

2014 ACU REVIEW OF RESULTS AND AUDITED FINANCIAL STATEMENTS

SAINT JOHN PAUL II
BUILDING

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report together with the financial statements of Australian Catholic University Limited (the Company) for the year ended 31 December 2014 and the auditors' report thereon.

DIRECTORS

The directors of the Company in office at any time during or since the end of the financial year are:

MR JOHN JOSEPH CARROLL

BBus, MAppFin, CPA MAIPM
Financier/Chief Operating Officer
19 May 2006

PROFESSOR TONY CIRO

BEd (Hons) (Monash), LLB (Hon) (Monash),
BCL (Oxford), PhD (Monash)
University Professor
23 May 2014

GENERAL PETER COSGROVE AC MC CNZM

Former Defence Force Chief
5 November 2010 (13 January 2014)

PROFESSOR M COURTNEY

RN, BComm(Griffith), MHP (UNSW), PhD (UNE)
University Professor
30 January 2012

PROFESSOR GREGORY JOSEPH CRAVEN

BA LLB(Hons), LLM (Melb)
Vice-Chancellor
1 February 2008

JUSTICE JAMES DOUGLAS

BA(UQ), LLB(UQ), LLB (Cambridge)
Supreme Court Judge
11 June 2013

MR STEPHEN NOEL ELDER

BEd (Vic(Aust)), DipEd (LaT), FAIM
Educational Administrator
23 May 2008

MR D ETTRIDGE

Student
1 January 2014

MR EDWARD WILLIAM EXELL AM

BA (Hons) (Melb), BEd (ANU)
Retired Administrator
30 September 1996

THE HON. JOHN FAHEY AC

Dip. Law
Former Premier of NSW, Currently Chair
– Australian Government Reconstruction
Inspectorate
4 September 2014

PROFESSOR MARGOT HILLEL OAM

BA (La Trobe), MA (Melb), PhD (Monash)
University Professor
16 June 2010

MS CECILIA HOLLIS-JONES

B.App Sc, Grad Dip Teach (Sec) QUT,
Grad Dip Arts (Theol) ACU
Educational Administrator
30 May 2013

ASSOC. PROF CATHY JENKINS

BA, PhD (Qld)
Lecturer
30 May 2013

PROFESSOR JAMES MCLAREN

MA (Melb), DPhil (Oxf)
University Professor
16 June 2010

MS MOIRA THERESE NAJDECKI

BA (ANU), DipEd (CCAEd), MA (English) (UNSW),
GradDipRE (ACU), MEdLeadership (ACU)
Educational Administrator
19 May 2006

MR DAVID BRIAN O'CONNOR AM

BA (UNE), PACert (Syd Tech Coll)
Retired Public Servant
14 April 2000

THE MOST REVEREND C PROWSE

BA (Monash), BTheo (MCD 1979), Lic. Moral
Theo (Pont. Greg. Rome), D.Moral Theo (Pont.
Lat. Rome)
Catholic Archbishop of Canberra and Goulburn
23 May 2014

MS BERNADETTE MARIE THERESE STEELE

BA (Hons), LLB (Melb)
Lawyer
11 August 2009

MS MARGARET MARY VIDER

Retired Health Professional
21 May 2010

DR DANIEL WHITE

BA, DipEd, Grad Dip (Religious Studies),
MEd (Leadership), MEd (Religious Education),
EdD (ACU), FACEL
Province Secretary
13 May 2011



Strathfield Campus

The senior executive of Australian Catholic University Limited at the date of this report are:

VICE-CHANCELLOR

PROFESSOR G. J. CRAVEN

BA LLB(Hons), LLM (Melb)
1 February 2008

PROVOST & DEPUTY VICE-CHANCELLOR (ACADEMIC)

PROFESSOR P. NUGENT

RN, BAppSc NEd (Lincoln Inst) MEdSt (Monash)
14 February 2011

CHIEF OPERATING OFFICER AND DEPUTY VICE-CHANCELLOR

DR STEPHEN WELLER

BA (Syd), MCom (UWS), MBA (UTS), PhD (VU)
1 April 2013

DEPUTY VICE-CHANCELLOR (STUDENTS LEARNING AND TEACHING)

PROFESSOR A. CUMMINS

MEd Leadership (ACU), M.A. Ed (Macquarie),
Grad Dip Ed (Religious Studies) (ACU) BEd
(Canberra)
1 July 2009

DEPUTY VICE-CHANCELLOR (RESEARCH)

PROFESSOR W. MCKENNA

BA (Hons), PhD (Leeds)
4 February 2013

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

	Senate meetings		Standing & Finance Committee meetings		Honorary Awards Committee meetings		Audit & Risk Committee meetings	
	A	B	A	B	A	B	A	B
Mr J J Carroll	5	5	5	6	-	-	2	3
Professor T Ciro	3	3	-	-	-	-	-	-
Professor M Courtney	3	3	-	-	-	-	-	-
General P Cosgrove	-	-	-	-	-	-	-	-
Professor G J Craven	5	5	3	6	1	1	-	-
Justice James Douglas	5	5	-	-	-	-	-	-
Mr S N Elder	3	5	4	6	-	-	2	3
Mr D Ettridge	5	5	-	-	-	-	-	-
Mr E W Exell AM	5	5	5	6	1	1	-	-
The Hon. J Fahey AO	2	2	-	-	-	-	-	-
Professor M Hillel OAM	5	5	-	-	1	1	-	-
Ms C Hollis-Jones	5	5	-	-	-	-	-	-
Associate Prof. C Jenkins	1	2	-	-	-	-	-	-
Professor J S McLaren	5	5	6	6	-	-	-	-
Ms M T Najdecki	4	5	4	6	-	-	3	3
Mr D B O'Connor AM	5	5	6	6	1	1	3	3
The Most Reverend C Prowse	1	3	-	-	-	-	-	-
Ms B M T Steele	4	5	-	-	1	1	-	-
Ms M M Vider	5	5	5	6	-	-	-	-
Dr D J White	2	5	-	-	-	-	-	-

A - Number of meetings attended B - Reflects the number of meetings held during the time the director held office throughout the year

PRINCIPAL ACTIVITIES

The principal activities of Australian Catholic University Ltd during the course of the financial year were those of a university operating at both an undergraduate and postgraduate level and research on seven campuses across the states of Queensland, New South Wales, Victoria, South Australia and the Australian Capital Territory. The University has links in a number of other countries including the United States, Indonesia, Pakistan and Timor Leste.

REVIEW AND RESULT OF OPERATIONS

There is a positive result for the year ended 31 December 2014 of \$37.4 million (m) (2013 \$47.2m). In relation to revenue, there is a significant increase in Commonwealth Government Financial Assistance largely comprising Commonwealth Grants Scheme, \$26.9m and Student HECS HELP, \$8m. The grant increase reflects growth in Commonwealth supported places. Other Operating Revenue, excluding Finance Income and Deferred Government Contributions for Superannuation increased by \$2.6m.

Expenditure on cash related salaries increased by \$35.1m (16.6%). Non salary cash expenses increased by \$12.2m (13.9%).

The utilisation of cash reserves to fund capital works continues to impact the Working Capital position with the deficit increasing to \$45.5m (\$35.3m deficit in 2013). The deficit is \$29.5m (\$20.8m deficit in 2013) after adjusting for employee benefits classified as current liabilities but expected to be settled in greater than 12 months.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Implementation of the University's Infrastructure Plan to accommodate current and planned growth in student and staff numbers continued in 2014. Expenditure includes the completion of the redevelopment of 8-10 Berry St in North Sydney, refurbishment of office and teaching space in Tenison Woods House (8-20 Napier St North Sydney) as university operations replace the previous tenants, refurbishment of existing campus buildings to accommodate growth and the new research institutes, construction of JP11 Building on the Banyo campus, purchase of a small office building, domain works, addition of demountable buildings on the Melbourne and Brisbane campuses, creation of a CBD professional and postgraduate study centre in Brisbane and fit out of several leased spaces in Brisbane, North Sydney and Melbourne.

