





State of the College Board of the University of

In our opinion:

(a) the Financial Statements of the University of
Financial Transactions of the University of

(b) in all material respects the Financial
Reporting Standards and other mandatory
professional reporting requirements

will be able to pay its debts as and when they

(c) The University of Ad
provisions

(d) The University of Ad
applicable to



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TO THE CHANCELLOR

SCOPE

financial report of the University of Adelaide for the financial year. The financial report comprises:

As required by section 33 of the *University of Adelaide Act 1971*, I have audited the financial report for the year ended 31 December 2006. The financial

- An Income Statement
- A Balance Sheet
- A Statement of Changes in Equity
- A Cash Flow Statement
 - Notes to the Financial Statements
 - Certificate by the Chancellor, Vice-Chancellor and President and Chief Financial Officer.

5
Chancellor and President and Chief Financial Officer.

The financial report includes the consolidated financial statements of the consolidated entity comprising the University of Adelaide and the entities it controlled at the year's end or from time to time during the financial year.

The members of the Council of the University of Adelaide are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the Chancellor.

The audit has been conducted in accordance with the requirements of the 1997 and Australian Auditing and Assurance Standards to express an opinion on whether the financial report is free of material misstatement.

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University

Principal continuing activities

During the year, the principal continuing activities of the consolidated entity consisted of higher education, research, consultancy and other commercial operations supporting or ancillary to University activities.

During the financial year the consolidated entity disposed of its reproductive medicine business, effective as at 15 May 2006. The contributions of this business for the financial years 2005 and 2006 have been disclosed within the financial statements as operating results from discontinued operations.

Operating performance

The University reported a consolidated operating result of \$38.9m for the year (\$37.4m in 2005), which was supported by continued growth in student numbers and research performance. A summary of the University's financial performance can be found in Part 1 of the Annual Report.

State of affairs of the consolidated entity

In the opinion of the Members of Council, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review.

Events subsequent to the reporting date

There were no events subsequent to the reporting date that have a material effect on the financial statements for the reporting period.

Future prospects of the consolidated entity

The consolidated entity will continue to pursue its primary activities of higher education and research while maintaining its financial sustainability. It is currently undertaking a sustainable program of works to enhance the University infrastructure and the student campus experience.

Environmental regulations

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation, which sets the minimum requirement the Group entity must meet.

The University has adopted a Sustainability Policy and has various committees that consider compliance with relevant environmental regulations as part of their responsibilities, including the University Health and Safety Committee and Major Projects Steering Committee.

Insurance

The University maintains a comprehensive insurance program, which is reviewed and renewed annually. The insurance program includes Directors' and Officers' Liability insurance for members of Council, members of committees of Council and directors and officers of the University and controlled entities of the University.

This report is made in accordance with a resolution of the members of the Council.



THE HON. JOHN von DOUSSA QC
Chancellor

Adelaide
28 May 2007

		Consolidated		University	
	Note	2006	2005	2006	2005
		\$000	\$000	\$000	\$000
Revenue from continuing operations					
Received under Higher Education Support Act					
Base operating financial assistance		124,310	115,347	124,310	115,347
Other operating financial assistance		7,497	5,138	7,497	5,138
Higher Education Contribution Scheme		51,444	54,327	51,444	54,327
		183,251	174,812	183,251	174,812
Learning and Teaching					
Student fees	4	77,010	66,429	77,010	66,429
Grants		24,610	14,768	24,610	14,768
		101,620	81,197	101,620	81,197
Research Grants and Fees					
National competitive grants		63,214	56,536	63,214	56,536
Public sector - other		24,199	23,613	23,916	23,393
Industry and other		13,566	10,346	13,566	10,346
		100,979	90,495	100,696	90,275
Research - Other					
Cooperative Research Centre direct funding		7,575	6,779	7,635	6,779
Research infrastructure program		15,033	15,742	15,033	15,742
		22,608	22,521	22,668	22,521
Other					
Investment revenue	4	30,158	23,218	27,779	19,664
Property revenue	4	10,311	7,585	9,953	7,585
Specialist services and trading	4	47,266	42,463	14,620	18,234
Deferred government superannuation contributions		600	4,600	600	4,600
Other	4	18,525	20,242	13,198	18,993
		106,860	98,108	66,150	69,076
Total operating revenue from continuing operations		515,318	467,133	474,385	437,881
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method	4	366	(2,095)	-	-
Total revenue from continuing operations		515,684	465,038	474,385	437,881
Expenses from continuing operations					
Salaries and related expenses	5	256,202	229,110	245,991	221,792
Student services		23,948	21,986	23,948	21,986
Teaching and research	5	52,381	44,676	52,302	44,636
Buildings and grounds	5	32,134	25,896	30,892	25,896
Finance costs	5	143	163	143	157
Administration, communication and travel	5	75,793	61,871	48,534	42,508
Finance and fund administration		2,831	2,111	2,866	2,111
Misc equip, dep'n and net loss on disposal of assets	5	30,306	34,198	30,925	33,329
Deferred Government employee benefits for superannuation		3,406	7,274	3,406	7,274
Total expenses from continuing operations		477,144	427,285	439,007	399,689
Operating result from continuing operations		38,540	37,753	35,378	38,192
Operating result from discontinued operations	6	359	(418)	-	-
Operating result before minority interests		38,899	37,335	35,378	38,192
Operating result attributable to minority interest		15	32	-	-
Net operating result for the year		38,914	37,367	35,378	38,192

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

	Note	Consolidated		University	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
Total equity at the beginning of the financial year		748,931	692,340	742,016	683,873
Outside equity interest distribution paid		(70)	(84)	-	-
Defined benefits fund actuarial gain		3,188	246	3,188	246
Gain on revaluation of land and buildings		(90)	18,971	-	17,235
Gain on revaluation of available-for-sale financial assets		(3,938)	74	(3,137)	2,470
Other adjustments recognised directly in equity		123	49	-	-
Net income recognised directly in equity		(787)	19,256	51	19,951
Operating result for the year		38,899	37,335	35,378	38,192
Total recognised income and expense for the year		38,112	56,591	35,429	58,143
Total equity at the end of the financial year		787,043	748,931	777,445	742,016
Total recognised income and expense for the year attributable to:					
Members of the University of Adelaide		38,914	37,367	35,378	38,192
Minority interest		(15)	(32)	-	-
		38,899	37,335	35,378	38,192

