

Note 26 Financial instruments**(a) Terms and conditions**

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
Financial assets			
Cash at bank and on hand	16	Carried at the principal amount.	Cash is invested as funds permit at varying interest rates. The effective interest rate on the operating account as at 31 December 2004 was 3.30% (2003 3.90%).
Managed fund	18	Stated at market value as at balance date.	The annual rate payable monthly was 5.53% (2003 5.53%)
Receivables	17	Carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit Sales are on 30 day terms
Unlisted shares	18	Unlisted shares are stated at issue value.	Unlisted shares held at balance date are ordinary fully paid shares.
Financial liabilities			
Payables	21	Liabilities are recognised for amounts to be paid in the future for goods & services received, whether or not billed to the University. Income received in advance relates to amounts received or receivable at balance date which relate to future periods.	Trade liabilities are normally settled on 30 day terms.
QTC loans	22	The Queensland Treasury Corporation loans are carried at the principal amount plus accrued interest as at balance date. Interest is charged as an expense.	All borrowings are with Queensland Treasury Corporation. Repayments are made quarterly with the loan expiring in March 2011. The Book Interest Rate as at 31 December 2004 was 5.69% (2003 5.78%). As at 31 December 2004, the outstanding debt was \$6,203,224 (2003 \$6,996,467). The market value of borrowing as at 31 December 2004 was \$6,260,417 (2003 \$6,991,046).

(b) Credit risk exposure

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(c) Interest rate risk exposure

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements. Exposure arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

Note 26 Financial instruments (continued)

2004	Notes	Fixed Interest Rate Maturing in:					Total \$'000
		Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-Interest Bearing \$'000	
Financial Assets							
Cash	16	305	-	-	-	-	305
Receivables	17	-	-	-	-	400	400
Shares - public company	18	-	20	-	-	-	20
Other financial assets - QTC investments	18	-	1,205	-	-	-	1,205
		<u>305</u>	<u>1,225</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>1,930</u>
Weighted average interest rate		3.30%	5.53%				
Financial Liabilities							
Trade and other creditors	21	-	-	-	-	776	776
Other loans - QTC loans	22	-	856	5,347	-	-	6,203
		<u>-</u>	<u>856</u>	<u>5,347</u>	<u>-</u>	<u>776</u>	<u>6,979</u>
Weighted average interest rate			5.69%	5.69%			
Net financial assets (liabilities)		<u>305</u>	<u>369</u>	<u>(5,347)</u>	<u>-</u>	<u>(376)</u>	<u>(5,049)</u>

2003	Notes	Fixed Interest Rate Maturing in:					Total \$'000
		Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-Interest Bearing \$'000	
Financial Assets							
Cash	16	401	-	-	-	-	401
Receivables	17	-	-	-	-	910	910
Shares - public company	18	-	20	-	-	-	20
QTC investments	18	-	5,905	-	-	-	5,905
		<u>401</u>	<u>5,925</u>	<u>-</u>	<u>-</u>	<u>910</u>	<u>7,236</u>
Weighted average interest rate		3.30%	5.53%				
Financial Liabilities							
Trade creditors	21	-	-	-	-	920	920
QTC loans	22	-	801	3,711	2,485	-	6,997
		<u>-</u>	<u>801</u>	<u>3,711</u>	<u>2,485</u>	<u>920</u>	<u>7,917</u>
Weighted average interest rate			5.78%	5.78%			
Net financial assets (liabilities)		<u>401</u>	<u>5,124</u>	<u>(3,711)</u>	<u>(2,485)</u>	<u>(10)</u>	<u>(681)</u>

(d) Net fair value of financial assets and liabilities
(i) On-balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rate for assets and liabilities with similar risk profiles.