In late 2014, the University utilised a portion of the \$70m loan facility held with the University's banker to strengthen its cash position. Further use of the facility is expected during 2015 as the University continues to implement its Infrastructure Plan. The University is currently reviewing financing options as the first tranche of the loan totalling \$40m expires in February 2015.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations

FINANCIAL HIGHLIGHTS

	2014 \$'000	2013 \$'000
Commonwealth Government Grants	324,922	284,715
Other Operating Revenue	87,662	84,880
Finance Income	1,026	898
Salary Cash Expenses	(246,198)	(211,074)
Non-Salary Cash Expenses	(99,798)	(87,609)
Non-Cash Expenses (Depreciation, Amortisation and Provisions)	(30,201)	(24,571)
Net Result for the Period	37,413	47,239
Working Capital Surplus/(Deficit)	(45,501)	(35,309)
Working Capital Surplus/(Deficit) Adjusted for Employee Benefits Classified as Current but due to be settled in greater than 12 months	(29,539)	(20,791)

under either Commonwealth or State legislation. However, the directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no other items, transactions or events of a material or unusual nature that have arisen in the interval between the end of the financial year and the date of this report which are likely in the opinion of directors to affect significantly the operations of the Company, the results of these operations or the state of the Company in subsequent financial years.

DIRECTORS' INTERESTS AND BENEFITS

Directors' interests and benefits are set out in notes 19 and 20.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the year the Company renewed an agreement with their insurers to provide indemnification for all the directors and officers of the Company (as listed in this report), against all liabilities to another person (other than the Company) that may arise from their position as directors and officers.

DIRECTORS AND OFFICERS LIABILITY COVER

During the year, the Company paid insurance premiums of \$48,023 (2013: \$56,250) in respect of Directors and Officers Liability insurance contracts for directors and officers of the Company. The insurance provides cover against claims made by reason of any wrongful act committed or alleged to have been committed by a director or officer of the Company during the year. The Company has not entered into an agreement indemnifying the current auditors, KPMG, against any claims by third parties.

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings being pursued on behalf of the Company.

LEAD AUDITORS' INDEPENDENCE DECLARATION

The lead auditors' independence declaration is set out on page 7 and forms part of the directors' report for the financial year ended 31 December 2014.

NON AUDIT SERVICES

Amounts paid to the Company's auditors for non-audit services are outlined in note 5.

The directors of the Company are satisfied, based on advice from the Audit and Risk Committee, that the non-audit services provided are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for Australian Catholic University, acting as an advocate for Australian Catholic University or jointly sharing risks and rewards.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



Hon J Fahey AC
10 April 2015
Director
Sydney



Professor G Craven
10 April 2015
Director
Sydney

LEAD AUDITOR'S INDEPENDENCE DECLARATION



LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The directors of Australian Catholic
University Limited

I declare that, to the best of my knowledge and
belief, in relation to the audit for the financial
year ended 31 December 2014 there have
been:

- (i) no contraventions of the auditor
independence requirements as set out in
the Corporations Act 2001 in relation to
the audit and
- (ii) no contraventions of any applicable code
of professional conduct in relation to the
audit.



KPMG



Kevin Leighton
Partner
Sydney
10 April 2015

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Revenue from Continuing Operations			
Commonwealth Government Financial Assistance Excluding HECS HELP	2.1	192,246	163,209
Higher Education Contribution Scheme (HECS - HELP)			
Student Contributions	24.2	11,082	10,790
Commonwealth Payments	2.1, 24.2	110,105	102,385
FEE-HELP	2.1	8,087	5,653
SA-HELP	2.1	3,402	2,678
State & Local Government Financial Assistance	2.2	2,272	1,738
Fees and Charges	2.3	56,575	50,134
Consultancy and Contract Research	2.5	6,899	7,393
Other Revenue	2.6	21,916	25,615
Total Revenue from Continuing Operations		412,584	369,595
Expenses from Continuing Operations			
Employee Benefits	3.1	254,170	217,699
Depreciation and Amortisation	3.2	22,229	17,946
Buildings and Grounds Maintenance	3.3	5,353	4,828
Consultancy		4,478	5,545
Rent		12,263	7,773
Travel		11,052	8,621
Other	3.4	65,968	60,323
Total Expenses from Continuing Operations		375,513	322,735
Net Result from Continuing Operations		37,071	46,860
Finance Income and Expense			
Finance Income	2.4	1,026	898
Finance Expense	4	(684)	(519)
Total Finance Income and Expense		342	379
Net Result Before Income Tax		37,413	47,239
Income Tax	1(c)	-	-
Net Result for the Period	17	37,413	47,239

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 37.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Net Result for the Period		37,413	47,239
Other Comprehensive Income			
<i>Items that will not be reclassified to profit and loss</i>			
Superannuation - Deferred Government Contributions		(386)	(8,984)
Deferred Superannuation Expense		386	8,984
Gain/(loss) on revaluation of land and buildings		-	5,821
<i>Items that may be reclassified subsequently to profit and loss</i>			
Gain/(loss) on value of available for sale financial assets	16	4,765	83
Other Comprehensive Income for the Period		4,765	5,904
Total Comprehensive Income		42,178	53,143
Attributable to:			
Members		42,178	53,143
Total Comprehensive Income Attributable to Members		42,178	53,143

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 37.

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Current Assets			
Cash and Cash Equivalents	6	18,456	16,128
Trade and Other Receivables	7	5,176	3,588
Other Assets	9	5,696	6,708
Total Current Assets		29,328	26,424
Non-Current Assets			
Other Investments	8	6,149	1,381
Property, Plant and Equipment	10	416,339	342,456
Intangible Assets	11	43,661	44,462
Other Assets	9	23,196	23,358
Total Non-Current Assets		489,345	411,657
Total Assets		518,673	438,081
Current Liabilities			
Trade and Other Payables	12	20,388	13,771
Employee Benefits	13	30,793	27,476
Other Liabilities	15	23,648	20,486
Total Current Liabilities		74,829	61,733
Non-Current Liabilities			
Employee Benefits	13	26,919	26,066
Borrowings	14	30,000	10,000
Other Liabilities	15	12,575	8,110
Total Non-Current Liabilities		69,494	44,176
Total Liabilities		144,323	105,909
Net Assets		374,350	332,172
Equity			
Reserves	16	374,350	332,172
Retained Earnings	17	-	-
Total Equity		374,350	332,172

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 37.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	General Reserve \$'000	Asset Revaluation Reserve \$'000	Available for Sale Financial Assets Revaluation Reserve \$'000	Contribution from Members \$'000	Total Equity \$'000
2014						
Balance at 1 January 2014		254,110	20,637	467	56,958	332,172
Comprehensive Income for the Period						
Net Result for the Period	17	37,413	-	-	-	37,413
Total Other Comprehensive Income for the Period		-	-	4,765	-	4,765
Total Comprehensive Income for the Period		37,413		4,765	-	42,178
Contribution from Members	16	-	-	-	-	-
Balance at 31 December 2014		291,523	20,637	5,232	56,958	374,350
2013						
Balance at 1 January 2013		206,871	14,816	384	56,958	279,029
Comprehensive Income for the Period						
Net Result for the Period	17	47,239	5,821	-	-	53,060
Total Other Comprehensive Income for the Period		-	-	83	-	83
Total Comprehensive Income for the Period		47,239	5,821	83	-	53,143
Contribution from Members	16	-	-	-	-	-
Balance at 31 December 2013		254,110	20,637	467	56,958	332,172

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 37.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Cash Flows from Operating Activities			
Grant Revenue			
Commonwealth Government		211,151	166,983
State Government		2,248	1,714
Higher Education Contribution Scheme			
Student Payments		11,082	10,789
Commonwealth Payments		102,160	102,696
Other Inflows		90,977	83,380
Cash Receipts in the Course of Operations		417,618	365,562
Cash Payments in the Course of Operations		(342,553)	(301,773)
Interest Received		1,016	899
Interest and Other Costs of Finance		(438)	(609)
Net Cash from Operating Activities	23(ii)	75,643	64,079
Cash Flows from Investing Activities			
Payments for Property, Plant and Equipment		(93,312)	(54,411)
Proceeds from Sale of Non-Current Assets		-	-
Proceeds from /Payments for Investments		(3)	(67)
Net Cash Used in Investing Activities		(93,315)	(54,478)
Cash Flows from Financing Activities			
Proceeds from Borrowings		35,000	10,000
Repayment of Borrowings		(15,000)	(15,000)
Net Cash (Used in)/Provided by Financing Activities		20,000	(5,000)
Net (Decrease)/Increase in Cash Held		2,328	4,601
Cash and Cash Equivalents at the Beginning of the Financial Year		16,128	11,527
Cash and Cash Equivalents at the End of the Financial Year	23(i)	18,456	16,128

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 37.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors of the Company comprise the Senate of the University and the terms senator and director are interchangeable. Australian Catholic University Ltd (the Company) is domiciled in Australia and is not-for-profit. The financial statements were authorised for issue by the directors on 10 April 2015.

