members. If it succeeds this will provide the University with the ability to sell the shareholding directly should it choose to do so and also result in an increase in value of the investment.



**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

39 Reconciliation of net result to net cash provided by / (used in) operating activities

	Note	Consolidated		The University	
		2020	2019	2020	2019
		000's	000's	000's	000's
		\$	\$	\$	\$
Net result for the period		38,377	24,813	37,795	25,080
<b>Non-cash items:</b>					
Depreciation and amortisation	11	41,703	42,260	41,581	42,120
Net (gain) / loss on sale of non-current assets		(140)	(226)	(140)	(226)
Net contribution of assets	9	(114)	(104)	(114)	(104)
Fair value gains on other financial assets at fair value through profit or loss	19	(1,987)	(9,232)	(1,978)	(9,232)
Impairment of assets		107	9	107	(192)
Investment expense paid direct from funds		149	137	149	137
Other		162	836	240	141
<b>Total non-cash items</b>		<b>39,880</b>	<b>33,680</b>	<b>39,845</b>	<b>32,644</b>
<b>Change in operating assets and liabilities:</b>					
(Increase) / decrease in receivables		6,438	(7,045)	6,484	(7,138)
(Increase) / decrease in inventories		64	19	64	19
(Increase) / decrease in other operating assets		(2,352)	(3,723)	(2,406)	(3,709)
Increase / (decrease) in payables		7,853	(10,771)	7,919	(10,120)
Increase / (decrease) in other provisions		184	5,235	201	5,225
Increase / (decrease) in other operating liabilities		6,644	9,957	6,619	9,989
<b>Net cash provided by / (used in) operating activities</b>		<b>97,088</b>	<b>52,165</b>	<b>96,521</b>	<b>51,990</b>

**Cash balances not available for use**

All cash balances are available for use (2019: all available).

**Tax status**

The activities of the University are exempt from income tax. Certain subsidiaries may pay tax but as the amount is immaterial it is included under other expenses.

40 Non-cash investing and financing activities

During the reporting period the University acquired works of art and library materials with an aggregate fair value of \$0.01 million (2019: \$0.03 million) through donations. These acquisitions are not reflected in the Statement of Cashflows.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 41 Financial Risk Management

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University has policies that manage financial instrument risk.

Investments tend to be largely held in term deposits with banking institutions, with a policy requirement that no more than 60% of short term investments are held with a single financial institution. The University's policy on short term investments requires investments to have a minimum Standard & Poors' or equivalent short-term credit rating of A-1. The University invests in Australian and International equities, mostly through professional fund managers. The University utilises derivative instruments such as forward exchange contracts solely to hedge foreign currency cash flow exposures. Investment funds managers used by the University also utilise derivative instruments in accordance with their respective risk policies which have been reviewed and accepted by the University. Debtors are spread across a large number of customers and are predominantly public sector. The University holds funds on behalf of other entities associated with the University and these funds are invested with University investments with the entities receiving a share of the investment returns.

The Consolidated Entity uses forward exchange contracts to manage foreign currency cash flow risk, however other types of derivative financial instruments such as interest rate swaps are not directly used. The Consolidated Entity has approved the use of derivatives by its appointed Fund Managers within the bounds of their risk management policies. The main risks the Consolidated Entity is exposed to through its financial instruments are interest rate risk, foreign exchange risk, price risk, credit risk and liquidity risk.

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Consolidated entity's exposure to foreign exchange risk includes its investments in international equities of \$14.4 million in 2020 (2019: \$13.6 million), foreign currency cash holdings of \$0.5 million in AUD equivalent (2019: \$1.71 million) and there is the equivalent of AUD \$0.2 million (2019 \$0.8million) denoted in foreign currency receivables. There are \$0.324m (2019 \$0 million) of trade and other payables denoted in foreign currency as per Note 25. The University utilised cash flow hedges to manage currency risk exposures. The net unrealised loss on cash flow hedges in 2020 was \$0.24 million (2019: loss of \$0.14 million).

(ii) *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate due to the volatility of its share price. The Consolidated entity's exposure to price risk is limited to its shareholdings in Australian companies of \$90.5 million in 2020 (2019: \$81.6 million).