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

	Note	Consolidated		University	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
Cash flows from investing activities					
Inflows:					
Proceeds from sale of property, plant and equipment		980	1,731	808	1,631
Proceeds from sale of financial assets		13,413	3,393	5,413	3,393
Proceeds from sale of available for sale financial assets		7,718	2,099	-	-
Increase in interest bearing liabilities		31	-	31	-
Repayment of loans by related parties		816	333	791	333
Total inflows		22,958	7,556	7,043	5,357
Outflows:					
Purchase of shares in subsidiary		-	-	(100)	-
Payments for property, plant and equipment		(36,988)	(41,437)	(35,960)	(40,322)
Payments for intangible assets		(38)	(74)	-	-
Payments for financial assets		(7,226)	(3,727)	(6,156)	(3,727)
Decrease in interest bearing liabilities		(6)	(6)	(6)	(6)
Increase in loans to related parties		(25)	-	(300)	-
Total Outflows		(44,283)	(45,244)	(42,522)	(44,055)
Net cash used in investing activities		(21,325)	(37,688)	(35,479)	(38,698)
Cash flows from financing activities					
Inflows:					
Issue of shares to outside equity interests		200	50	-	-
Total outflows		200	50	-	-
Outflows:					
Repayment of interest bearing liabilities		(138)	(102)	-	-
Dividends paid to minority interests		(194)	(84)	-	-
Total outflows		(332)	(186)	-	-
Net cash used in financing activities		(132)	(136)	-	-
Net increase in cash and cash equivalents		34,311	11,746	23,343	9,164
Cash and cash equivalents at the beginning of reporting period		86,585	74,740	72,092	62,829
Effects of exchange rate changes on cash and cash equivalents		(91)	99	(91)	99
Cash and cash equivalents at end of reporting period	7	120,805	86,585	95,344	72,092

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

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3. Statement of Significant Accounting Policies

(a) Basis of Accounting

This general purpose financial report has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the Consolidated Entity, and these policies have been consistently applied to all the years presented, unless otherwise stated.

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

(b) Principles of Consolidation

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

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities have been eliminated in the consolidated financial statements. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Outside interests in the equity and results of the entities that are controlled by the University are shown as a separate item in the consolidated financial statements.

(c) Foreign Currency

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

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

(d) Grant Revenue

Grant revenue is recognised in the accounting period that the University obtains control of the revenue which is generally when it is received.

(e) Revenue Recognition

- **Student Tuition Fees and Charges**

Student tuition fees and charges are recognised in the accounting period in which the service is provided.

- **Consultancy, Contract and Industry Research**

Consultancy, contract and industry research income is recognised in the accounting period in which the service is provided.

- **Bequests and Donations**

Bequests and donations are recognised as income in the accounting period they are received.

- **Interest and Investment Income**

Interest and income from investments are recognised as they accrue (refer to Note 3(k)).

- **Asset Sales**

The net gain/loss from asset sales is included in the Consolidated Entity Income Statement. The profit or loss on disposal of assets is brought to account at the date the contract of sale becomes unconditional.

(f) Goods and Services Tax

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

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

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

3. Statement of Significant Accounting Policies – continued

(k) Other Financial Assets

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

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

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

Composite Fund

The majority of specific purpose endowments received by the University to fund research activities, scholarships, prizes and lectures are included in the Composite Fund. This Fund is invested in cash deposits and longer term investments managed by independent investment managers. It includes a mix of Australian equities, overseas equities, fixed interest securities and property trusts. These securities are traded by the investment managers, however, the composite fund represents a long term investment holding. As a consequence, these investments are reported in non-current financial assets in the Balance Sheet at market values obtained from the investment managers.

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

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

- **Loans and receivables**

The financial assets are classified in this category when the Consolidated Entity provides money, goods or services to a debtor with no intention of selling the receivable. Financial assets classified as loans and receivables are recorded at amortised cost less impairment. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes (refer to Note 30). The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. Financial instruments that are not traded in an active market are recognised at cost. The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values.

(l) Investments in Business Undertakings

- **Controlled Entities**

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

- **Associates**

An associate is an entity, other than a partnership, over which the Consolidated Entity exercises a significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the University's financial statements, investments in associates are carried at the lower of cost or recoverable amount.

In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The Consolidated Entity's share of the associates' net profit or loss after tax is recognised in the Consolidated Income Statement after the elimination of unrealised profits and losses on transactions between the associate and any entities in the Consolidated Entity or another associate of the Consolidated Entity.

3. Statement of Significant Accounting Policies – continued

(l) Investments in Business Undertakings - continued

- **Joint Venture Operations**

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 33 (a)(i). In the ordinary course of events this income, which is recognised in the financial statements of the University, is used to meet operational costs and/or acquire equipment. As a participant, the University will be entitled to a proportionate share of any intellectual property arising, which in time, it would be required to account for under the rules of joint venture accounting. As at the balance date, the University is not aware of any material intellectual property with commercial value. As such no accounting entries have been recorded.

The University's interest in Other Joint Ventures, as described in Note 33 (a)(ii), are accounted for using the equity method of accounting.

- **Other Business Undertakings**

The Consolidated Entity holds, through The Adelaide Research & Innovation Investment Trust, significant investment in a publicly listed entity, namely GroPep Ltd. It does not exercise any significant influence over the operations of this entity. As at 31 December 2006 the investment has been valued at market value.

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

(m) Inventories

- **Consumable Materials and Trading Stock**

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

- **Livestock**

(n) Property, Plant and Equipment

- **Acquisitions**

- **Revaluations**

- **Disposal of Revalued Assets**

- **Land and Buildings**

The University differentiates between "trust" and "other" land and buildings. "Trust" land is land provided

3. Statement of Significant Accounting Policies – continued

(n) Property, Plant and Equipment - continued

- **Other Collections**

The University owns a number of collections of cultural, historical and scientific significance. Many of these collections are unique or extremely rare. The University is not able to reliably measure the value of these collections and therefore has not recognised them as an asset in the Balance Sheet. Furthermore, collections which are irreplaceable (excluding works of art) are not covered by University insurance due to difficulty in determining an insurable value, the costs associated with deriving such a value, and the premium load an insurer would require to carry such a risk.

- **Library Collection**

The Library collection was revalued on 31 December 2004 using an internal valuation based on the annual price movement of books and journals. The additions to the library collection during 2005 and 2006 have been recognised at cost.

- **Works of Art**

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

- **Leased Plant and Equipment**

Leased plant and equipment over which the University or its controlled entities assume substantially all the risks and benefits of ownership, are classified as finance leases. Other leases are classified as operating leases.