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

(A) BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The financial statements of the Company are a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (AASB's) adopted by the Australian Accounting Standards Board, the Corporations Act 2001, and the disclosure requirements within the Guidelines for the Preparation of Annual Financial Statements for the 2014 Reporting Period by Australian Higher Education Institutions issued pursuant to the Higher Education Support Act 2003.

The financial statements were authorised for issue by the Senate on 10 April 2015.

USE OF ESTIMATES AND JUDGEMENT

The preparation of the financial statements, in conformity with Australian Accounting Standards, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described in: note 13 measurement of defined superannuation obligations; note 1(g) measurement of make good/rectification costs; and note 10 property, plant and equipment.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in Australian dollars, which is the Company's functional currency.

The Company is the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, all financial information has been rounded to the nearest thousand unless otherwise stated.

HISTORICAL COST CONVENTION

The financial statements have been prepared on the basis of historical costs except for freehold land and buildings, financial instruments classified as available for sale and defined benefit superannuation liabilities. These have been stated at fair value.

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

The accounting policies below have been applied consistently to all periods presented in these financial statements except where stated.

(B) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

GOVERNMENT GRANTS

Commonwealth Grant Scheme and HELP income is recognised on an accrual basis whereby it is credited to the University's income statement in the financial year in which the goods and services are provided in exchange for the grant received.

OTHER TUITION FEE INCOME

Other tuition fee income is generated from fee-paying courses for local and overseas students. Revenue is recognised in the same period as the courses for which the fee income is derived. Pre-payments for courses being held in the next teaching year are treated as deferred income and recorded as revenue in the following financial year when the course is provided.

DONATIONS AND BEQUESTS

Donations and bequests received, which are not subject to conditions under a specific trust deed, are recognised as revenue when they are received.

INTEREST INCOME

Interest income is recognised as it accrues using the effective interest method.

ASSET SALES

The net gain on asset sales is included as other income and the net loss as an expense. The profit or loss on disposal of assets is brought to account at the date the unconditional contract is signed.

EMERGING COST SUPERANNUATION SUPPLEMENTATION FROM GOVERNMENT

Funding from government for Emerging Cost Superannuation supplementation is reported in the Balance Sheet, as this is in effect an agency arrangement. In accordance with AASB119, Employee Benefits, this amount is disclosed in the notes to the Financial Statements (refer note 13).

(C) TAXATION

The Company is a university and the Commissioner of Taxation has granted it an exemption under section 50-5 of the Income Tax Assessment Act 1997 from the 1st of July 2000.

The Company is not subject to income tax or capital gains tax but may be liable for other taxes in accordance with Federal and State legislation.

(D) CASH AND CASH EQUIVALENTS

Cash at bank is carried at face value of the amounts deposited or drawn and net of un-presented cheques. The carrying amount of cash at bank approximates net fair value.

Short term deposits of less than a term of 90 days are classified as cash.

(E) TRADE AND OTHER RECEIVABLES

STUDENT ASSISTANCE PROGRAMME

Student loans are generally settled within a 12 month period and are carried at amounts due. The collectability of debts is assessed at balance date and bad debts are written off directly to the income statement. Specific provision is made for any doubtful accounts. The carrying amount of student loans approximates net fair value.

SUNDRY RECEIVABLES

Sundry receivables are recognised when expenditure is incurred by the Company and requires reimbursement by a third party. The carrying amount of sundry receivables approximates net fair value.

(F) INVESTMENTS

INTEREST BEARING DEPOSITS, DEBENTURES AND BANK BONDS

Interest bearing deposits, debentures, bank bonds and bank bills are measured at amortised cost using the effective interest method.

OTHER COMPANIES

Investments in listed and unlisted shares are classified as 'available for sale' securities and are carried at fair value (See Note 1(p)). Changes in fair value are recorded in the Share Revaluation Reserve except for impairment losses which are recorded directly through the income statement.

When shares governed by a trust deed are sold, the profit or loss on disposal is recognised against a trust fund liability. All other share profits and losses on disposal are recognised in the income statement.

(G) PROPERTY, PLANT AND EQUIPMENT

Acquisition and additions of non-current assets are capitalised if the value is more than \$3,000. These additions are recorded at cost in the year of acquisition.

Freehold land and buildings are treated as one class of asset and shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings are revalued triennially with the previous valuation undertaken on the 31/12/13 and the next due on the 31/12/16. Increases in the carrying amounts arising on revaluation of freehold land and buildings are credited to the Asset Revaluation Reserve in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset class; all other decreases are charged to the income statement.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Cost also includes those costs directly attributable to bringing the asset to its working condition and an estimate of the cost of dismantling and removing the asset. The estimate of dismantling costs is based on prior experience in exiting similar sites or locations.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

DEPRECIATION

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The

depreciation rates used for each class of asset in the current and comparative year are as follows:

Freehold Buildings	2-3%
Improvement to Intangible Rights to Occupy Buildings	2-3%
Furniture and Fittings	20%
Computer Equipment	33%
Plant and Equipment	20%
Motor Vehicles	10%

The assets' residual value and useful life is reviewed and adjusted, if appropriate, at each balance sheet date.

An asset's carrying amount is impaired to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See note 1(h). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the income statement. When revalued assets are sold, it is Company policy to transfer the amounts included in the Asset Revaluation Reserve in respect of those assets to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate the cost or revalued amount, net of residual value, over the estimated useful life.

WORKS OF ART

Acquisitions are carried at cost and no depreciation is charged in respect of these assets.

LEASED PLANT AND EQUIPMENT

Leases of plant and equipment under which the Company assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease expenses are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(H) IMPAIRMENT OF ASSETS

Impairment arises when an asset's carrying amount exceeds its *recoverable amount*. Recoverable amount is defined as the higher of an asset's (or cash-generating unit's) fair value less costs to sell and value in use. Value in use is (i) the present value of the future cash flows expected to be derived from an asset or cash generating unit or (ii) the depreciated replacement cost of the asset when the future economic benefits of an asset of a not-for-profit entity are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Assets are reviewed for impairment whenever events or changes in circumstances indicate

that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement unless an asset has previously been revalued in which case the impairment loss is recognised as a reversal of the revaluation with any excess recognised through the income statement. For assets with an indefinite useful life the recoverable amount is estimated at each balance date.

(I) INTANGIBLE ASSETS

Intangible assets consist of the rights to occupy land and buildings that have been granted at nominal rates for a determined period or in perpetuity. The intangible rights are initially recorded at their fair value. Rights to occupy buildings are amortised at the lesser of three per cent or the period of the term of the agreement. Where a right of occupancy agreement exists and stipulates the time period, the asset including rights to occupy land is amortised over the period of the right. Indefinite life intangibles are tested annually for impairment.

(J) TRADE AND OTHER PAYABLES

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

(K) BORROWINGS

Borrowings are carried on the balance sheet at amortised cost. Interest expense is recognised on an effective interest basis.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability and does not expect to settle the liability for at least 12 months after the date of the income statement.

(L) EMPLOYEE BENEFITS

WAGES, SALARIES, AND SICK LEAVE

The provisions for employee entitlements to wages and salaries represent the amount which the Company has a present obligation to pay resulting from employees' services provided up to the balance date.

The provisions have been calculated based on wage and salary rates at which they are expected to be paid and includes related on-costs. The carrying amount of the provisions approximates net fair value.

ANNUAL LEAVE

The liability for employee entitlements to annual leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees services provided up to the balance date. The liability is calculated from a staff member's commencement date allowing for the probability that the member will take accrued leave. Liabilities are discounted using rates attaching to national government securities

at balance date, which most closely match the terms of maturity of the related liabilities. The carrying amount of the provision approximates net fair value.

In determining the liability for employee entitlements, consideration has been given to the Company's experience with staff taking annual leave. Related on-costs have also been included in the liability.

