

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
CURRENT ASSETS					
Cash assets	8	213	328	199	328
Receivables	9	627	520	627	520
Other financial assets	10	6,587	6,021	6,587	6,021
Other assets	11	278	210	278	210
TOTAL CURRENT ASSETS		7,705	7,079	7,691	7,079
NON-CURRENT ASSETS					
Property, plant and equipment	12	56,167	53,202	56,149	53,202
Intangible assets	13	1,164	1,323	1,164	1,323
TOTAL NON-CURRENT ASSETS		57,331	54,525	57,313	54,525
TOTAL ASSETS		65,036	61,604	65,004	61,604
CURRENT LIABILITIES					
Payables	14	890	821	889	821
Interest-bearing liabilities	15	437	640	437	640
Provisions	16	1,112	922	1,112	922
Other liabilities	17	450	682	450	682
TOTAL CURRENT LIABILITIES		2,889	3,065	2,888	3,065
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	15	3,990	4,087	3,990	4,087
Provisions	16	739	578	739	578
TOTAL NON-CURRENT LIABILITIES		4,729	4,665	4,729	4,665
TOTAL LIABILITIES		7,618	7,730	7,617	7,730
NET ASSETS		57,418	53,874	57,387	53,874
EQUITY					
Reserves	18	7,679	5,314	7,679	5,314
Accumulated Funds	20	49,739	48,560	49,708	48,560
TOTAL EQUITY		57,418	53,874	57,387	53,874

	Notes	Economic Entity (Consolidated)		Parent Entity (University)	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash Flows From Operating Activities	25				
Inflows:					
Financial Assistance					
Commonwealth Government		14,327	17,013	14,327	17,013
State Government		200	5	200	5
Other			500		500
Higher Education Contribution Scheme					
Student payments		1,051	933	1,051	933
Commonwealth payments		9,037	8,190	9,037	8,190
Other research grants and contracts		552	544	552	544
Scholarships and prizes		–	2	–	2
Donations and bequests		142	146	142	146
Interest received		296	190	295	190
Fees and charges		6,057	4,050	6,060	4,050
Other		78	201	45	201
Outflows					
Staff salaries and related costs		(18,057)	(16,435)	(17,924)	(16,435)
Other		(9,378)	(6,680)	(9,516)	(6,680)
Net cash provided by operating activities		4,305	8,659	4,269	8,659
Cash Flows From Investing Activities					
Inflows:					
Proceeds from disposal of property, plant and equipment		52	74	52	74
Outflows					
Payments for purchase of property, plant and equipment		(3,607)	(8,389)	(3,585)	(8,389)
Payments for shares in unlisted public companies		(20)	–	(20)	–
Net cash used in investing activities		(3,575)	(8,315)	(3,553)	(8,315)
Cash Flows From Financing Activities					
Inflows					
Proceeds from borrowings		–	3,000	–	3,000
Outflows					
Repayment of borrowings		(299)	(397)	(299)	(397)
Net cash provided by financing activities		(299)	2,603	(299)	2,603
Net increase in cash held		431	2,947	417	2,947
Cash at beginning of reporting period		6,349	3,402	6,349	3,402
Cash at end of reporting period		6,780	6,349	6,766	6,349

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1 Summary of Accounting Policies

The significant accounting policies, which have been adopted in the preparation of these financial statements, are:

(a) Basis of accounting

The financial statements are a general purpose financial report that have been prepared in accordance with the Financial Management Standard issued under Section 46L of the *Financial Administration and Audit Act 1977*, the accounting concepts, standards and disclosure requirements of the Australian accounting bodies, and the requirements of law.

The format of the financial statements is consistent with the requirements of the *Guidelines for the Preparation of Annual Financial Reports for the 2002 Reporting Period by Australian Higher Education Institutions* issued by the Department of Education, Science and Training (DEST).

The financial statements have been prepared on the basis of historical cost and do not take into account changing money values or, except where stated, current valuations of non-current assets. All amounts in the financial statements are shown rounded to the nearest thousand dollars.

(b) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of the one controlled entity, the Innovation Centre Sunshine Coast Pty Ltd, which was formed on 26 October 2000.

The accounts of the Innovation Centre Sunshine Coast Pty Ltd are prepared for the same reporting period as the University, using consistent accounting policies.

(c) Revenue

In compliance with the Statement of Accounting Concepts (SAC) 4, amounts of financial assistance (grants) are generally recognised as revenue upon receipt or upon notification that such an amount has been secured. Amounts secured but not yet received are brought to account as receivables. This is so, irrespective of whether conditions are attached. Amounts of financial assistance which are not acquitted (refer Notes 26 and 27) are required to be returned to DEST.

DEST does not prescribe how amounts of financial assistance received in advance are to be accounted for, however for the purposes of acquittal in Note 27, such accounts must be included in the year that they are allocated for rather than in the year in which they are received. (DEST prefers that "grants" be described as "financial assistance" in order to strengthen accountability and reporting requirements.)

Revenue from fees and charges are recognised when assessed. Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of service is recognised upon the delivery of the service to customers in accordance with governing contracts. Interest revenue is recognised on an accrual basis. Dividend revenue is recognised when received. Donations and bequests are recognised when received by the University.

(d) Basis of Valuation of Non-current Assets

Comprehensive independent revaluations of Property, Plant and Equipment are performed every 5 years. Where there are material movements in these assets in the intervening years, indexation is applied calculated upon an appropriate basis. From 1 July 2001, Property, Plant and Equipment are measured using fair value principles in accordance with AASB1041, *Revaluation of Non Current assets*. At 31 December 2002, an asset valuation was completed by International Valuation Consultants.

In respect of buildings and infrastructure, the asset recognition threshold is \$5,000. In respect of plant and equipment the asset recognition threshold is \$2,000.

1 Summary of Accounting Policies (Continued)

Library Collections

The University's library collection is recorded at cost. In respect of Library Collection the asset recognition threshold is \$1. In previous years Financial Statements the library collection was valued at Management's valuation using deprival value principles.

Art Collection

The University's art collection is valued at management valuation, with the exception of donations to the collection, which have been independently valued by registered art valuers. In respect of art collections the asset recognition threshold is \$1.

Intangibles

All intangible assets with a cost or other value greater than \$20,000 are recognised. Each intangible asset is amortised over its estimated economic useful life to the entity using the straight line method.

(e) Depreciation of property, plant and equipment and Amortisation

Items of property, plant and equipment, other than land, library collection and art collections are depreciated over their estimated useful lives to the entity, using the straight line method.

Assets are depreciated from the month of acquisition or, in respect of work in progress, from the time the asset is complete and ready to use.

The following table indicates typical expected useful lives of property, plant and equipment and the applicable depreciation and amortisation rates:

Item	Useful Life (years)	Depreciation Rate (%)
Buildings	40	2.5
Computer Equipment	3	33
Infrastructure	20	5
Laboratory Equipment	7.5	13
Motor Vehicles	5	20
Other Plant and Equipment	10	10
Intangibles	10	10

The Library Collection depreciation is based upon:

- The useful life of monographs being 7 years and
- The useful life of serials being 3 years.

In previous years no depreciation was calculated against the Library Collection as it was carried at Management's valuation using deprival value principles.

(f) Employee entitlements

Employee entitlements have been calculated in accordance with Accounting Standard AASB 1028 "Accounting for Employee Entitlements".

The liability for salaries, and provision for recreation leave have been measured as the amounts which the University has a legal obligation to pay, in respect to employees' services up to balance date. They have been calculated using current salary rates and include related on-costs.