Note 27 Responsible persons and executive officers**(a) Names of responsible persons and executive officers**

CARNEY, Heather Miss	McDIARMID, Bruce Mr
DEETH, Norelle Ms	McINTYRE, Daniel Mr
DOBSON, John Fr	MEE, Julie-Anne Ms
ELLIOT, Robert Professor	RALSTON, Deborah Professor
FAIRFAX, Timothy Mr	SCOTT, Joanne Dr
GUTHRIE, R D(Gus) Professor	SLADE, Peter Dr
HARDING, Phillip Mr	THOMAS, Paul Professor
KENNEDY, Ian Mr	WARNER, Russell Mr
KING CULLEN, Robin Dr	WILLIAMS, Michael Mr
McALPINE, Robin Mr	

(b) Remuneration of board members and executives

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	Number		Number	
Remuneration of board members				
	19	20	19	20
Nil to \$9,999				
	Consolidated		Parent entity	
	2004	2003	2004	2003
	\$		\$	
Income paid or payable, or otherwise made available to executive officers by entities in the consolidated entity and related parties:	1,516	1,250	1,398	1,250
	1,516	1,250	1,398	1,250

	Consolidated		Parent entity	
	2004	2003	2004	2003
	Number		Number	
Remuneration of executive officers				
\$100,000 to \$109,999	-	1	-	1
\$110,000 to \$119,999	2	-	1	-
\$120,000 to \$129,999	1	-	1	-
\$140,000 to \$149,999	-	3	-	3
\$150,000 to \$159,999	2	-	2	-
\$160,000 to \$169,999	1	1	1	1
\$170,000 to \$179,999	1	-	1	-
\$210,000 to \$219,999	1	-	1	-
\$240,000 to \$249,999	-	1	-	1
\$300,000 to \$309,999	1	1	1	1

Note 28 Remuneration of auditors

	Consolidated		Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Assurance Services				
Fees paid to the Queensland Audit Office:				
Audit and review of financial reports and other audit work	100	83	98	83
Fees paid to Ernst & Young:				
The audit and review of financial reports	288	-	288	-
Total remuneration for audit fees	388	83	386	83

Note 29 Contingent liabilities and contingent assets

As at 31 December 2004 one case was filed with the Anti Discrimination Commission Queensland. The University's legal advisors and the University Council believe that it would be misleading to estimate the final amount payable in respect of the claim at this time but wish to advise that a monetary settlement is not being considered.

Note 30 Commitments for expenditure

	Consolidated		Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Capital commitments				
Building works				
Within one year	10,000	4,700	10,000	4,700
Later than one year but not later than 5 years	15,000	10,000	15,000	10,000
Total capital commitments	25,000	14,700	25,000	14,700
Lease commitments				
Contracted but not provided for and payable:				
Within one year	102	151	102	144
Later than one year but not later than five years	34	151	34	144
Total lease commitments	136	302	136	288

Note 31 Investments in controlled entities

	Country of Incorporation	Ownership 2004	Interest 2003
Parent Entity			
University of the Sunshine Coast	Australia	100%	100%
Controlled Entity			
Innovation Centre Sunshine Coast Pty Ltd	Australia	100%	100%

The Innovation Centre Sunshine Coast Pty Ltd was formed by the University of the Sunshine Coast on 26 October 2000. The primary purpose of the Company is to provide regional leadership and support for new businesses designed to create wealth and generate employment on the Sunshine Coast.

Note 31 Investments in controlled entities (continued)

Name of entity	Innovation Centre Sunshine Coast Pty Ltd
Principal activities	To provide regional leadership and support for new businesses designed to create wealth and generate employment on the Sunshine Coast.
Country of incorporation	Australia
Class of shares	Ordinary
Ownership interest	
2004	100%
2003	100%
Net equity	
2004	82
2003	42
Total revenue	
2004	415
2003	281
Operating result	
2004	40
2003	11
Contribution to operating result	
2004	40
2003	11

Operating result and Contribution to operating result, include the \$100,000 Grant from Dept of State Development and Innovation. This Grant is passed on from the University of the Sunshine Coast.

Note 32 Related parties**Wholly-owned group**

Ownership interests in controlled entities are set out in note 31.