LONG SERVICE LEAVE

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date. The liability is calculated from a staff member's commencement date allowing for the probability that the member will complete seven years of service. Staff members with seven years of service or more are included as current liabilities; those with less than seven years of service are included as non-current liabilities.

Liabilities for employee entitlements for members with less than seven years of service are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. The carrying amount of the provision approximates net fair value.

In determining the liability for employee entitlements, consideration has been given to the Company's experience with staff departures. Related on-costs have also been included in the liability.

SUPERANNUATION FUNDS

The Company contributes to a range of employee superannuation funds. Company contributions are recognised within employee expenses in the income statement. Refer also note 13.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the beneficiaries of the Emergency Services and State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Support Act 2003 and subsequent amending legislation. By letter dated 15 December 2005, DEST (now Department of Education) confirmed the Australian Government considers the current arrangements have established a pattern of past practice and future intent that has created a valid expectation on the part of universities that the department on behalf of the Australian Government will discharge the superannuation liability.

Accordingly the unfunded liabilities have been recognised in the Balance Sheet under Provisions with a corresponding asset recognised under Non Current Assets. The recognition of both the asset and the liability consequently does not affect the year end net asset position.

(M) FUNDS HELD IN TRUST

Donations and bequests received which are

subject to conditions under a specific trust deed, are held in trust on behalf of that specific donor and are not recognised as revenue by the Company. Unless specified in the trust deed, any net earnings on these funds are recognised as revenue by the Company.

(N) GOING CONCERN

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

There is a deficit in working capital at balance date of \$45.5m (2013; \$35.3m deficit) and includes \$16m of current provisions expected to be settled after 12 months. The deficit is largely due to cash outlays on planned capital expenditure programmes. A loan facility is in place with the University's bankers to assist with the financing of cash outlays. Refer to note 14 for further details in relation to the facility.

Forecast surplus cash flows will be managed to ensure funds are available to meet commitments as they fall due. Where necessary, cash surpluses will be supplemented by funds drawn against the existing loan facility.

In addition to this, current employee entitlements include amounts of long service leave for which there is not an unconditional right to defer settlement although the majority is not expected to be settled within one year of reporting date.

(O) GOODS AND SERVICES TAX

Revenues and expenses are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of the GST included.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as an operating cash flow.

(P) FAIR VALUE

Fair value of an asset is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) are based on quoted market prices, adjusted for any movements in price of credit for that instrument, on the balance sheet date

(Level 1). The quoted market price used for financial assets held is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, unlisted shares) is determined using valuation techniques with 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 market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The Company engages an independent third party to value freehold land and buildings on a periodic basis.

Within the fair value hierarchy, land and buildings fall within level two and listed shares within level one. Unlisted shares fall within Level 3, refer to note 21.

(Q) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations became mandatory for the 31 December 2014 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University.

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2014 reporting period. The University has elected not to early adopt any of these standards.

AASB 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS:

The AASB has issued a new standard in December 2014 for the recognition of revenue. This will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. ACU have not yet determined the impact of adopting this new standard at 31 December 2014. AASB15 is effective for ACU's 31 December 2017 reporting year.

(R) RELATED PARTY DISCLOSURES

The revised AASB 124, Related Party Disclosures, became mandatory in the year ending 31 December 2011. The changes relate mainly to disclosure requirements for government-related entities and the definition of a related party. There were no significant additional disclosures required as a result of adoption of this standard. Refer note 20 for related party disclosures.

2. REVENUE

	Note	2014 \$'000	2013 \$'000
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2.1 COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

Commonwealth Grants Scheme and Other Grants

Commonwealth Grants Scheme	24.1	178,648	151,678
Indigenous Support Fund	24.1	1,186	1,131
Disability Support Programmes	24.1	78	93
Promotion of Excellence in Learning and Teaching	24.1	104	378
Partnership and Participation Funding	24.1	3,709	3,156
Total Commonwealth Grants Scheme & Other Grants		183,725	156,436

DIISRTE-Scholarships

Australian Postgraduate Awards	24.3	1,015	1,148
International Postgraduate Research Scholarships	24.3	65	84
Commonwealth Education Costs Scholarships	24.3	18	(2)
Commonwealth Accommodation Scholarships	24.3	-	(5)
Indigenous Access Scholarships	24.3	9	(18)
National Priority Scholarships	24.3	(7)	(2)
Total DIISRTE-Scholarships		1,100	1,205

DIISRTE-Research

Joint Research Engagement Program	24.4	1,370	1,098
Research Training Scheme	24.4	2,167	2,118
Infrastructure	24.4	204	165
Commercialisation Training Scheme	24.4	-	(27)
Sustainable Research Excellence in Universities	24.4	370	286
Total DIISRTE-Research		4,111	3,640
Total DIISRTE Excluding HELP (a)		188,936	161,281

	Note	2014 \$'000	2013 \$'000
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Higher Education Loan Programmes (HELP)

HECS-HELP Commonwealth Payments	24.2	110,105	102,385
FEE-HELP	24.2	8,087	5,653
SA-HELP	24.2	3,402	2,678
Total Higher Education Loan Programmes		121,594	110,716
Total DIISRTE Including HELP		310,530	271,997

Australian Research Council

Discovery - Projects	24.5	1,217	750
Discovery Early Career Research Award	24.5	134	-
Future Fellowships	24.5	292	-
Linkage – Projects	24.5	294	156
Total Australian Research Council (b)		1,937	906

Other Commonwealth Government Financial Assistance – Non Capital

DET		1,373	1,022
Total Other Commonwealth Government Financial Assistance (c)		1,373	1,022
Total Commonwealth Government Financial Assistance		313,840	273,925
Total Commonwealth Government Financial Assistance Excluding HELP (a + b + c)		192,246	163,209

Australian Government Grants Received – Cash Basis

OS-HELP (Net)	24.6	659	52
Superannuation Supplementation	24.7	1,340	1,329
Total Australian Government Funding Received – Cash Basis		1,999	1,381

2. REVENUE CONTINUED

	2014 \$'000	2013 \$'000
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2.2 STATE & LOCAL GOVERNMENT FINANCIAL ASSISTANCE

Deferred Victorian Government Grant (Properties)	24	24
Victorian Government Dept. of Ed RTO Funding	2,248	1,714
Total State & Local Government Financial Assistance	2,272	1,738

2.3 FEES AND CHARGES

Fee Paying Overseas Students	39,981	34,763
Fee Paying Non Overseas Postgraduate Students	8,900	7,023
Fee Paying Non Overseas Undergraduate Students	9	8
Other		
Non-Overseas Students Undertaking Non-Award Courses	381	317
Rental Charges	1,728	3,378
Charges for Student Accommodation	1,812	1,120
Registration Fees	3,303	3,107
Library Fees	104	99
Late Fees	357	319
Total Fees and Charges	56,575	50,134

2.4 FINANCE INCOME

Interest	1,026	898
Total Finance Income	1,026	898

2.5 CONSULTANCY AND CONTRACT RESEARCH

Consultancy Fees	99	215
Industry Research Grants	6,800	7,178
Total Consultancy and Contract Research	6,899	7,393

2.6 OTHER REVENUE

Offshore Programmes	-	39
Other Programme Income	7,124	5,142
Other Grants – Health Workforce Australia	1,627	8,162
Other Grants - Other	2,404	2,783
Donations and Bequests	186	115
Other Income	10,575	9,374
Total Other Revenue	21,916	25,615

3. EXPENSES

	Note	2014 \$'000	2013 \$'000
3.1 EMPLOYEE BENEFITS			
Academic			
Salaries			
Academic		115,778	98,376
Contributions to Superannuation and Pension Schemes			
Funded		15,463	12,971
Payroll Tax		6,231	5,178
Workers Compensation		683	584
Long Service Leave Expense		2,980	2,377
Annual Leave Expense		1,269	981
Total Academic employee benefits		142,404	120,467
Professional			
Salaries			
Non Academic		89,379	77,718
Contributions to Superannuation and Pension Schemes			
Funded		12,897	11,250
Payroll Tax		5,197	4,490
Workers Compensation		570	507
Long Service Leave Expense		2,629	2,289
Annual Leave Expense		1,094	978
Total Professional employee benefits		111,766	97,232
Total employee related expenses		254,170	217,699
Deferred Employee Benefits for Super	13	(386)	(8,984)
Deferred Superannuation Expense	13	1,340	1,329
Total employee related expenses including deferred employee benefits for superannuation		255,124	210,044
3.2 DEPRECIATION AND AMORTISATION			
Depreciation of Buildings – Freehold		4,371	4,372
Amortisation of Intangible Rights to Occupy Buildings		802	816
Depreciation of Improvements to Intangible Right to Occupy Buildings		5,214	4,444
Depreciation of Leasehold Property Improvements		4,661	2,135
Depreciation of Furniture and Fittings		2,135	1,714
Depreciation of Plant and Equipment		4,996	4,413
Depreciation of Motor Vehicles		50	52
Total Depreciation and Amortisation		22,229	17,946
3.3 BUILDINGS AND GROUNDS MAINTENANCE			
Buildings		2,538	2,079
Computers		282	93
Equipment and Machinery		1,543	1,691
Furniture and Fittings		191	286
Grounds		799	679
Total Buildings and Ground Maintenance		5,353	4,828