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

(o) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Income Statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(p) Depreciation and Amortisation

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

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

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

(q) Investment Properties

Investment properties are distinct from property, plant and equipment, in that they are held to earn rentals, rather than for use in the production or supply of goods and services.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the University. Where an investment property is acquired at no cost or for nominal consideration, its cost is deemed to be its fair value, as at the date of acquisition.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised in the income statement in the period that they arise. The properties are not depreciated. Rental revenue from the leasing of investment properties is recognised in the Income Statement in the periods in which it is receivable, as this represents the pattern of service rendered though the provision of the properties.

An independent valuation of investment properties has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2006.

3. Statement of Significant Accounting Policies – continued

(r) Workers' Compensation

The University is responsible for payments of workers' compensation claims and is registered with Workcover as an exempt employer. Administrative arrangements with the associated entity Unisure Pty Ltd incorporate the management of claims and funds invested.

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

(s) Salaries and Related Expenses

Items attributed to salaries and related expenses include salaries and wages, employee entitlements

(t) Operating Revenue - Other

The classification "Other" contains revenue items which individually are not material due to their nature or size. Such items falling within this classification include sale of assets, income from independent organisations for whom the University provided management services, fund raising and bequests, sundry recoveries and recharges.

(u) Borrowings and Finance Costs

(v) Rounding

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

	Note	Consolidated		University	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
4. Revenue from continuing operations					
Student fee income includes:					
Award courses					
Australian fee paying undergraduate students		2,363	2,042	2,363	2,042
Australian fee paying postgraduate students		3,638	3,240	3,638	3,240
International fee paying students		58,644	49,110	58,644	49,110
		64,645	54,392	64,645	54,392
Non award courses					
Continuing education		473	519	473	519
Australian fee paying		1,842	1,968	1,842	1,968
Other teaching service fees		4,073	3,212	4,073	3,212
		6,388	5,699	6,388	5,699
		71,033	60,091	71,033	60,091
Tuition fees - Higher Education Support Act					
FEE-HELP		5,078	5,478	5,078	5,478
Overseas postgraduate research scholarship		899	860	899	860
		77,010	66,429	77,010	66,429
Investment revenue					
General fund earnings		14,293	7,691	6,980	5,219
Net realised gains on composite fund investments		3,851	3,393	3,851	3,393
General and composite fund investment market valuation adjustment		8,593	8,638	8,593	8,638
Unrealised gains on investment properties		1,119	1,700	1,119	1,700
Royalty, trademarks and licences		2,049	1,563	708	115
Dividends received		253	233	107	188
Distributions from controlled entities		-	-	6,421	411
		30,158	23,218	27,779	19,664
Property revenue					
Rental charges/accommodation fees		8,279	5,447	7,921	5,447
Parking fees		929	734	929	734
Building development and maintenance recovery		542	623	542	623
Other property revenue		561	781	561	781
		10,311	7,585	9,953	7,585
Specialist services and trading					
Consultancy fees		21,462	18,774	4,882	4,716
Library charges and fines		882	963	882	963
Sale of services		13,706	13,218	5,213	8,328
Sale of goods		7,056	6,492	1,517	2,714
Sponsorship and conference income		1,426	882	1,426	882
Other specialist services and trading		2,734	2,134	700	631
		47,266	42,463	14,620	18,234

	Note	Consolidated		University	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
4. Revenue from continuing operations - continued					
Other revenue					
Bequests and donations received for:					
Research		956	3,540	956	3,540
General operational purposes and capital works		4,097	2,910	4,097	2,910
		5,053	6,450	5,053	6,450
Prizes and scholarships		1,229	514	1,229	514
Net gain from sale of assets and minor equipment		2,908	381	-	322
Recharge of costs to other organisations		1,019	3,999	1,019	3,999
Application management and late fee		564	482	564	482
Franchise fees		978	939	978	939
Bad debts recoveries		239	237	239	237
Other revenue		6,535	7,240	4,116	6,050
		18,525	20,242	13,198	18,993
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method					
Joint venture operations	33	302	28	-	-
Associates	32	64	(2,123)	-	-
		366	(2,095)	-	-
Net foreign exchange gain		-	99	-	99

	Note	2006 \$000	2005 \$000	2006 \$000	2005 \$000
5.					
Finance costs					
		1	25	1	19
		142	138	142	138
		143	163	143	157
		30,411	2,231	(2,518)	3,158

	Note	Consolidated		University	
		2006	2005	2006	2005
		\$000	\$000	\$000	\$000
6. Discontinued operations					
(a) Description					
ACN 008 123 466 Pty Ltd (formerly Repromed Pty Ltd) a controlled entity of the University of Adelaide disposed of its reproductive medicine business, effective as at 15 May 2006. This business represented all of that company's operations and the cash assets held as at 15 May 2006 were retained by the company.					
(b) Financial Performance and Cash Flow Information					
The financial performance and cash flow information presented are for the period ending 15 May 2006 and the year ended 31 December 2005.					
Revenue		4,829	13,207	-	-
Expenses		(4,470)	(13,625)	-	-
Profit/(loss) from discontinued operations		359	(418)	-	-
Net cash inflow/(outflow) from operating activities		(127)	298	-	-
Net cash inflow/(outflow) from investing activities		(123)	(537)	-	-
Net increase/(decrease) in cash generated by the business		(250)	(239)	-	-
(c) Carrying Amounts of Assets and Liabilities					
The carrying amounts of assets and liabilities as at 15 May 2006 and the year ended 31 December 2005.					
Total assets		5,301	5,591	-	-
Total liabilities		(1,073)	(1,722)	-	-
Net assets		4,228	3,869	-	-
(d) Details of the sale of the reproductive medical services					
Consideration received		8,000	-	-	-
Carrying amount of net assets sold		(3,721)	-	-	-
Gain on sale		4,279	-	-	-
7. Cash and Cash Equivalents					
Cash at bank or on hand	3(j)	18,501	5,632	11,110	2,290
Deposits at call		102,304	80,953	84,234	69,802
		120,805	86,585	95,344	72,092

	Note	2006	2005	2006	2005
		\$000	\$000	\$000	\$000
8.	3(i)				
Current					
		3,552	4,304	3,552	4,304
		(704)	(1,039)	(704)	(1,039)
		2,848	3,265	2,848	3,265
		19,390	26,547	16,170	21,876
		(911)	(1,601)	(882)	(927)
		18,479	24,946	15,288	20,949
		239	228	239	228
		(203)	(184)	(203)	(184)
		36	44	36	44
		30	-	-	-
		21,393	28,255	18,172	24,258

Bad and doubtful debts

The University has recognised a loss of \$652,000 (2005: \$828,000) in respect of bad and doubtful

9. **Other Financial Assets**

Current

Loans to controlled entities	-	-	2,400	2,133
Term deposits	2,400	2,026	-	-
Other loans	25	68	25	68
	2,425	2,094	2,425	2,201