(iii) *Cash flow and fair value interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity has a finance lease with a fixed implicit interest rate with no other borrowings and therefore its interest rate risk exposure relates to income only. As at 31 December 2020 the Consolidated Entity held no term deposits or short term deposits earning interest at market rates (2019: \$20.37 million). Refer Note 16 and Note 19. The Consolidated Entity also held \$34.8 million (2019: \$36.12 million) in fixed interest managed funds. Refer Note 19.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

41 Financial Risk Management (Continued)

(a) Market risk (Continued)

(iv) Summarised sensitivity analysis

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

31 December 2020

Carrying amount	Interest rate risk		Foreign exchange risk		Other price risk	
	-1%	+1%	-1%	+1%	-1%	+1%
\$	Result 000's	Equity 000's	Result 000's	Equity 000's	Result 000's	Equity 000's
124,913	(1,239)	1,239	-	-	-	-
62,769	-	-	(1)	1	-	-
139,932	(342)	342	(144)	144	(1,049)	1,049
(57,184)	-	-	-	-	-	-
(191)	(3)	3	-	-	-	-
270,239	(1,584)	1,584	(145)	145	(1,049)	1,049

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

41 Financial Risk Management (Continued)

(a) Market risk (Continued)

31 December 2019

	Carrying amount	Interest rate risk			Foreign exchange risk			Other price risk			
		-1%	+1%		-1%	+1%		-1%	+1%		
	\$	Result 000's	Equity 000's	Equity 000's	Result 000's	Equity 000's	Equity 000's	Result 000's	Equity 000's	Result 000's	Equity 000's
<b>Financial assets</b>											
Cash and Cash Equivalents	65,366	(640)	640	640	(20)	(20)	20	-	-	-	-
Receivables	71,549	-	-	-	(2)	(2)	2	-	-	-	-
Other financial assets	152,491	(570)	570	570	(136)	(136)	136	(953)	(953)	953	953
<b>Financial liabilities</b>											
Payables	(44,896)	-	-	-	-	-	-	-	-	-	-
Other liabilities	(313)	3	3	3	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>	<b>244,197</b>	<b>(1,207)</b>	<b>1,213</b>	<b>1,213</b>	<b>(158)</b>	<b>(158)</b>	<b>158</b>	<b>(953)</b>	<b>(953)</b>	<b>953</b>	<b>953</b>

The interest rate risk on other financial liabilities not included above is nil as these funds are invested on behalf of related entities and they bear the interest rate risk. For foreign exchange risk, a 1% movement in exchange rates would vary investments by \$144 thousand and receivables by \$2 thousand.

The above sensitivity analysis has been prepared on the assumption that all other variables remain constant.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the financial statements. Except for the following concentration of credit risk, the Consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated entity:

- Superannuation receivable from the South Australian Superannuation Board of \$48.4 million (2019: \$53.1 million).

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

41 Financial Risk Management (Continued)

(c) *Liquidity risk*

Liquidity risk is the risk that financial obligations will not be able to be met when they fall due. The University manages liquidity risk by monitoring forecast cash flows and maintains sufficient cash to maintain short term flexibility and enable the University to meet financial commitments in a timely manner.

At reporting date the carrying amount of financial assets and liabilities approximates their net fair values.

The Consolidated Entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at balance date are shown below:

	Average Interest rate		Variable interest rate				Less than 1 year				1 to 5 years				5+ years				Non-Interest Bearing				Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	%	%	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
<b>Financial Assets:</b>																								
Cash and cash equivalents	0.35	1.05	124,386	63,647	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	527	1,719	124,913	65,366	
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62,768	71,548	62,768	71,548	
Other financial assets	0.49	1.65	22,761	28,213	2,530	21,624	7,367	3,607	3,607	1,515	3,532	105,759	95,714	139,932	152,690									
<b>Total Financial Assets</b>			<b>147,147</b>	<b>91,860</b>	<b>2,530</b>	<b>21,624</b>	<b>7,367</b>	<b>3,607</b>	<b>3,607</b>	<b>1,515</b>	<b>3,532</b>	<b>169,054</b>	<b>168,981</b>	<b>327,613</b>	<b>289,604</b>									
<b>Financial Liabilities:</b>																								
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,184	44,896	57,184	44,896	
Amounts payable to external parties	-	2.66	-	-	191	313	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	191	313	
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>191</b>	<b>313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,184</b>	<b>44,896</b>	<b>57,375</b>	<b>45,209</b>	
			<b>147,147</b>	<b>91,860</b>	<b>2,339</b>	<b>21,311</b>	<b>7,367</b>	<b>3,607</b>	<b>3,607</b>	<b>1,515</b>	<b>3,532</b>	<b>111,870</b>	<b>124,085</b>	<b>270,238</b>	<b>244,395</b>									