3. EXPENSES CONTINUED

	Note	2014 \$'000	2013 \$'000
3.4 OTHER EXPENSES			
Advertising, Promotions, Publicity, Printing & Stationery		4,865	4,434
Cleaning and Waste Collection		3,056	2,863
Computer Software and Services		6,582	5,451
Hire of Equipment and Facilities		1,093	1,310
Insurance		1,156	1,678
Library Acquisitions		5,706	4,665
Net Loss on Disposal of Property, Plant and Equipment		1	10
Minor Equipment		5,280	2,038
Offshore Administration		3,829	3,315
Operating Lease Rental Expenses		2,274	2,193
Publications, Subscriptions and Memberships		1,054	1,159
Scholarships and Prizes		4,776	3,476
Security Services		1,510	1,476
Staff Development & Appointment Costs		2,645	1,365
Telecommunications		3,035	1,932
Utilities		3,186	3,655
Other Expenses		15,920	19,303
Total Other Expenses		65,968	60,323

4. FINANCE EXPENSE

	Note	2014 \$'000	2013 \$'000
Make Good on Leased Premises - Unwind of Discount on Provision	15(a)	247	124
Bank Loan Interest and Fees		437	395
Total Finance Expense		684	519

5. AUDITORS' REMUNERATION - KPMG

	2014 \$	2013 \$
Audit of the Company	125,000	126,850
Other Audit and Related Services		
Grant/Research Acquittal (Higher Education Research Data Collection, Indigenous Education Programme, Programme Access Community Engagement, Health Workforce Australia and Role M	45,700	73,260
Compliance Audit – Purchasing and Tender Policy and Procedure	-	28,700
Total Other Audit and Related Services	45,700	101,960
Other Services		
Recruitment Assistance	-	37,997
International Students Market Analysis	58,300	-
Accommodation Strategy	44,000	-
Debt Advice	20,000	-
Strategic Planning	43,996	-
Total Auditors' Remuneration	336,996	266,807

6. CASH AND CASH EQUIVALENTS

	2014 \$'000	2013 \$'000
Cash on Hand	31	39
Cash at Bank	18,425	16,089
Total Cash and Cash Equivalents	18,456	16,128

7. TRADE AND OTHER RECEIVABLES

	2014 \$'000	2013 \$'000
Current		
Sundry Receivables	1,976	2,179
Accrued Income	1,864	710
Net GST Receivable from ATO	1,336	699
Total Trade and Other Receivables	5,176	3,588

8. OTHER INVESTMENTS

	Note	2014 \$'000	2013 \$'000
Non-Current			
Available for Sale - Investments in Other Entities			
Shares in Listed Companies		802	876
Shares in Other Companies		5,347	505
Total Other Investments		6,149	1,381

9. OTHER ASSETS

	Note	2014 \$'000	2013 \$'000
Current			
Prepayments		5,640	6,654
Lease Paid in Advance		56	54
Total Current Other Assets		5,696	6,708
Non Current			
Right to Reimbursement from Commonwealth Government for Unfunded Superannuation Liability	13	18,824	19,210
Lease Paid in Advance		4,043	4,101
Other Receivables		329	47
Total Non Current Other Assets		23,196	23,358

Refer to note 13 for an explanation of the right to reimbursement from the Commonwealth Government for the unfunded superannuation liability.

10. PROPERTY, PLANT & EQUIPMENT

	Note	2014 \$'000	2013 \$'000
Land – Freehold			
At Independent Valuation 2013		-	49,430
At Directors' Valuation	10(a)	49,955	-
Total Land - Freehold		49,955	49,430
Buildings – Freehold			
At Independent Valuation 2013		-	131,793
At Directors' Valuation		159,065	-
Accumulated Depreciation		(4,371)	-
Total Buildings - Freehold	10(a)	154,694	131,793
Improvements to Intangible Right to Occupy Buildings			
At Cost		207,797	156,382
Accumulated Amortisation		(47,076)	(41,862)
Total Improvements to Intangible Right to Occupy Buildings	10(a)	160,721	114,520
Leasehold Improvements			
At Cost		44,370	26,605
Accumulated Depreciation		(13,879)	(9,216)
Total Leasehold Improvements	10(a)	30,491	17,389
Furniture and Fittings			
At Cost		13,151	10,256
Accumulated Depreciation		(6,800)	(5,216)
Total Furniture and Fittings	10(a)	6,351	5,040
Plant and Equipment			
At Cost		37,526	34,552
Accumulated Depreciation		(25,335)	(24,250)
Total Plant and Equipment	10(a)	12,191	10,302
Motor Vehicles			
At Cost		661	661
Accumulated Depreciation		(397)	(347)
Total Motor Vehicles	10(a)	264	314
Works of Art			
At Cost		1,672	1,307
Total Works of Art	10(a)	1,672	1,307
Work in Progress			
At Cost		-	12,361
Total Work in Progress	10(a)	-	12,361
Total Property, Plant and Equipment		416,339	342,456

10. PROPERTY, PLANT & EQUIPMENT CONTINUED

BASIS OF VALUATION

A full valuation of Freehold Land and Buildings was undertaken by CB Richard Ellis Pty Ltd as at the end of 2013. The directors have considered the fair value of the properties in the light of that valuation, any changes in use of the Company's properties, current market fluctuations and any acquisitions made during the year (note 1a). Any subsequent additions

and alterations have been included at cost. From 2014, Plant and Equipment including Works of Arts items have been included as an asset where cost is greater than or equal to \$3,000, previously the amount was greater than or equal to \$1,000.

(A) RECONCILIATIONS

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Land – Freehold	Buildings – Freehold	Sub-Total Land and Buildings Freehold	Improvements of Intangible Right to Occupy Buildings	Leasehold Improvements	Furniture and Fittings	Plant and Equipment	Motor Vehicles	Works of Art	Work in Progress	Total
2014											
Opening Balance	49,430	131,793	181,223	114,520	17,389	5,040	10,302	314	1,307	12,361	342,456
Additions	525	16,305	16,830	50,021	17,763	3,446	6,884	-	365	-	95,309
Transfer from WIP	-	10,967	10,967	1,394	-	-	-	-	-	(12,361)	-
Depreciation	-	(4,371)	(4,371)	(5,214)	(4,661)	(2,135)	(4,995)	(50)	-	-	(21,426)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	49,955	154,694	204,649	160,721	30,491	6,351	12,191	264	1,672	-	- 416,339
2013											
Opening Balance	34,209	137,327	171,536	94,870	13,520	4,541	10,169	367	1,087	1,274	297,364
Additions	930	7,146	8,076	23,736	6,004	2,213	4,555	-	220	11,829	56,633
Transfer from WIP	-	162	162	358	-	-	-	-	-	(742)	(222)
Revaluation Increment/ (Decrement)	14,291	(8,470)	5,821	-	-	-	-	-	-	-	5,821
Depreciation	-	(4,372)	(4,372)	(4,444)	(2,135)	(1,714)	(4,413)	(53)	-	-	(17,131)
Disposals	-	-	-	-	-	-	(9)	-	-	-	(9)
Closing Balance	49,430	131,793	181,223	114,520	17,389	5,040	10,302	314	1,307	12,361	342,456

11. INTANGIBLE ASSETS

	Intangible Right to Occupy Land \$'000	Intangible Right to Occupy Buildings \$'000	Total \$'000
2014			
Cost	40,411	28,383	68,794
Accumulated amortisation			
Opening Balance	(4,469)	(19,863)	(24,332)
Amortisation	-	(801)	(801)
Closing Balance	(4,469)	(20,664)	(25,133)
Carrying Amount at 31 December 2014	35,942	7,719	43,661
2013			
Cost	40,411	28,383	68,794
Accumulated Amortisation			
Opening Balance	(4,469)	(19,047)	(23,516)
Amortisation	-	(816)	(816)
Closing Balance	(4,469)	(19,863)	(24,332)
Carrying Amount at 31 December 2013	35,942	8,520	44,462

Under the terms of the trust deeds between the Company and the owners of the properties held in trust, the Trustees of the Roman Catholic Church for the Archdioceses of Brisbane, Canberra and Goulburn, Melbourne and Sydney, the Company has a right to occupy the properties in perpetuity if used for educational purposes.