	2006	2005	2006	2005
Note	\$000	\$000	\$000	\$000

	Note	2006 \$000	2005 \$000	2006 \$000	2005 \$000
12. Investments Accounted for Using the Equity Method	3(l)				
Investments in associates	32				
At cost		-	-	298	298
Equity accounted		506	392	-	-
Interests in joint ventures	33				
At cost		-	-	135	65
Equity accounted		2,823	2,451	-	-
		3,329	2,843	433	363

13. Available-for-sale Financial Assets

14. Property, Plant and Equipment

Consolidated	Trust Land	Other Land	Trust Buildings	Other Buildings	WIP Buildings	Leasehold Improvements	Library Collections	Works of Art	Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
As at 1 January 2005										
Cost	-	220	16,920	2,835	11,320	4,327	-	-	99,139	134,761
Valuation	103,690	65,582	273,391	26,505	-	-	39,457	4,188	-	512,813
Accumulated depreciation/amortisation	-	-	(15,161)	(1,916)	-	(786)	-	-	(67,590)	(85,453)
Net book amount	103,690	65,802	275,150	27,424	11,320	3,541	39,457	4,188	31,549	562,121
Year ended 31 December 2005										
Opening net book amount	103,690	65,802	275,150	27,424	11,320	3,541	39,457	4,188	31,549	562,121
Revaluation increments/(decrements)	8,445	7,028	2,472	249	-	-	-	777	-	18,971
Additions	-	-	880	323	25,586	349	3,180	62	11,245	41,625
Disposals	-	-	-	-	-	-	(193)	(31)	(1,000)	(1,224)
Transfers	-	-	16,690	658	(20,711)	2,820	-	-	543	-
Depreciation/amortisation	-	-	(7,763)	(838)	-	(569)	(3,946)	-	(6,699)	(19,815)
Closing net book amount	112,135	72,830	287,429	27,816	16,195	6,141	38,498	4,996	35,638	601,678
As at 31 December 2005										
Cost	-	-	784	664	16,195	7,495	2,987	-	103,301	131,426
Valuation	112,135	72,830	286,649	27,194	-	-	39,457	4,996	-	543,261
Accumulated depreciation/amortisation	-	-	(4)	(42)	-	(1,354)	(3,946)	-	(67,663)	(73,009)
Net book amount	112,135	72,830	287,429	27,816	16,195	6,141	38,498	4,996	35,638	601,678

	Note	Consolidated		University	
		2006	2005	2006	2005
		\$000	\$000	\$000	\$000
15. Investment Property					
Balance at the beginning of the year		17,717	16,017	17,717	16,017
Additions from subsequent expenditure		54	-	54	-
Net gain from fair value adjustments		1,119	1,700	1,119	1,700
Balance at the end of the year		18,890	17,717	18,890	17,717

(a) Amount recognised in income statement for investment property

The University has recognised \$1.4 million of rental income from investment properties within the Income Statement. Any direct operating expenses from generating rental income are included within the Income Statement and are immaterial.

(b) Valuation basis

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location, condition and subject to similar leases.

An independent valuation of investment properties has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2006.

(c) Non-current assets pledged as security

No non-current assets have been pledged.

(d) Contractual obligations

There are no capital commitments for investment properties.

(e) Leasing arrangements

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on investment properties are as follows:

	Consolidated		University	
	2006	2005	2006	2005
	\$000	\$000	\$000	\$000
Within one year	807	632	807	632
Later than one year but not later than 5 years	1,010	1,177	1,010	1,177
later than 5 years	258	178	258	178
	2,075	1,987	2,075	1,987

	Note	2006 \$000	2005 \$000	2006 \$000	2005 \$000
16. Intangible Assets	3(g)				
Non-current					
As at 1 January 2005					
Cost		11,339		11,051	
Accumulated depreciation and impairment		(7,463)		(7,456)	
Net book amount		3,876		3,595	
Year ended 31 December 2005					
Opening net book amount		3,876		3,595	
Additions		188		166	
Amortisation charge		(2,836)		(2,822)	
Closing net book amount		1,228		939	
As at 31 December 2005					
Cost		11,527		11,217	
Accumulated depreciation and impairment		(10,299)		(10,278)	
Net book amount		1,228		939	
Year ended 31 December 2006					
Opening net book amount		1,228		939	
Disposals		(317)		(37)	
Amortisation charge		(276)		(267)	
Closing net book amount		635		635	
As at 31 December 2006					
Cost		11,180		11,180	
Accumulated depreciation and impairment		(10,545)		(10,545)	
Net book amount		635		635	
17. Payables					
Current					
Accounts payable		29,586	30,218	22,325	22,742
Accruals		7,144	3,582	504	367
Salary and wage deductions		3,855	4,438	3,848	4,438
OS-HELP Liability to Australian Government		-	453	-	453

	Note	Consolidated		University	
		2006	2005	2006	2005
		\$000	\$000	\$000	\$000
19. Provisions					
Current					
Workers' compensation provision		736	861	736	861
Annual and long service leave		14,525	10,261	14,007	9,642
Insurance provision		1,944	1,552	1,944	1,552
		17,205	12,674	16,687	12,055
Non-current					
Workers' compensation provision		1,910	2,043	1,910	2,043
Annual and long service leave		24,209	22,442	23,992	21,775
Defined benefit fund net liability		4,786	8,273	4,786	8,273
		30,905	32,758	30,688	32,091

Annual leave and oncosts

As a result of the WorkChoices legislation implemented by the Federal Government on 27 March 2006, the University has recognised for the first time in 2006 a provision for academic annual leave and oncosts (\$6,733,000). The legislation requires all annual leave to be accrued and recorded. The change to the legislation has been incorporated into the University Collective Agreement and it was agreed that annual leave for academic staff would start accruing from 1 January 2006.

	Workers' compensation provision	Annual and long service leave	Insurance Provision	Defined benefit fund net liability
	\$000	\$000	\$000	\$000
Movements in provisions				
Consolidated - current				
Carrying amount at start of year	861	9,642	1,552	-
Additional provisions recognised	(125)	4,365	392	-
Carrying amount at the end of the year	736	14,007	1,944	-
Consolidated - non-current				
Carrying amount at start of year	2,043	21,775	-	8,273
Additional provisions recognised	(133)	2,217	-	(3,487)
Carrying amount at the end of the year	1,910	23,992	-	4,786

Workers' compensation provision

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

Annual and long services leave

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

Insurance provision

Provision has been made for the actuarial assessment of future liability to the University for losses incurred prior to 31 December 2006 that were expected to be paid subsequent to 1 January 2007 and are below the University deductible in the University insurance policies.