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 42 Fair Value Measurement

(a) *Fair value measurements*

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

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

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

	Note	Carrying Amount		Fair Value	
		2020 '000	2019 '000	2020 '000	2019 '000
<b>Consolidated</b>		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	16	124,913	65,366	124,913	65,366
Trade and other receivables	17	62,768	71,548	62,768	71,548
Investments using the equity method	21	646	557	646	557
<b>Other financial assets</b>					
At amortised cost	19	-	20,367	-	20,367
Designated at fair value through other comprehensive income	19	49,412	41,622	49,412	41,622
Designated at fair value through profit & loss	19	90,520	90,501	90,520	90,501
<b>Total financial assets</b>		<b>328,259</b>	<b>289,961</b>	<b>328,259</b>	<b>289,961</b>
<b>Non-financial assets</b>					
Other non-financial assets	20	15,067	12,673	15,067	12,673
<b>Financial Liabilities</b>					
Payables	25	57,184	44,896	57,184	44,896
Borrowings	26	16,421	11,050	16,421	11,050
Other financial liabilities		191	313	191	313
<b>Total financial liabilities</b>		<b>73,796</b>	<b>56,259</b>	<b>73,796</b>	<b>56,259</b>

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

- financial assets at fair value through profit or loss
- financial assets at fair value through other comprehensive income
- land and buildings
- Investment properties

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

42 Fair Value Measurement (Continued)

(b) Fair value hierarchy

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

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

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

*Fair value measurements at 31 December 2020*

Consolidated	Note	2020 000's \$	Level 1 000's \$	Level 2 000's \$	Level 3 000's \$
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Other financial assets at fair value through profit or loss	19	90,520	-	90,520	-
Other financial assets at fair value through other comprehensive income	19	49,412	-	-	49,412
<b>Total financial assets</b>		<b>139,932</b>	<b>-</b>	<b>90,520</b>	<b>49,412</b>
<b>Non-financial assets</b>					
Investment properties	22	8,404	-	8,404	-
Land and buildings	23	549,466	-	-	549,466
Library	23	25,981	-	-	25,981
Works of Art	23	6,986	-	-	6,986
<b>Total non-financial assets</b>		<b>590,837</b>	<b>-</b>	<b>8,404</b>	<b>582,433</b>
<b>Financial liabilities</b>					
Derivatives used for hedging		242	-	242	-
<b>Total liabilities</b>		<b>242</b>	<b>-</b>	<b>242</b>	<b>-</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 42 Fair Value Measurement (Continued)

(b) Fair value hierarchy (Continued)

Fair value measurements at 31 December 2019

Consolidated	Note	2019 000's \$	Level 1 000's \$	Level 2 000's \$	Level 3 000's \$
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Other financial assets at fair value through profit or loss	19	90,501	-	90,501	-
Other financial assets at fair value through other comprehensive income	19	41,622	-	-	41,622
Financial assets at fair value through other comprehensive income:					
Other entities	19	2,403	-	-	2,403
<b>Total financial assets</b>		<b>134,526</b>	<b>-</b>	<b>90,501</b>	<b>44,025</b>
<b>Non-financial assets</b>					
Investment properties	22	8,404	-	8,404	-
Land and buildings	23	537,180	-	-	537,180
Library		25,408	-	-	25,408
Works of Art		6,934	-	-	6,934
<b>Total non-financial assets</b>		<b>577,926</b>	<b>-</b>	<b>8,404</b>	<b>569,522</b>
<b>Financial liabilities</b>					
Derivatives used for hedging		141	-	141	-
<b>Total liabilities</b>		<b>141</b>	<b>-</b>	<b>141</b>	<b>-</b>

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

*Recurring fair value measurements*

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

The Consolidated entity uses quoted market prices or dealer quotes based on market conditions existing at each balance date. All of the resulting fair value estimates are included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investments accounted for using the equity method.