12. TRADE AND OTHER PAYABLES

	2014 \$'000	2013 \$'000
Accrued Expenses	17,402	12,462
Sundry Creditors	2,986	1,309
Total Trade and Other Payables	20,388	13,771

13. EMPLOYEE BENEFITS

	2014 \$'000	2013 \$'000
Current		
<i>Expected to be settled within 12 months</i>		
Provision for Annual Leave	11,420	9,775
Provision for Long Service Leave	3,411	3,183
	14,831	12,958
<i>Expected to be settled after 12 months</i>		
Provision for Annual Leave	4,894	4,189
Provision for Long Service Leave	11,068	10,329
	15,962	14,518
Total Current Provisions	30,793	27,476
Non-Current		
Provision for Long Service Leave	8,095	6,856
Provision for Superannuation	18,824	19,210
Total Non-Current Provisions	26,919	26,066

LONG SERVICE LEAVE

The classification of current employee provisions include amounts for which there is not an unconditional right to defer settlement by one year. Despite the classification of a component of long service leave as a current liability, the Company does not expect the full amount to be settled within one year of reporting date.

SUPERANNUATION

The Company contributes to the following employee superannuation funds:

FULLY FUNDED SCHEMES

- UniSuper
- Catholic Superannuation Fund (formerly two funds) National Catholic Superannuation Fund and ii) Catholic Superannuation Fund
- Australian Catholic Superannuation & Retirement Fund (formerly Catholic Superannuation & Retirement Fund)
- Emergency Services and State Superannuation Scheme (formerly State Superannuation Fund of Victoria) – Accumulation account
- Australian Super Pty Ltd
- McKenna Retirement Fund
- HESTA
- First State Super

PARTLY FUNDED OR EMERGING COST SCHEMES

- State Authorities Superannuation Scheme (Part 2) (NSW)
- Emergency Services and State Superannuation Scheme (formerly State Superannuation Fund of Victoria).

EMERGENCY SERVICES AND STATE SUPERANNUATION SCHEME (FORMERLY STATE SUPERANNUATION FUND OF VICTORIA)

The latest actuarial investigation of the Emergency Services and State Superannuation Scheme was conducted at 30 June 2012 by PriceWaterhouseCoopers. As at that date the scheme carried total liabilities, including liabilities for members' benefits in excess of the value of the scheme's assets.

Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the scheme.

The notional share of the scheme's unfunded liabilities attributed to the Company is assessed by the Government Superannuation Office to be \$18,824,000 as at 30 June 2014 (\$19,210,000 as at 30 June 2013). Information on the scheme's position is only provided at 30 June.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the beneficiaries of the Emergency Services and State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Support Act 2003 and subsequent amending legislation. By letter dated 15 December 2005, the Department of Education, Science and Training (DEST) (now Department of Education) confirmed that the Australian Government considers the current arrangement establishes a pattern of past practice and future intent that has created a valid expectation on the part of universities that the Department on behalf of the Australian Government will discharge the superannuation liability. Therefore a non-current receivable equal to the scheme's unfunded liabilities attributed to the Company has been recognised. DIISRTE provides annual supplementation (2014: \$1,340,000, 2013: \$1,329,000) to cover emerging costs of the Emergency Services and State Superannuation Scheme.

The following information has been provided by the Emergency Services and State Superannuation Scheme in accordance with the requirements under AASB 119.

	2014 \$'000	2013 \$'000
Net Liability		
Fair Value of Plan Assets	93	79
Accrued Benefit Liability	(18,917)	(19,289)
Net Liability Before Contributions Tax	(18,824)	(19,210)
Tax Liability on Future Contributions	-	-
Net Liability	(18,824)	(19,210)

Actuarial Assumptions

Discount Rate	4.1%	4.3%
Rates of Future Salary Increases	4.0%	4.0%
Rates of Pension Increases	2.5%	2.5%

The demographic assumptions include the future rate of death, disablement, resignation and retirement. The same assumptions as last year have been used and are detailed in the 'Emergency Services and State Superannuation Scheme Experience Review 2009-2012' dated July 2012.

14. BORROWINGS

	2014 \$'000	2013 \$'000
Non-Current		
Unsecured		
Bank Loan Facility	30,000	10,000
Total Non-Current Unsecured Borrowings	30,000	10,000

Financing Arrangements

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

Bank Loan Facilities		
Total Facilities	70,000	70,000
Used at Balance Date	30,000	10,000
Unused at Balance Date	40,000	60,000

15. OTHER LIABILITIES

	Note	2014 \$'000	2013 \$'000
Current			
Grants Received in Advance		8,549	6,496
Fees Received in Advance		11,650	11,106
Other Income Received in Advance		808	938
Deferred Grant Income (Properties)		24	24
Sub-Total Deferred Revenue		21,031	18,564
Funds Held in Trust		1,842	1,799
OS-HELP Payable		659	123
Bonds – Student Residences		116	-
Total Current Other Liabilities		23,648	20,486
Non-Current			
Deferred Grant Income (Properties)		600	624
Lease Liabilities		5,964	4,573
Leasehold Make Good Provision	15 (a)	6,011	2,913
Total Non-Current Other Liabilities		12,575	8,110
(a) Reconciliation			
Leasehold Make Good Provision			
Balance at Beginning of Financial Year		2,913	2,707
Provisions Made During the Year		2,851	296
Provisions Reversed During the Year		-	-
Unwind/adjust Discount	4	247	(90)
Balance at End of Financial Year		6,011	2,913

Make good is required for leased premises. The provision is estimated based on the rate of the building, the remaining lease period and estimated costs incurred in similar situations.

16. RESERVES

	Note	2014 \$'000	2013 \$'000
General Reserve			
Balance at Beginning of Financial Year		254,110	206,871
Add: Transfers from Retained Earnings	17	37,413	47,239
Balance at End of Financial Year		291,523	254,110
Asset Revaluation Reserve			
Balance at Beginning of Financial Year		20,637	14,816
Add/(Subtract): Increment/(Decrement)		-	5,821
Balance at End of Financial Year		20,637	20,637
Available for Sale Financial Assets Revaluation Reserve			
Balance at Beginning of Financial Year		467	384
Write Back Revaluation on Disposal of Listed Shares		(61)	(6)
Add/(Subtract): Revaluation Increment			
Shares Revaluation Reserve		4,826	89
Balance at End of Financial Year		5,232	467
Contribution from Members			
Balance at Beginning of Financial Year		56,958	56,958
Balance at End of Financial Year		56,958	56,958
Total Reserves		374,350	332,172

NATURE AND PURPOSE OF RESERVES

GENERAL

The amount standing to the credit of the general reserve includes the accumulation of prior period and current year profits for non-specific purposes and revenue for capital grants even though assets acquired may not be fully written down.

ASSET REVALUATION

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of freehold land and buildings.

AVAILABLE FOR SALE FINANCIAL ASSETS REVALUATION RESERVE

Share revaluation reserve includes increments and decrements arising from changes in fair value of shares classified as available for sale.

CONTRIBUTION FROM MEMBERS

The amount reflects the contribution by members of rights to occupy and use land and buildings not owned by the University.