Defined benefit fund net liability

Provision is made for the Super Scheme A 1985 defined benefit obligation in accordance with AASB 119 Employee Benefits. Refer to note 3(h) Employee Benefits and note 26(c) The University of Adelaide Super Scheme A 1985.

	Note	Consolidated		University	
		2006	2005	2006	2005
		\$000	\$000	\$000	\$000
20. Other Liabilities					
Current					
Outside funded positions		1,510	1,615	1,510	1,615
Income in advance		161	156	-	156
Student tuition fees received in advance		4,475	3,322	4,475	3,322
Residential bonds		262	132	262	132
Employee benefits – redundancy		383	446	383	446
Other		640	918	640	632
		7,431	6,589	7,270	6,303

21. Employee Benefits and Related On-Cost Liabilities

In accordance with the requirements of AASB 119 "Employee Benefits", employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately as "Employee Benefits". Below is a composite note disclosure showing the total liabilities the Consolidated Entity has as at 31 December 2006 relating to employee benefits:

Annual Leave

On-costs included in payables - current	17	2,753	948	2,733	898
Employee benefits - current	19	7,805	3,917	7,593	3,593
		10,558	4,865	10,326	4,491
On-costs included in payables - non-current	17	832	274	824	254
Employee benefits - non-current	19	2,313	1,215	2,290	1,017
		3,145	1,489	3,114	1,271

Long Service Leave

On-costs included in payables - current	17	851	842	827	817
Employee benefits - current	19	6,720	6,344	6,414	6,049
		7,571	7,186	7,241	6,866
On-costs included in payables - non-current	17	2,840	2,885	2,793	2,802
Employee benefits - non-current	19	21,896	21,227	21,702	20,758
		24,736	24,112	24,495	23,560
		46,010	37,652	45,176	36,188

22. Retained Surplus and Reserves

22(a) Summary

Capital reserves

Capital reserve		3,020	3,020	-	-
Capital profits reserve		1,249	687	-	-
Asset revaluation reserve		182,759	182,850	159,086	159,087
Initial asset recognition reserve		279,124	279,124	279,124	279,124
Available-for-sale investments revaluation reserve		1,665	6,166	45,188	48,326
		467,817	471,847	483,398	486,537

Specific purpose reserves

Special reserve		73,716	55,434	73,716	55,434
Bequests/donations unspent income reserve		16,367	13,567	16,367	13,567
Restricted purpose bequest capital reserve		61,246	56,613	61,246	56,613
Composite fund revaluation reserve		35,612	27,261	35,612	27,261
		186,941	152,875	186,941	152,875

Retained surplus		130,609	122,448	107,106	102,604
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	Note	Consolidated		University	
		2006	2005	2006	2005
		\$000	\$000	\$000	\$000
22(b) Movements in reserves					
Capital reserve					
Opening balance		3,020	2,970	-	-
Current year movement		-	50	-	-
Closing balance		3,020	3,020	-	-
Capital profits reserve					
Opening balance		687	687	-	-
Current year movement		562	-	-	-
Closing balance		1,249	687	-	-
Asset revaluation reserve					
Opening balance		182,850	163,879	159,087	141,852
Add revaluation increment on property, plant and equipment		(91)	18,971	(1)	17,235
Closing balance		182,759	182,850	159,086	159,087
Initial asset recognition reserve					
Opening balance		279,124	279,124	279,124	279,124
Current year movement		-	-	-	-
Closing balance		279,124	279,124	279,124	279,124
Available-for-sale financial assets revaluation reserve					
Opening balance		6,166	5,971	48,326	45,856
Current year movement		(4,501)	195	(3,138)	2,470
Closing balance		1,665	6,166	45,188	48,326
Special reserve					
Opening balance		55,434	55,542	55,434	55,542
Transfer (to) / from retained surplus		18,282	(108)	18,282	(108)
Closing balance		73,716	55,434	73,716	55,434
Bequests/donations unspent income reserve					
Opening balance		13,567	12,651	13,567	12,651
Transfer from retained surplus		2,800	916	2,800	916
Closing balance		16,367	13,567	16,367	13,567
Restricted purpose bequest capital reserve					
Opening balance		56,613	53,261	56,613	53,261
Transfer from retained surplus		4,633	3,352	4,633	3,352
Closing balance		61,246	56,613	61,246	56,613
Composite fund revaluation reserve					
Opening balance		27,261	19,747	27,261	19,747
Transfer from retained surplus		8,351	7,514	8,351	7,514
Closing balance		35,612	27,261	35,612	27,261

	Note	2006 \$000	2005 \$000	2006 \$000	2005 \$000
22. Reserves - continued					
22(c) Nature and purpose of reserves					
Capital reserve					
Capital profits reserve					
Asset revaluation reserve					
Initial asset recognition reserve					
Available for sale financial assets revaluation reserve					
Specific purpose reserves					
23. Reconciliation of net cash provided by operating activities to operating result					
Operating result		38,899	37,335	35,378	38,192
Add/(subtract) non cash items					
Amortisation	5	1,149	3,405	1,072	3,212
Depreciation	5	19,848	19,246	18,864	17,957
Write (up) of investments		(13,359)	(13,243)	(13,359)	(13,243)
Bad debts written off		-	16	-	-
Superannuation expense		600	4,600	600	4,600
Superannuation revenue		(600)	(4,600)	(600)	(4,600)
Other revenue/expenses		(6,335)	514	4,799	696
(Profit)/loss on sale of property, plant and equipment		183	45	337	99
Changes in assets/liabilities					
(Increase)/decrease in inventories		583	96	278	93
(Increase)/decrease in receivables		6,862	(8,437)	6,086	(7,519)
(Increase)/decrease in other assets		(1,528)	621	(1,607)	395
Increase/(decrease) in payables		5,939	3,574	2,778	1,657

	Note	2006 \$000	2005 \$000	2006 \$000	2005 \$000
24. Commitments					
Operating Expenditure					
		14,574	16,502	14,574	16,502
		17,532	11,313	17,532	11,313
		185	367	185	367
		32,291	28,182	32,291	28,182
Capital Expenditure					
Property, plant and equipment					
		16,248	10,635	16,248	10,635
		-	-	-	-
		-	-	-	-
		16,248	10,635	16,248	10,635
Operating Lease Commitments					
		5,343	3,775	5,343	3,066
		10,307	7,728	10,307	4,856
		670	3,317	670	960
		16,320	14,820	16,320	8,882
Representing:					
		16,320	8,882	16,320	8,882
		-	5,938	-	-
		16,320	14,820	16,320	8,882
		-	709	-	-
		-	2,872	-	-
		-	2,357	-	-
		-	5,938	-	-