An independent valuation was performed in December 2019 on investment properties and on freehold land and building (classified as property, plant and equipment). All properties are revalued independently at least every three years. At the end of each reporting period, the Consolidated entity updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Consolidated entity determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is the current price in an active market for similar properties. Where such



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

42 Fair Value Measurement (Continued)

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

information is not available the Consolidated entity considers information from a variety of sources, including:

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

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

(d) *Valuation inputs and relationships to fair value*

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

Consolidated Description 31 December 2020	Fair Value 000's \$	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	52,456	Earnings growth factor	Net asset position and future earnings	Increase in net assets and increase in future earnings would result in higher fair value. Decrease in net assets and decrease in future earnings would result in lower fair value.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

42 Fair Value Measurement (Continued)

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

The following table is a reconciliation of level 3 items for the periods ending 31 December 2020 and 2019:

Consolidated

	Unlisted securities 000's	Land, Buildings & Infrastructure 000's	Library 000's	Works of Art 000's	Investment Properties 000's	Other financial assets 000's	Total 000's
Level 3 Fair Value Measurement 2020							
Opening balance	\$ 44,666	\$ 537,180	\$ 25,408	\$ 6,934	\$ 8,404	\$ 2,328	\$ 624,920
Gain/(losses) in profit or loss							
Additions	-	30,845	5,059	52	-	-	35,956
Disposals	-	(310)	-	-	-	-	(310)
Depreciation recognised in net result	-	(17,448)	(4,486)	-	-	-	(21,934)
<b>Total gains/(losses) in profit or loss</b>	<b>44,666</b>	<b>550,267</b>	<b>25,981</b>	<b>6,986</b>	<b>8,404</b>	<b>2,328</b>	<b>638,632</b>
Gains/(Losses) in other comprehensive income							
Gains/(Losses) in other comprehensive income	7,790	-	-	-	-	-	7,790
Revaluation increment recognised in equity	-	766	-	-	-	-	766
Revaluation reversal of previous increment on disposal	-	(1,567)	-	-	-	-	(1,567)
Closing balance	<b>52,456</b>	<b>549,466</b>	<b>25,981</b>	<b>6,986</b>	<b>8,404</b>	<b>2,328</b>	<b>645,621</b>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

42 Fair Value Measurement (Continued)

*Fair value measurements using significant unobservable inputs (level 3) (Continued)*  
Consolidated

	Unlisted securities 000's	Land, Buildings & Infrastructure 000's	Library 000's	Works of Art 000's	Investment Properties 000's	Other financial assets 000's	Total 000's
Level 3 Fair Value Measurement 2019							
Opening balance	\$ 27,909	\$ 533,685	\$ 24,113	\$ 6,855	\$ 8,404	\$ 2,328	\$ 603,294
Additions	18,723	18,723	5,579	79	-	-	24,381
Depreciation	(19,878)	(19,878)	(4,284)	-	-	-	(24,162)
<b>Total gains/(losses)</b>	27,909	532,530	25,408	6,934	8,404	2,328	603,513
<b>Recognised in profit or loss*</b>	16,757	-	-	-	-	-	16,757
Recognised in other comprehensive income	-	4,650	-	-	-	-	4,650
Revaluation increments/(decrements)	44,666	537,180	25,408	6,834	8,404	2,328	624,920
Closing balance							

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 42 Fair Value Measurement (Continued)

#### *Accounting Policy*

##### Fair Value

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

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

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

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

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 43 Superannuation Plans

The University contributes to the following employee superannuation funds:

(a) *UniSuper Limited Superannuation Schemes*

(i) *UniSuper Defined Benefit Plan or Accumulation 2*

UniSuper Management Pty Ltd administers the Scheme and UniSuper Ltd is the Trustee. The University contributes at a rate double the contributions made by employees. Employees' contributions are normally 7.8% of their gross salaries. The fund provides the option of defined benefits based on years of service and final average salary or an accumulation fund.

UniSuper reports its results on a financial year ending 30 June.