17. RETAINED EARNINGS

	Note	2014 \$'000	2013 \$'000
Retained Earnings at beginning of year		-	-
Net Result		37,413	47,239
Transfer to General Reserve	16	(37,413)	(47,239)
Retained earnings at the end of the year		-	-

18. COMMITMENTS

	Note	2014 \$'000	2013 \$'000
(a) Capital Expenditure Commitments			
Capital Expenditure Commitments not provided for in the financial statements and payable:			
Within one year		50,890	36,224
Total Capital Expenditure Commitments		50,890	36,224
(b) Non-cancellable Operating Lease Expense Commitments			
Future operating lease commitments of premises, plant and equipment, not provided for in the financial statements and payable:			
Within one year		12,655	6,687
One year or later and no later than five years		45,777	29,181
Greater than five years		61,018	17,639
Total Non-cancellable Operating Lease Expense Commitments		119,450	53,507

The Company leased equipment and machinery under operating leases expiring in a range from one to five years. The Company also leased commercial premises with an expiry range of one to twelve years.

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

REMUNERATION OF BOARD MEMBERS

No directors' fees are payable. The number of directors of the Company whose compensation from the Company or any related party falls within the following bands:

	2014	2013
Nil	12	11
\$10,000 – \$19,999	1	-
\$20,000 – \$29,999	-	1
\$40,000 – \$49,999	-	1
\$90,000 – \$99,999	1	1
\$150,000 – \$159,999	-	1
\$160,000 – \$169,999	1	-
\$180,000 – \$189,999	-	1
\$190,000 – \$199,999	1	1
\$210,000 – \$219,999	1	-
\$220,000 – \$229,999	1	-
\$230,000 – \$239,999	1	-
\$1,090,000 – \$1,099,999	-	1
\$1,110,000 – \$1,119,999	1	-
Total compensation paid, or payable or otherwise made available to all directors of the Company from the Company or any related party.	\$2,273,879	\$1,810,283

REMUNERATION OF KEY MANAGEMENT PERSONNEL

In addition to the board members, other key management personnel of the Company receiving compensation from the Company or any related party falls within the following bands:

\$270,000 – \$279,999	-	1
\$310,000 – \$319,999	-	1
\$380,000 – \$389,999	-	1
\$440,000 – \$449,999	1	-
\$480,000 – \$489,999	1	-
\$490,000 – \$499,999	1	-
\$520,000 – \$529,999	-	1
\$580,000 – \$589,999	1	-
\$1,090,000 – \$1,099,999	-	1
\$1,110,000 – \$1,119,999	1	-
Total compensation paid, or payable or otherwise made available to all executive officers of the Company from the Company or any related party.	3,119,234	2,601,284
Short-term employee benefits	2,813,575	2,348,920
Post employment benefits	305,659	252,364
Total compensation paid, or payable or otherwise made available to all executive officers of the Company from the Company or any related party.	3,119,234	2,601,284

There is no compensation paid to directors or key personnel of the Company that is not disclosed in the financial statements.

20. RELATED PARTIES

DIRECTORS

The names of each person holding the position of director of the Australian Catholic University Limited during the financial year are:

Mr J.J. Carroll, Professor T. Ciro, General P. Cosgrove, Professor M. Courtney, Professor G.J. Craven, Justice J. Douglas, Mr S.N. Elder, Mr D. Ettridge, Mr E.W. Exell, Honourable J. Fahey, Professor M. Hillel, Ms C. Hollis-Jones, Associate Professor C. Jenkins, Professor J. McLaren, Ms M.T. Najdecki, Mr D.B. O'Connor, Reverend C. Prowse, Ms B.M. T. Steele, Ms M. M. Vider, Dr D. White.

Details of directors' compensation are set out in note 19. Total amounts transacted with related parties are as follows

	2014 \$'000	2013 \$'000
Catholic Archdiocese of Melbourne	829	710
	829	710

All related party transactions are at arm's length.

21. FINANCIAL INSTRUMENTS DISCLOSURE

INTEREST RATE AND LIQUIDITY RISK

INTEREST RATE RISK

The following tables disclose the income-earning financial assets and interest-bearing financial liabilities and the periods in which they mature. The Company manages fluctuations in interest rates by placing funds in both long (greater than one year) and short term (less than one year) deposits across a number of institutions.

The University has entered into a debt facility with the National Australia Bank commencing 8 February 2012. The loan facility is for a five year period and consists of two tranches. An amount of \$70m is available for the first three years which reduces to \$30m for the remaining two years. The facility is a revolving credit type facility that allows funds to be drawn and repaid as required.

LIQUIDITY RISK

The following tables also contain the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. ACU has presented it's current outstanding loans based on when it expects to repay the loans rather than on the maturity basis.

21. INTEREST RATE AND LIQUIDITY RISK CONTINUED

	Carrying Amount \$'000	6 Months or less \$'000	6 to 12 Months \$'000	1 to 2 Years \$'000	2 to 5 Years \$'000	More Than 5 Years \$'000	Total Contractual Amount \$'000
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2014

Financial Assets

Cash	18,456	18,456	-	-	-	-	18,456
Trade and Other Receivables	5,176	5,176	-	-	-	-	5,176
Other Investments	6,149	-	-	-	-	6,149	6,149
Total Financial Assets	29,781	23,632	-	-	-	6,149	29,781

Financial Liabilities

Trade and Other Payables	20,388	20,388	-	-	-	-	20,388
Loans	30,000	30,030	-	-	-	-	30,030
Grants in Advance	8,549	8,549	-	-	-	-	8,549
Fees in Advance	11,650	1,684	8,324	1,492	150	-	11,650
Total Financial Liabilities	70,587	60,651	8,324	1,492	150	-	70,617

2013

Financial Assets

Cash	16,128	16,128	-	-	-	-	16,128
Trade and Other Receivables	3,588	3,588	-	-	-	-	3,588
Other Investments	1,381	-	-	-	-	1,381	1,381
Total Financial Assets	21,097	19,716	-	-	-	1,381	21,097

Financial Liabilities

Trade and Other Payables	13,771	13,771	-	-	-	-	13,771
Loans	10,000	-	-	-	10,012	-	10,012
Grants in Advance	6,496	6,496	-	-	-	-	6,496
Fees in Advance	11,106	2,049	7,427	1,568	62	-	11,106
Total Financial Liabilities	41,373	22,316	7,427	1,568	10,074	-	41,385

The average interest rate of borrowing is 3.81% for the year ended 31 December 2014 (4.12% 2013)

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows

	2014 \$'000	2013 \$'000
1 – 5 years	30,000	10,000
Non Current Borrowings	30,000	10,000

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss. A change in interest rates of 100 basis points throughout the period would have increased or decreased the Company's equity by the order of \$131,470 (2013 \$48,920).

FOREIGN EXCHANGE RISK

Given the minimal exposure to foreign currencies, it is the current policy of the Senate not to hedge foreign exchange risk.

CREDIT RISK EXPOSURE

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The entity does not require collateral in respect of financial assets.

Investments are allowed only in liquid securities. Transactions involving derivative financial instruments are with counterparties with whom the Company has a signed netting agreement as well as sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. These are detailed in the table below.

NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of on-statement financial assets and liabilities approximate fair value.

	Carrying amount	
	2014 \$'000	2013 \$'000
Cash	18,456	16,128
Trade and Other Receivables	5,176	3,588
Other Investments	6,149	1,381
Total	29,781	21,097

DEBTORS AGING

	Carrying amount	
	2014 \$'000	2013 \$'000
Current	4,188	2,056
30 days	-32	109
60 days	145	36
90 days	9	95
Greater Than 90 Days	866	1,292
Total	5,176	3,588

No doubtful debt provisions have been recorded. All debtors are deemed recoverable.

(A) FAIR VALUE

	Carrying amount			
	2014		2013	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial Assets				
Cash	18,456	18,456	16,128	16,128
Trade and Other Receivables	5,176	5,176	3,588	3,588
Other Investments	6,149	6,149	1,381	1,381
Total Financial Assets	29,781	29,781	21,097	21,097
Financial Liabilities				
Trade and Other Payables	20,388	20,388	13,771	13,771
Loans	30,000	30,000	10,000	10,000
Grants in Advance	8,549	8,549	6,496	6,496
Fees in Advance	11,650	11,650	11,106	11,106
Total Financial Liabilities	70,587	70,587	41,373	41,373

(B) LEVEL 3 FAIR VALUES

	Equity Securities Available for Fair Sale \$'000
Balance at 1 January 2013	11
Net change in fair value in OCI	-
Balance at 31 December 2013 Receivables	11
Balance at 1 January 2014	11
Net change in fair value in OCI	4,842
Balance at 31 December 2014 Receivables	4,853

The movement in the value of the investments in unlisted companies is due to ACU using an external market appraisal which applied estimates and judgements to established valuation techniques and publicly available information to derive a value for ACU's share in the investment.