Note 33 Reconciliation of operating result from ordinary activities to net cash inflow from operating activities

	Notes	Consolidated		Parent entity	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000
Operating result from ordinary activities		(1,097)	5,482	(1,136)	5,470
Depreciation and amortisation		4,373	3,550	4,364	3,543
Non-cash donations		(29)	(125)	(29)	(125)
Net (gain) loss on sale of property, plant and equipment	15	5	8	5	8
Book value of assets reclassified as expense items		16	-	-	-
Change in operating assets and liabilities					
(increase) decrease in receivables		498	(293)	507	(401)
increase (decrease) in provision for doubtful debts		12	6	12	6
(increase) decrease in other current assets		(197)	(163)	(197)	(162)
(decrease) increase in creditors		(297)	(197)	(315)	(205)
(decrease) increase in income in advance		268	235	265	235
(decrease) increase in accrued expenses		191	58	191	56
(decrease) increase in provision for employees entitlements		315	513	307	505
Net cash inflow from operating activities		4,058	9,074	3,974	8,930

Note 34 Acquittal of Commonwealth Government financial assistance

34.1 DEST – Teaching and Learning

	Notes	Operating Grant		Parent entity (HEP) only			Total		
		2004 \$'000	2003 \$'000	CGS Advance from Future Years 2004 \$'000	2003 \$'000	Capital Development Pool 2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the programmes)		13,701	12,330	2,000	-	1,716	4,019	17,417	16,349
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(a)(e)	13,701	12,330	2,000	-	1,716	4,019	17,417	16,349
Surplus/(deficit) from previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		13,701	12,330	2,000	-	1,716	4,019	17,417	16,349
Less expenses including accrued expenses		13,701	12,330	2,000	-	1,716	4,019	17,417	16,349
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-

Note 34 Acquittal of Commonwealth Government financial assistance (continued)

34.2 HECS and other Commonwealth Loan Programmes

	Notes	HECS (Commonwealth Payments only)		Parent entity (HEP) only PELS		Total
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the programmes)		9,444	10,741	369	165	10,906
Net accrual adjustments		-	-	-	-	-
Revenue for the period	2(b)	9,444	10,741	369	165	10,906
Surplus/(deficit) from previous year		-	-	-	-	-
Total revenue including accrued revenue		9,444	10,741	369	165	10,906
Less expenses including accrued expenses		9,444	10,741	369	165	10,906
Surplus/(deficit) for reporting period		-	-	-	-	-

Note 34 Acquittal of Commonwealth Government financial assistance (continued)

34.3 Scholarships

Notes	Australian Postgraduate Awards Pre-2002 Funding Component		Australian Postgraduate Awards Post-2002 Onwards Funding Component		Parent entity (HEP) ONLY		Commonwealth Accommodation		Commonwealth Education Costs Scholarships		Totals	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the programmes)	8	14	50	35	40	-	176	-	-	-	274	49
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	8	14	50	35	40	-	176	-	-	-	274	49
Surplus/(deficit) from previous year	-	10	19	6	-	-	-	-	-	-	19	16
Total revenue including accrued revenue	8	24	69	41	40	-	176	-	-	-	293	65
Less expenses including accrued expenses	8	24	58	22	39	-	142	-	-	-	247	46
Surplus/(deficit) for reporting period	-	-	11	19	1	-	34	-	-	-	46	19

Note 34 Acquittal of Commonwealth Government financial assistance (continued)

34.4 DEST Research

Parent entity (HEP) ONLY

Notes	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Totals	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the programmes)	126	129	522	446	39	8	687	583
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	126	129	522	446	39	8	687	583
Surplus/(deficit) from previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	126	129	522	446	39	8	687	583
Less expenses including accrued expenses	126	129	522	446	39	8	687	583
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

Note 34 Acquittal of Commonwealth Government Financial Assistance (continued)

34.5 Australian Research Council Grants

(a) Linkages	Notes	Special Research Initiatives		Projects		Total	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the programmes)		-	3	116	105	116	108
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	2(f)(i)	-	3	116	105	116	108
Surplus/(deficit) from previous year		-	4	31	59	31	63
Total revenue including accrued revenue		-	7	147	164	147	171
Less expenses including accrued expenses		-	7	125	133	125	140
Surplus/(deficit) for reporting period		-	-	22	31	22	31