In 2006 the UniSuper Trust Deed was amended so that in the event UniSuper assets are insufficient to provide for the benefits payable the Trustee must consider whether to reduce member benefits on a fair and equitable basis instead of requesting additional payments from employers. While remaining a defined benefits plan under superannuation law, the change in the UniSuper Trust Deed effectively alters the nature of the scheme to a defined contribution scheme under AASB 119.

As set out under paragraph 28 of AASB119 a defined benefit contribution plan is a plan where the employer's legal or constructive obligation is limited to the amount it agrees to contribute to the fund and the actuarial risk and investment risk fall on the employee.

As at 30 June 2020 the assets of the Defined Benefit Division (DBD) in aggregate were estimated to be:

- \$3,276 million (June 2019: \$5,643 million) above vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- \$5,267 million (June 2019: \$7,301 million) above accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2020. The financial assumptions used were:

	Vested Benefits %	Accrued Benefits %
<b>Gross of tax investment return:</b>		
- Defined Benefit Division pensions	4.80	6.10
- Commercial rate indexed pensions	2.40	2.40
Net of tax investment return - non pensioner members	4.30	5.50
<b>Consumer Price Index</b>		
- For the next 3 years	0.50	0.50
- Beyond 3 years	2.00	2.00
<b>Inflationary salary increases long term</b>		
- For the next 3 years	2.25	2.25
- Beyond 3 years	2.75	2.75

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

At 1 July 2020 the Vested Benefit Index (VBI) was 114.1% (2019: 125.4%) and the Accrued Benefit Index (ABI) was 124.7% (2019: 135.5%). As a result of the VBI being greater than 100% at this date, the monitoring period and process set out in Clause 34 of the Trust Deed has not been instigated.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 43 Superannuation Plans (Continued)

(a) *UniSuper Limited Superannuation Schemes (Continued)*

(ii) *UniSuper Award Plus Plan*

UniSuper Management Pty Ltd administers the scheme with UniSuper Ltd as the Trustee. The University contributes to the scheme at a rate determined by the trust deed. The scheme is non-contributory for employees. The fund provides benefits based on the defined contributions of the University during the membership of the employee.

The University also makes contributions into the scheme for employee benefits arising under the Superannuation Guarantee Legislation

(b) *South Australian Superannuation Scheme*

*Fund specific disclosure*

The University has 63 (2019: 64) present and former employees who are members of closed State Government Pension and Lump Sum superannuation schemes. Under the schemes, defined benefits are paid as a lump sum or continuing pension on the termination of the employees' service, based on contributions made by the employee and the employees' final salary. Employee contributions and certain employer contributions are paid to the South Australian Superannuation Board (the Board) which is responsible for administering the schemes. Under current arrangements, the Board pays the benefits and is reimbursed by the University for the shortfall in the employer's contribution. The Commonwealth Government funds the University on an emerging cost basis and recovers the State's share of the cost directly from the State government.

The University's superannuation liability with respect to future benefits for current employees and pensioners was assessed as at 31 December 2020. This assessment was performed by Brett & Watson Pty Ltd Consulting Actuaries on information that was provided by the Director Superannuation, South Australian Department of Treasury and Finance. The University's superannuation liability was assessed as being \$48.4 million (2019: \$53.1 million). The net unfunded amount has been recognised in the accounts of the University as a liability with a corresponding receivable from the Commonwealth government (see Note 17). Recognition of the receivable from the Commonwealth is in accordance with Department of Education and Training Guidelines and reflects an assessment that while there is no specific legislated requirement, the Commonwealth has committed to funding the University's emerging costs.

The University expects to make a contribution of \$2.5 million (2019: \$3.0 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 11.81 years (2019: 12.61 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year 000's \$	Between 1 and 2 years 000's \$	Between 2 and 5 years 000's \$	Over 5 years 000's \$	Total 000's \$
Defined benefit obligations - 31 December 2020	3,025	3,029	9,041	46,894	61,989
Defined benefit obligations - 31 December 2019	2,968	3,016	9,261	54,647	69,892

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

43 Superannuation Plans (Continued)

(c) *Categories of plan assets*

	2020 (%)		2019 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	2.60	-	1.50	-
Equity instruments	51.50	-	51.30	-
Property	2.00	15.20	2.80	14.40
Diversified strategies growth	0.10	15.70	-	16.60
Diversified strategies income	12.90	-	13.40	-
<b>Total</b>	<b>69.10</b>	<b>30.90</b>	<b>69.00</b>	<b>31.00</b>