22. EQUITY

No share capital has been issued by the Company as it is a company limited by guarantee. The number of members of the Company as at 31 December 2014 was 23 (2013: 23). The liability of each member is limited to \$50.

23. NOTES TO THE STATEMENT OF CASH FLOWS

(I) RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2014 \$'000	2013 \$'000
Cash on Hand	31	39
Cash at Bank Net of Unpresented Cheques	18,425	16,089
Total Cash and Cash Equivalents	18,456	16,128

(II) RECONCILIATION OF NET RESULT AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2014 \$'000	2013 \$'000
Net Result After Income Tax	37,413	47,239
Add/(Less) Items Classified as Investing/Financing Activities:		
(Profit) on Sale of Non-Current Assets	-	-
Loss on Sale of Non-Current Assets	1	10
Add/(Less) Non-Cash Items:		
Depreciation & Amortisation	22,229	17,946
Lease In Advance	56	56
Unwind/Adj Discount on Make Good Provision	247	(90)
Amounts Set aside to (utilised from) Provisions:		
Employee Entitlements	4,557	4,217
Make Good of Lease Premises	2,852	296
Net Cash Provided by Operating Activities Before Change in Assets and Liabilities	67,355	69,674
Change in Assets and Liabilities:		
(Increase)/Decrease in Accrued Income	(1,154)	(306)
(Increase)/Decrease in Sundry Debtors	203	461
(Increase)/Decrease in Prepayments	1,015	1,183
(Increase)/Decrease in Students Assistance Programme	-	-
(Increase)/Decrease in Other Assets	(282)	120
Increase/(Decrease) in Grants in Advance	2,589	(8,433)
Increase/(Decrease) in Fees in Advance	543	2,175
Increase/(Decrease) in Accrued Expenses	2,940	(1,801)
Increase/(Decrease) in Sundry Creditors	1,676	1,057
Increase/(Decrease) in Funds in Held in Trust	43	94
Increase/(Decrease) in Bonds – University Residences	116	-
Increase/(Decrease) in Other Income in Advance	(131)	(99)
Increase/(Decrease) in Deferred Income (Properties)	(24)	(24)
Increase/(Decrease) in Net GST	(636)	(927)
Increase/(Decrease) in Lease Liabilities	1,390	905
Net Cash Provided by Operating Activities	75,643	64,079

24. ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

24.1 COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS

	Note	Commonwealth Grants Scheme		Indigenous Support Fund		Disability Support Programmes	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		177,700	148,511	1,186	1,131	78	93
Net accrual adjustments		948	3,167	-	-	-	-
Revenue for the period	2.1	178,648	151,678	1,186	1,131	78	93
Surplus/(deficit) from the previous year		-	-	-	-	-	-
Funds available for reporting period		178,648	151,678	1,186	1,131	78	93
Less expenses including accrued expenses		(178,648)	(151,678)	(1,186)	(1,131)	(78)	(93)
Surplus/(deficit) for reporting period		-	-	-	-	-	-

	Note	Promotion of Excellence in Learning and Teaching		Partnership and Participation Funding		
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)			104	20	3,709	3,008
Net accrual adjustments			-	358	-	148
Revenue for the period	2.1		104	378	3,709	3,156
Surplus/(deficit) from the previous year			-	-	-	-
Funds available for reporting period			104	378	3,709	3,156
Less expenses including accrued expenses			(104)	(378)	(3,709)	(3,156)
Surplus/(deficit) for reporting period			-	-	-	-

24.2 HIGHER EDUCATION LOAN PROGRAMMES (HELP)

	HECS HELP		FEE HELP		SA HELP	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)	110,017	102,540	8,154	5,417	3,444	2,581
Plus contributions actually received from students	11,082	10,790	-	-	-	-
Total received	121,099	113,330	8,154	5,417	3,444	2,581
Net accrual adjustments	88	(155)	(67)	236	(42)	97
Revenue for the period	121,187	113,175	8,087	5,653	3,402	2,678
Surplus/(deficit) from the previous year	-	-	-	-	-	-
Funds available for reporting period	121,187	113,175	8,087	5,653	3,402	2,678
Less expenses including accrued expenses	(121,187)	(113,175)	(8,087)	(5,653)	(3,402)	(2,678)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

24.3 SCHOLARSHIPS

Note	Australian Post Graduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		National Priority Scholarships		
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)	1,094	1,042	67	66	18	(2)	-	(5)	9	(18)	(7)	(2)	
Net accrual adjustments	(79)	106	(2)	18	-	-	-	-	-	-	-	-	
Revenue attributed to the period	2.1	1,015	1,148	65	84	18	(2)	-	(5)	9	(18)	(7)	(2)
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	(2)	77	79	
Adj Surplus/(deficit) from the previous year	-	-	-	-	-	2	118	5	-	20	-	-	
Funds available for reporting period	1,015	1,148	65	84	18	-	118	-	9	-	70	77	
Less expenses including accrued expenses	(1,015)	(1,148)	(65)	(84)	-	-	-	-	(2)	-	(65)	-	
Surplus/(deficit) for reporting period	-	-	-	-	18	-	118	-	7	-	5	77	

24.4 COMMONWEALTH RESEARCH FINANCIAL ASSISTANCE

Note	Joint Research Engagement Program		Research Training Scheme		Infrastructure		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)	1,370	1,098	2,167	2,118	204	165	-	(27)	370	286	
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	
Revenue for the period	2.1	1,370	1,098	2,167	2,118	204	165	-	(27)	370	286
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	27	-	-	
Funds available for reporting period	1,370	1,098	2,167	2,118	204	165	-	-	370	286	
Less expenses including accrued expenses	(1,370)	(1,098)	(2,167)	(2,118)	(204)	(165)	-	-	(370)	(286)	
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	

Note: Reported surpluses for JRE, RTS, Infrastructure, ASHER, IAP, CTS and SRE are expected to be rolled over.

24.5 AUSTRALIAN RESEARCH COUNCIL

	Note	Discovery Projects		Discovery Early Career Research Award		Future Fellowships		Linkage – Projects (including Strategic Partnerships with Industry and APAI)	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		1,555	558	134	-	407	-	319	176
Net accrual adjustments		(338)	192	-	-	(115)	-	(25)	(20)
Revenue for the period	2.1	1,217	750	134	-	292	-	294	156
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Adj Surplus/(deficit) from the previous year		13	-	-	-	-	-	-	-
Funds available for reporting period		1,230	750	134	-	292	-	294	156
Less expenses including accrued expenses		(1,230)	(750)	(134)	-	(292)	-	(294)	(156)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-

24.6 OS-HELP

	Notes	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		1,377	402
Cash spent during the reporting period		(841)	(350)
Net cash received	2.1	536	52
Cash surplus / (deficit) from the previous period		123	71
Cash surplus / (deficit) for reporting period	7 & 15	659	123

24.7 SUPERANNUATION SUPPLEMENTATION

	Notes	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)	2.1	1,340	1,329
Cash spent during the reporting period		(1,340)	(1,329)
Net cash received		-	-
Cash surplus / (deficit) from the previous period		-	-
Cash surplus / (deficit) for reporting period		-	-

DIRECTORS' DECLARATION



DIRECTORS' DECLARATION

1. In the opinion of the directors of Australian Catholic University Limited:

- (a) the financial statements and notes, as set out on pages 8 to 37, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2014 and of its performance, as represented by the results of its operations and its cashflows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporation Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted.

In addition, we are not aware at the date of signing these statements of any circumstances, which would render any particulars included in the statements to be misleading or inaccurate.

Dated at Sydney this 10th day of April 2015.

Signed in accordance with a resolution of the directors:



Hon J Fahey AC
Director



Professor G Craven
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AUSTRALIAN
CATHOLIC UNIVERSITY LIMITED



Strathfield Campus

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUSTRALIAN CATHOLIC UNIVERSITY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Australian Catholic University Limited (the Company), which comprises the statement of financial position as at 31 December 2014, and the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 24 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that gives a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We performed the procedures to assess whether in all material respects the financial statements present fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

AUDITOR'S OPINION

In our opinion:

- (a) the financial statements of Australian Catholic University Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

KPMG

Kevin Leighton

Partner

Sydney

10 April 2015