25. Contingent Liabilities - continued

(b) Superannuation

(i) The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)

(ii) UniSuper Limited Superannuation Schemes

(c) Litigation

26. Superannuation Schemes

(a)

The University contributes to a range of superannuation schemes, which are divided into the following categories:

(i) Those operative and open to membership:

- UniSuper Defined Contribution Plan or Investment Choice Plan
- UniSuper Award Plus Plan

(ii) Those operative but closed to future membership:

- The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)

(iii) State Government Schemes closed to future membership by University employees:

- State Pension Scheme
- State Lump Sum Scheme

(b) UniSuper Limited Superannuation Schemes

26. Superannuation Schemes – continued

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

Reconciliation of the assets and liabilities recognised in the Balance Sheet

	Note	2006 \$000	2005 \$000
Defined benefit obligation including contributions tax provision		15,366	17,780
Less: Fair value of scheme assets		(10,580)	(9,507)
Defined benefit fund net liability	19	<u>4,786</u>	<u>8,273</u>

Expense recognised in the Income Statement

Service cost		526	394
Interest cost		715	750
Expected return on assets		(460)	(495)
Superannuation expense		<u>781</u>	<u>649</u>

Amounts recognised in the Statement of Recognised Income and Expense

Actuarial (gains)		<u>(3,188)</u>	<u>(246)</u>
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Cumulative amount recognised in the Statement of Recognised Income and Expense

Cumulative amount of actuarial (gains)		<u>(4,406)</u>	<u>(1,218)</u>
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Scheme assets

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

Australian equity	18%	19%
International equity	12%	12%
Fixed income	37%	55%
Property	5%	5%
Cash	28%	9%

Fair value of scheme assets

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

Expected rate of return on scheme assets

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

Actual return on scheme assets	<u>1,252</u>	<u>1,003</u>
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Principal actuarial assumptions at the balance sheet date

Discount rate (active members)	5.0%	4.4%
Discount rate (pensioners)	5.9%	5.2%
Expected rate of return on plan assets (active members)	6.8%	6.5%
Expected rate of return on plan assets (pensioners)	7.5%	5.5%
Expected salary increase rate	5.0%	5.0%
Expected pension increase rate	2.5%	2.5%

Historical information

Present value of defined benefit obligation	15,366	17,780
Fair value of scheme assets at the beginning of the year	10,580	9,507
Deficit in scheme	4,786	8,273
Experience adjustments (gain) - scheme assets	(792)	(508)
Experience adjustments (gain) - scheme liabilities	(872)	(7)

26. Superannuation Schemes – continued

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

Expected contributions

The expected employer contributions for the year ended 31 December 2007 are \$1 million, which includes the \$0.6 million annual payment detailed below (refer to contribution recommendations).

Funding arrangements for employer contributions

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

	2006
	\$000
Accrued benefits	12,335
Net market value of scheme assets	10,044
Net (deficit)	(2,291)

Contribution recommendations

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

Funding method

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

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

Economic assumptions

The long-term economic assumptions adopted for the last actuarial review of the scheme as at 1 July 2006 were:

Expected rate of return on assets (discount rate)	
active members	6.75% p.a.
pensioners	7.5% p.a.
Expected salary increase rate	5.0% p.a.
Expected pension increase rate	2.5% p.a.

Nature of asset/liability

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

26. Superannuation Schemes – continued

(d) State Government Superannuation Schemes

In 1991, employees of the City Campus of the South Australian College of Advanced Education and Roseworthy Agricultural College were transferred to the University. Their terms of appointment to the University protected their membership of the State Pension Scheme and State Lump Sum Scheme. The schemes are administered by the Superannuation Board of South Australia. The schemes provide defined benefits and are mainly unfunded. The only employer contributions made in 2006 were 3% of salaries, and remaining benefits are met on an emerging cost basis.

The South Australian Department of Treasury and Finance estimate that, as at 31 December 2006, there is an unfunded liability of \$43.5 million (2005 - \$42.9 million). This represents an increase in liability of \$0.6 million since 31 December 2005. This is recognised as expenditure in the 2006 Income Statement, with a corresponding adjustment to revenue.

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant. Under the Commonwealth legislation titled "State Grants (General Purposes) Amendment Act 1982", the method of payment of these costs by the Commonwealth to the State Governments was promulgated. Further, the accounting methodology employed in these financial statements is in accordance with "Financial Statement Guidelines for Australian Higher Education Providers for 2006 Reporting Period" provided by DEST. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$43.5 million have been recorded as a "Deferred government superannuation contribution" which offsets the current and non-current liability for the State Government Superannuation Schemes recorded as "Deferred Employee Benefits for Superannuation".

Summary	Consolidated		University	
	2006	2005	2006	2005
	\$000	\$000	\$000	\$000
Deferred Government Superannuation Contribution				
Non-current Asset	43,500	42,900	43,500	42,900
Deferred Employee Benefits for Superannuation				
Current Liability	3,300	3,200	3,300	3,200
Non-current Liability	40,200	39,700	40,200	39,700
	43,500	42,900	43,500	42,900
The total employer contributions were:				
UniSuper Defined Contribution Plan or Investment Choice Plan	19,013	16,823	19,013	16,823
UniSuper Award Plus Plan	8,014	7,640	8,014	7,640
State Government Superannuation Schemes (3%)	25	25	25	25
The University of Adelaide Superannuation Scheme A 1985	112	114	112	114
	27,164	24,602	27,164	24,602

27. Disaggregation Information

The University predominantly operates in the field of higher education in Australia. Its primary activities are teaching and research. Income generated overseas from teaching and research activities is not significant enough so as to warrant disaggregation information disclosure.