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

	2020	2019
	%	%
Discount rate(s)	1.10	1.40
Expected rate(s) of salary increase	2.50	4.00
Long term CPI Increases	2.00	2.50
Expected return of plan assets	1.10	1.40

(d) *Actuarial assumptions and sensitivity*

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

	Increase in assumption	Impact on DBO liability	Decrease in assumption	Impact on DBO liability
	%	%	%	%
Discount rate	0.5	(5.2)	(0.5)	5.6
Expected rate of salary increase	0.5	-	(0.5)	-

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

43 Superannuation Plans (Continued)

(e) *Statement of financial position amounts*

	2020 000's \$	2019 000's \$
<b>Liabilities</b>		
Provision for deferred government benefits for superannuation	(48,374)	(53,109)
<b>Assets</b>		
Receivable for deferred government benefit for superannuation	48,374	53,109
<b>Net liability recognised in statement of financial position</b>	-	-
<b>Net liability reconciliation</b>		
Defined benefit obligation	53,631	58,178
Fair value of plan assets	(5,257)	(5,069)
<b>Net liability</b>	48,374	53,109
<b>Total net liability/(asset)</b>	48,374	53,109
<b>Present value of obligation</b>		
Opening defined benefit obligation	58,178	54,316
Current service cost	7	29
Interest expense	794	1,268
	58,979	55,613
<b>Remeasurements</b>		
Actuarial losses/(gains) arising from changes in financial assumptions	(2,708)	6,023
Experience items	497	(67)
Benefits and expenses paid	(3,137)	(3,391)
<b>Closing defined benefit obligation</b>	53,631	58,178
<b>Present value of plan assets</b>		
Opening fair value of plan assets	5,069	4,570
Interest	68	109
Remeasurements	120	385
Employer contributions	3,135	3,396
Benefits and expenses paid	(3,135)	(3,391)
<b>Closing fair value of plan assets</b>	5,257	5,069



Notes to the Financial Statements  
For the Year Ended 31 December 2020

44 Acquittal of Australian Government Financial Assistance

(a) Education - CGS and other Education grants

	Commonwealth Grants Scheme <sup>1</sup>		Disability Performance Funding <sup>2</sup>		Promotion of Excellence in Learning and Teaching		Higher Education Partnership Program		Indigenous Student Success Program		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Parent Entity (University) Only												
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	152,321	150,072	261	210	-	-	2,890	2,909	1,537	1,362	157,009	154,553
Net accrual adjustments	855	(186)	-	-	-	-	-	-	(10)	10	845	(176)
Revenue for the period	153,176	149,886	261	210	-	-	2,890	2,909	1,527	1,372	157,854	154,377
Surplus/(deficit) from the previous year	-	-	-	-	187	202	(61)	(43)	289	138	415	297
Total revenue including accrued revenue	153,176	149,886	261	210	187	202	2,829	2,866	1,816	1,510	158,269	154,674
Less expenses including accrued expenses	(153,176)	(149,886)	(261)	(210)	(6)	(15)	(2,829)	(2,927)	(1,453)	(1,221)	(157,725)	(154,259)
Surplus/(deficit) for reporting period	-	-	-	-	181	187	-	(61)	363	289	544	415

1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Medical Student Loading.

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

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

44 Acquittal of Australian Government Financial Assistance (Continued)

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

	HECS-HELP (Australian Government payments only)						FEE-HELP		SA-HELP		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
Parent Entity (University) Only												
Cash Payable/(Receivable) at the beginning of the year	1,618	1,542	570	321	(7)	1	1,864					
Financial assistance received in Cash during the reporting period	95,252	92,689	14,341	12,242	1,986	1,945	106,876					
Cash available for period	96,870	94,231	14,911	12,563	1,979	1,946	108,740					
Revenue earned	95,086	92,613	15,947	11,993	951	1,953	106,559					
Cash Payable/(Receivable) at end of year	1,784	1,618	(1,036)	570	1,028	(7)	2,181					

3(b)

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

44 Acquittal of Australian Government Financial Assistance (Continued)

(c) Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2020 000's	2019 000's	2020 000's	2019 000's	2020 000's	2019 000's
Parent Entity (University) Only	\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	15,106	15,172	11,245	11,630	26,351	26,802
Revenue for the period	15,106	15,172	11,245	11,630	26,351	26,802
Surplus/(deficit) from the previous year	582	760	-	-	582	760
Total revenue including accrued revenue	15,688	15,932	11,245	11,630	26,933	27,562
Less expenses including accrued expenses	(15,322)	(15,350)	(11,245)	(11,630)	(26,567)	(26,980)
Surplus/(deficit) for reporting period	366	582	-	-	366	582

The reported surpluses for Research Training Program of \$366 thousand for 2020 are expected to be rolled over for future use by University.

(d) Total Higher Education Provider Research Training Program expenditure

	Total domestic students	Total overseas students
	000's	000's
	\$	\$
Research Training Program Fees offsets	9,982	411
Research Training Program Stipends	4,513	354
Research Training Program Allowances	20	42
<b>Total for all types of support</b>	<b>14,515</b>	<b>807</b>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2020

44 Acquitment of Australian Government Financial Assistance (Continued)

(e) *Australian Research Council Grants*

Parent Entity (University) Only	Discovery		Networks and Centres		Linkages (Projects)		Special Research Initiatives		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	6,898	5,845	-	-	1,223	1,092	83	-	8,204	6,937
Net accrual adjustments	(944)	(256)	296	96	74	604	-	-	(574)	444
Revenue for the period	5,954	5,589	296	96	1,297	1,696	83	-	7,630	7,381
Surplus/(deficit) from the previous year	4,027	3,712	113	259	1,067	930	169	173	5,376	5,074
Total revenue including accrued revenue	9,981	9,301	409	355	2,364	2,626	252	173	13,006	12,455
Less expenses including accrued expenses	(6,012)	(5,274)	(242)	(242)	(1,071)	(1,559)	(168)	(4)	(7,493)	(7,079)
Surplus/(deficit) for reporting period	3,969	4,027	167	113	1,293	1,067	84	169	5,513	5,376

3(d)

Flinders University

Notes to the Financial Statements

For the Year Ended 31 December 2020

44 Acquittal of Australian Government Financial Assistance (Continued)

(f) Other Capital Funding - Linkage Infrastructure, Equipment and Facilities Grant

		2020	2019
		000's	000's
	Note	\$	\$
<b>Parent Entity (University) Only</b>			
Cash received during the reporting period		-	858
Net accrual adjustments		484	(138)
Revenue for the period	3(e)	484	720
Surplus/(deficit) from the previous period		417	403
Total revenue including accrued expenses		901	1,123
Less expenses including accrued expenses		(583)	(706)
Cash surplus/(deficit) for reporting period		318	417

(g) OS-HELP

		2020	2019
		000's	000's
		\$	\$
<b>Parent Entity (University) Only</b>			
Cash received during the reporting period		5,451	2,554
Cash spent during the reporting period		(526)	(2,781)
Net cash received		4,925	(227)
Cash surplus/(deficit) from the previous period		3,484	3,711
Cash surplus/(deficit) for reporting period	25	8,409	3,484

(h) Higher Education Superannuation Program

		2020	2019
		000's	000's
		\$	\$
<b>Parent Entity (University) Only</b>			
Cash received during the reporting period		3,301	3,463
University contribution in respect of current employees		-	26
Cash available		3,301	3,489
Cash surplus / (deficit) from the previous period		16	(189)
Cash available for current period		3,317	3,300
Contributions to specified defined benefit funds		(2,808)	(3,284)
Cash surplus/(deficit) this period		509	16

Flinders University

Notes to the Financial Statements

For the Year Ended 31 December 2020

44 Acquittal of Australian Government Financial Assistance (Continued)

(i) Student Services and Amenities Fee

		2020	2019
		000's	000's
Parent Entity (University) Only	Note	\$	\$
Unspent/(overspent) revenue from previous period		2,796	2,723
SA-HELP revenue earned	3(b)	951	1,953
Student Services and Amenities Fees direct from students	5	1,194	2,665
Total revenue expendable in period		4,941	7,341
Student services expenses during period		(4,254)	(4,545)
Unspent/(overspent) student services revenue		687	2,796

45 COVID 19 Disclosure

The University entered the global Covid 19 pandemic with healthy cash reserves and minimal debt and moved quickly and decisively when conditions deteriorated and uncertainty remained because of the constantly evolving health and economic impacts.