	2006	2005
	\$000	\$000
29. The University Council Members and Senior Management - continued		
(b) Remuneration of the University Council Members and Senior Management		

Amounts paid or payable to University senior management:	3,460	3,350
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\$	-	\$	Number	Number	Number
100,000	-	114,999	-	1	
115,000	-	129,999	1	-	
130,000	-	144,999	1	-	
145,000	-	159,999	-	1	
160,000	-	174,999	1	2	
175,000	-	189,999	1	-	
190,000	-	204,999	-	1	
205,000	-	219,000	1	2	
220,000	-	234,999	1	-	
235,000	-	249,999	1	1	
250,000	-	264,999	1	2	
265,000	-	279,999	1	-	

30. Financial Instruments

(a) Interest Rate Risk

The Consolidated Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into interest rate swaps, futures contracts, interest rate options and other forms of agreements to manage cash flow risks associated with the interest rates on investments that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

Note	Weighted Average Effective Rate	Floating Interest Rate	Fixed Maturity Dates					Non-Interest Bearing	Total
			Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years		
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
2006									
Financial Assets									
7	5.60%	93,050	27,433	-	-	-	-	322	120,805
8	0.00%	-	-	-	-	-	-	21,393	21,393
Financial Assets Held for Trading									
9	0.00%	-	-	-	-	-	-	99,435	99,435
9, 12	2.59%	-	2,425	94	117	117	117	660	6,936
13	0.00%	-	-	-	-	-	-	1,585	1,585
		93,050	29,858	94	117	117	117	660	250,154
Weighted Average Interest Rate		5.60%	5.54%	6.28%	6.42%	6.42%	6.42%	6.64%	
Financial Liabilities									
17	0.00%	-	-	-	-	-	-	47,796	47,796
18	5.83%	-	-	1,210	-	-	-	75	1,285
		-	-	1,210	-	-	-	47,871	49,081
Weighted Average Interest Rate		0.00%	0.00%	5.83%	0.00%	0.00%	0.00%	0.00%	

30. Financial Instruments - continued

	Note	Weighted Average Effective Rate		Floating Interest Rate	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years	Non-Interest Bearing	Total
		%	\$000									
2005												
Financial Assets												
Cash & Cash Equivalents	7	5.44%	79,504	7,081	-	-	-	-	-	-	-	86,585

30. Additional Financial Instruments Disclosure - continued

(b) Foreign Exchange Risk

The Consolidated Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into forward foreign currency exchange contracts to hedge overseas fixed interest securities and a portion of overseas equities. The terms of the hedge contracts are usually less than three months.

(c) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted.

(i) On Balance Sheet Financial Instruments

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

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

(ii) Off Balance Sheet Financial Instruments

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

(d) Fair Values of Financial Assets and Financial Liabilities

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

(i) On Balance Sheet Financial Instruments

The Consolidated Entity has placed its investments in a portfolio managed by independent managers. Listed shares and equities included within these investments are traded in an organised financial market by the fund managers. The Consolidated Entity values these investments at current market value.

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at amounts due from customers (reduced for expected credit losses) or due to suppliers.

Bank term deposits, accounts receivable, accounts payable and bank loans are carried at nominal value which approximates fair value.

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

(ii) Off Balance Sheet Financial Instruments

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

31. Investments in Controlled Entities

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

Controlled Entity	Holding		Investment at Fair Value		Investment at Cost		Contribution to Operating Result	
	2006	2005	2006	2005	2006	2005	2006	2005
	%	%	\$000	\$000	\$000	\$000	\$000	\$000
The Adelaide Research & Innovation Investment Trust	100	100	7,063	10,248	2,898	2,898	3,927	1,248
Lubims Pty Ltd	100	100	2,916	2,478	-	-	438	363
Martindale Holdings Pty Ltd as trustee for:								
· JS Davies Estate	83	83	16,514	16,968	-	-	(90)	(200)
· JAT Mortlock Trust	100	100	21,265	21,530	-	-	319	238
· Roseworthy Farm	100	100	322	-	-	-	44	-
National Wine Centre Pty Ltd	100	n/a	-	-	-	-	142	-
Roseworthy Piggery Pty Ltd	100	n/a	6	-	100	-	(94)	-
			48,086	51,224	2,998	2,898	4,686	1,649

All of the above controlled entities are incorporated in Australia.

JS Davies Estate

The University holds a 5/6th interest in a joint venture named JS Davies Estate, the principal activity of which is farming. This venture is managed by Martindale Holdings Pty Ltd and included in the Consolidated Entity. The remaining 1/6th is recognised as an outside equity interest.

32. Investments in Associates – continued

(e) Unisure Pty Ltd

33. Interests in Joint Ventures

(a) Groups

(i) Cooperative Research Centres

(a) Parent entity

The ultimate parent entity within the group is the University of Adelaide.

(b) Controlled entities, joint ventures and associated entities

Investments in controlled entities are detailed in note 31, investments in associates are detailed in note 32 and interests in joint ventures are detailed in note 33.

(c) Council members and senior management

Disclosures relating to the University Council Members and Senior Management are detailed in note 29.

(d) Councillor Related Transactions

Certain Councillors are members of incorporated and unincorporated associations that are an integral part of the University. Transactions between these bodies, the University and Council members, in respect of services provided to Council members, are trivial and domestic in nature.

Certain Council members hold positions and interests in entities that provide goods and services to the University and its subsidiaries. The provision of these goods and services is on normal trading terms.

(e) Property Leases

The University and the CSIRO are partners in a number of Cooperative Research Centres - refer to Note 33.

(f) Fees Paid To Members of Council

No remuneration was paid to any members of Council, or members of its standing committees for the financial year in their role as councillor or members of those committees. Some members of Council are employees of the University or were contractors of the University, and as such receive remuneration in the course of their employment with the University.

(g) Students at The University of Adelaide

From time to time, Council members will have members of their immediate family who are students at the University. Unless specifically stated within the financial statements, such students are subject to the normal fee structure and scholarships as any other students. This also applies to members of Council who are enrolled as students.

The following information being Note 35 to Note 40 has been prepared in accordance with the DEST reporting guidelines.

35. Income Statement for the Year Ended 31 December 2006

	Note	Consolidated		University	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	36	228,975	211,142	228,975	211,142
HECS-HELP - Australian Government payments	36(b)	41,671	44,338	41,671	44,338
Other Australian Government loan programmes	36(b)	5,078	5,478	5,078	5,478
State and Local Government financial assistance	38	27,042	16,894	26,759	16,674
HECS- HELP - student payments		9,773	10,215	9,773	10,215
Fees and charges	39	87,441	78,814	87,083	77,480
Investment income		29,180	21,656	27,071	19,550
Royalties, trademarks and licenses	4	2,049	1,563	708	115
Consultancy and contract revenue	40	45,915	37,333	29,335	24,553
Net Gains on disposal of assets		2,908	381	-	322
Other revenue		34,686	34,719	17,332	23,414
Sub-total		514,718	462,533	473,785	433,281
Deferred government superannuation contributions		600	4,600	600	4,600
Total operating revenue from continuing operations		515,318	467,133	474,385	437,881
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method		366	(2,095)	-	-
Total revenue from continuing operations		515,684	465,038	474,385	437,881
EXPENSES FROM CONTINUING OPERATIONS					
Employee benefits	5	259,008	231,784	248,797	224,466
Depreciation and amortisation	5	20,759	22,050	19,936	21,169
Buildings and grounds	5	32,134	25,896	30,892	25,896
Bad and doubtful debts	5	717	854	652	828
Finance costs	5	143	163	143	157
Scholarships, grants and prizes		21,622	20,524	21,622	20,524
Non-capitalised equipment	5	9,547	12,148	9,494	12,160
Advertising, marketing and promotional expenses		4,449	2,615	4,449	2,512
Net Losses on disposal of assets	5	-	-	1,495	-
Other expenses		128,165	106,651	100,927	87,377
Sub-total		476,544	422,685	438,407	395,089
Deferred Government employee benefits for superannuation		600	4,600	600	4,600
Total expenses from continuing operations		477,144	427,285	439,007	399,689
Operating result from continuing operations		38,540	37,753	35,378	38,192
Operating result from discontinued operations		359	(418)	-	-
Net operating result for the year		38,899	37,335	35,378	38,192