The wellbeing and safety of students and staff was the immediate priority of the University and action was taken to ensure that this remained the case.

The Student Hardship Support Fund (value of \$12m) was launched in April to support those students suffering the greatest hardship and most at risk of not continuing their studies. This was well received with over 1,500 students assisted. The State Government contributed \$3m to the Matthew Flinders Scholarship Scheme specifically to support international students.

The University continues to work closely with students, introducing flexible payment terms and accommodating requests for payment extensions and load reductions.

As a result of these measures, and the curtailing of discretionary spending, Covid19 has not had a material negative impact on the financial result of the University for the year ended 31 December 2020.

The impact of Covid 19 on future earnings of the University remains unclear and will be influenced by the effectiveness of vaccines that are progressively being rolled out worldwide, and how quickly travel restrictions imposed by the government will be lifted. Management continue to monitor the situation on an ongoing basis noting the positive financial result achieved for 2020 positions the University well to respond to this uncertainty.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

46 Acronyms and abbreviations

AASB	Australian Accounting Standards Board
ARC	Australian Research Council
ATO	Australian Taxation Office
CGS	Commonwealth Grant Scheme
CPI	Consumer Price Index
CRC	Cooperative Research Centre
DBO	Defined Benefit Obligation
EDUCATION	Australian Government Department of Education and Training
FEE HELP	Fee Higher Education Loan Program (financial support full fee paying domestic students)
GST	Goods and Services Tax
HECS HELP	Higher Education Contribution Scheme - Higher Education Loan Program
HESA	Higher Education Support Act
IFRS	International Financial Reporting Standards
NHMRC	National Health and Medical Research Council
OCI	Other Comprehensive Income
OS HELP	Overseas - Higher Education Loan Program
SA HELP	Students Amenities Fees - Higher Education Loan Program

Flinders University

## Statement by the Chancellor, Vice Chancellor and Chief Financial Officer

To the best of our knowledge and belief

- the attached General Purpose Financial Report for Flinders University presents a true and fair view, in accordance with the Treasurer's Instructions issued under Section 41 of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and to conform to the Department of Education and Training Financial Statement Guidelines for Australian Higher Education Providers for the 2020 Reporting Period, the financial position of Flinders University as at 31 December 2020, the results of its operations and its cash flows for the financial year;
- the attached financial statements are in accordance with the accounts and records of the University;
- internal controls over financial reporting and the general purpose financial report have been effective throughout the reporting period;
- at the time of signing of this statement, there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable;
- the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and
- Flinders University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- Flinders University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Signed in accordance with a resolution of the Council



Mr Stephen Gerlach, AM  
Chancellor

20 May 2021



Professor Colin Stirling  
Vice-Chancellor

20 May 2021



Mr Richard Porter  
Chief Financial Officer

20 May 2021





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## To the Chancellor Flinders University

### Opinion

I have audited the financial report of Flinders University and the consolidated entity comprising Flinders University and its controlled entities for the financial year ended 31 December 2020.

In my opinion, the accompanying financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1987*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Higher Education Support Act 2003* and Australian Accounting Standards including:

- a) giving a true and fair view of the financial position of Flinders University and its controlled entities as at 31 December 2020, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2020
- a Statement of Financial Position as at 31 December 2020
- a Statement of Changes in Equity for the year ended 31 December 2020
- a Statement of Cash Flows for the year ended 31 December 2020
- notes, comprising significant accounting policies and other explanatory information.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Flinders University and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

### **Responsibilities of the President and Vice-Chancellor and the Council for the financial report**

The President and Vice-Chancellor is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Higher Education Support Act 2003* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Council is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25(2) of the *Flinders University Act 1966*, I have audited the financial report of Flinders University and its controlled entities for the financial year ended 31 December 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Flinders University's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President and Vice-Chancellor
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with those charged with the President and Vice-Chancellor and Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

28 May 2021