	Note	2006 \$000	2005 \$000	2006 \$000	2005 \$000
36. Australian Government Financial Assistance					
(a) DEST - Commonwealth Grants Scheme and Other DEST Grants					
Commonwealth Grants Scheme		78,751	70,035	78,751	70,035
Indigenous Support Fund		472	401	472	401
Equity Programmes		178	174	178	174
Workplace Reform Programme		1,075	1,037	1,075	1,037
Capital Development Pool		2,129	-	2,129	-
Superannuation Programme		2,590	2,370	2,590	2,370
Collaboration & Structural Reform Programme		20	73	20	73
Workplace Productivity Programme		112	-	112	-
		85,327	74,090	85,327	74,090
(b) Higher Education Loan Programmes					
HECS-HELP (Australian Government payments only)		41,671	44,338	41,671	44,338
FEE-HELP		5,078	5,478	5,078	5,478
OS-HELP		356	222	356	222
		47,105	50,038	47,105	50,038
(c) Scholarships					
Australian Postgraduate Awards		4,381	4,461	4,381	4,461
International Postgraduate Research Scholarships		899	860	899	860
Commonwealth Education Costs Scholarships		543	314	543	314
Commonwealth Accommodation Scholarships		886	592	886	592
		6,709	6,227	6,709	6,227
(d) DEST Research:					

37. Acquittal of Australian Government Financial Assistance

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

Parent Entity (University) Only

	Notes	Commonwealth Grants Scheme		Indigenous Support Fund		Equity Programmes		Workplace Reform Programme		Capital Development Pool	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period		78,751	70,197	472	401	178	174	1,075	1,037	2,129	-
Net accrual adjustments		-	(162)	-	-	-	-	-	-	-	-
Revenue for the period	36(a)	78,751	70,035	472	401	178	174	1,075	1,037	2,129	-
Surplus/(Deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue		78,751	70,035	472	401	178	174	1,075	1,037	2,129	-
Total expenses including accrued expenses		78,751	70,035	472	401	178	174	1,075	1,037	2,129	-
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	-	-	-	-

37. Acquittal of Australian Government Financial Assistance - continued

(a) DEST - Commonwealth Grants Scheme and Other DEST Grants - continued Parent Entity (University) Only

	Notes	Superannuation Programme		Collaboration & Structural Reform Programme		Workplace Productivity Programme		Total	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Financial assistance received in cash during the reporting period		2,590	2,370	20	73	112	-	85,327	74,252
Net accrual adjustments		-	-	-	-	-	-	-	(162)
Revenue for the period	36(a)	2,590	2,370	20	73	112	-	85,327	74,090
Surplus/(Deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		2,590	2,370	20	73	112	-	85,327	74,090
Total expenses including accrued expenses		2,590	2,370	20	73	112	-	85,327	74,090
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	-	-

37. Acquittal of Australian Government Financial Assistance - continued

(b) Higher Education Loan Programmes Parent Entity (University) Only

	Notes	HECS-HELP (Australian Government payments only)						FEE-HELP				OS-HELP				Total	
		2006		2005		2006		2005		2006		2005		2006		2005	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period		43,613	44,338		6,456	5,442		356		222		50,425		50,002			
Net accrual adjustments		(1,942)	-	(1,378)		36						(3,320)		36			
Revenue for the period	36(b)	41,671	44,338	5,078	5,478			356		222		47,105		50,038			
Surplus/(Deficit) from the previous year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenue including accrued revenue		41,671	44,338	5,078	5,478			356		222		47,105		50,038			
Total expenses including accrued expenses		41,671	44,338	5,078	5,478			356		222		47,105		50,038			
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

37. Acquittal of Australian Government Financial Assistance - continued

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

	Notes	Projects		Fellowships		Indigenous Researchers Development		Total	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Financial assistance received in cash during the reporting period		11,189	10,716	973	1,486	-	-	15	12,162
Net accrual adjustments		(100)	(39)	(7)	(48)	-	-	-	(107)
Revenue for the period	36(e)	11,089	10,677	966	1,438	-	-	15	12,055
Surplus/(Deficit) from the previous year		3,867	2,555	752	690	6	2	2	4,625
Total revenue including accrued revenue		14,956	13,232	1,718	2,128	6	6	17	16,680
Total expenses including accrued expenses		10,353	9,365	1,215	1,376	1	1	11	11,569
Surplus/(Deficit) for the reporting period		4,603	3,867	503	752	5	5	6	5,111
									4,625

37. Acquittal of Australian Government Financial Assistance - continued

(f) Australian Research Council Grants - Linkages	Parent Entity (University) Only					
	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000

37. Acquittal of Australian Government Financial Assistance - continued

	(g) Australian Research Council Grants - Networks and Centres		Parent Entity (University) Only			
	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period	624	613	3,007	4,784	3,631	5,397
Net accrual adjustments						

		2006	2005	2006	2005
	Note	\$000	\$000	\$000	\$000
38. State and Local Government Financial Assistance					
(a) South Australian Government and Local Government financial assistance					
Arts South Australia		54	105	54	105
Bio Innovation SA		2,072	2,102	2,009	2,102
Central Northern Adelaide Health Service		2,151	2,372	2,151	2,372

	Note	Consolidated		University	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
39. Fees and Charges					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	4	71,033	60,091	71,033	60,091
Library charges and fines	4	882	963	882	963
Application management and late fees	4	564	482	564	482
Parking fees	4	929	734	929	734
Rental charges/accommodation fees	4	8,279	5,447	7,921	5,447
Recharge of costs to other organisations	4	1,019	3,999	1,019	3,999
Franchise fees	4	978	939	978	939
Other		3,757	6,159	3,757	4,825
		87,441	78,814	87,083	77,480
40. Consultancy and Contract Revenue					
Consultancy		18,001	15,318	4,882	4,716
Contract research		27,914	22,015	24,453	19,837
		45,915	37,333	29,335	24,553



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