

Universities Australia and Controlled Entities

ABN 53 008 502 930

Financial Statements

For the Year Ended 31 December 2020

Universities Australia and Controlled Entities

ABN 53 008 502 930

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Universities Australia and Controlled Entities

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Directors' Report

For the Year Ended 31 December 2020

The Directors present their report together with the financial statements of Universities Australia, the parent entity, and its controlled entities for the financial year ended 31 December 2020.

Universities Australia Group comprises Universities Australia, which is the parent company, and its wholly owned subsidiaries, Higher Ed Services Pty Ltd and Australian Higher Education Associations Pty Ltd.

Appointments and meetings

The name and period of appointment of each person who has been a director of Universities Australia at any time during the year is listed below. Also included in the table are details of the number of meetings attended by each director, together with the number of Board meetings each director was eligible to attend:

Names	Date of appointment	Date of cessation	No of meetings attended	Meetings held while director
Professor Deborah Terry AO (Chair from 21 May 2019)	19 May 2015		7	7
Professor John Dewar AO (Deputy Chair from 21 May 2019)	17 May 2016		7	7
Professor Margaret Sheil AO (Deputy Chair from 28 July 2020)	21 May 2019		6	7
Ms Catriona Jackson	15 June 2018		7	7
Professor Ian Jacobs	21 May 2019		6	7
Professor Linda Kristjansson AO	25 June 2019	26 May 2020	3	3
Professor David Lloyd	16 May 2017		7	7
Professor Brian Schmidt AC FAA FRS	16 May 2017		7	7
Professor Andrew Vann	17 May 2016	28 July 2020	4	4
Professor Steve Chapman	26 May 2020		4	4
Professor Geraldine Mackenzie	28 July 2020		2	2

Information on directors

Professor Deborah Terry AO	BA (Hons), PhD (ANU)	<ul style="list-style-type: none"> •Vice-Chancellor and President, The University of Queensland (since 2020) •Vice-Chancellor, Curtin University (2014-2020) •Senior Deputy Vice-Chancellor, The University of Queensland (2013) •Deputy Vice-Chancellor (Academic), The University of Queensland (2009-2011) •Deputy Vice-Chancellor (Teaching and Learning), The University of Queensland (2007-2008) •Executive Dean, Faculty of Social and Behavioural Sciences, The University of Queensland (2006-2008) •Director, AARNet (since 2014) •Director, ANZSOG (since 2017) •Director, Group of Eight (since 2020) •Member, National Schools Resourcing Board (since 2020) •Member, Queensland Futures Institute (QFI) (since 2020) •Member, Australian Research Council Advisory Council (since 2018) •Director, Committee for Perth (2017-2020) •Member, St Hilda's Anglican School Council, Perth (2018-2020) •President, Academy of Social Sciences in Australia (2013-2015) 	<ul style="list-style-type: none"> •UA Board member (since 2015) •Chair (since May 2019) •Deputy Chair (2017 - 2019) •Chair, Higher Education Conference Steering Committee (2017-2019) •Member UA Finance, Audit and Risk Committee (2017-2019) •Lead Vice-Chancellor (Research) (2013-2017)
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Directors' Report For the Year Ended 31 December 2020

Information on directors (continued)

Professor John Dewar AO	BCL, MA (Oxon), PhD (Griffith)	<ul style="list-style-type: none">•Vice-Chancellor, La Trobe University (since 2012)•Provost, The University of Melbourne (2009-2011)•Deputy Vice-Chancellor (Global Relations), The University of Melbourne (2009)•Deputy Vice-Chancellor (Academic), Griffith University (2005-2009)•Pro Vice-Chancellor (Business and Law), Griffith University (2002-2004)•Dean, Faculty of Law, Griffith University (1999-2002)•Director, The Committee for Melbourne (since 2019)•Director, Foundation for Australian Studies in China (since 2019)•Member, AHEIA Executive Committee (since 2015)•Chair, Victorian Vice-Chancellors' Committee (2014-2015)•Chair, Innovative Research Universities (2014-2015)•Board member, Education Australia Pty Ltd (2009-2020)•Director, The Olivia Newton-John Cancer Research Institute•Director, AARNet	<ul style="list-style-type: none">•UA Board member (since 2016)•Deputy Chair (since May 2019)•Member, UA Conference Program Committee (since April 2019)•Lead Vice-Chancellor (Health Professions Education) (since June 2018)•Lead Vice-Chancellor (Workforce) (2016-2018)
Ms Catriona Jackson	BA, Grad Dip Politics, MA prelim	<ul style="list-style-type: none">•Chief Executive, Universities Australia (since 2018)•Deputy Chief Executive, Universities Australia (2016-2018)•Chief Executive Officer, Science and Technology Australia (2013-2016)•Director Communications and External Liaison, Australian National University (2009-2012)•Press Secretary and senior staff member, Federal Minister for Innovation, Industry, Science and Research (2001-2008)•Member Global Reputation Taskforce (since 2020)•Member, University Foreign Interference Taskforce (since 2019)•Member, Australia India Education Council•Advisory Board member and Chair, ARC Centre of Excellence for Nanoscale Biophotonics (2015-2020)•Board member Agricultural Biotechnology Council of Australia (2015-2016)	<ul style="list-style-type: none">•UA Board member (since 2018)•Member, Higher Education Conference Steering Committee
Professor Ian Jacobs	BA, MA, MBBS (Cambridge), MD, FRCOG	<ul style="list-style-type: none">•President and Vice-Chancellor, UNSW Australia (since 2015)•Vice-President, University of Manchester (2011-2015)•Dean of Medicine, University College London (2009-2011)•Chair, Group of Eight universities (2018-2019)•Board member, Research Australia (2017-2020)•Board member, Business/Higher Education Round Table (2017-2020)•Board member, Ovarian Cancer Australia (since 2017)•Board member, The Conversation (2018-2020)•Chair, Sydney Partnership for Health Education, Research and Enterprise (2016-2020)	<ul style="list-style-type: none">•UA Board member (since 2019)

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Directors' Report For the Year Ended 31 December 2020

Information on directors (continued)

Professor Linda Kristjanson AO	BN, MN (Manitoba), PhD (Arizona), FAICD, FTSE	<ul style="list-style-type: none">•Vice-Chancellor, Swinburne University (2011-2020)•Deputy Vice-Chancellor Research and Development, Curtin University (2006-2011)•Associate Dean of Research and Higher Degrees, Edith Cowan University (1999-2006)•Member, Council for International Education (since Nov 2019)•Board member, The Conversation Media Group (since Mar 2019)•Board member, Education Australia Ltd (since May 2018)•Board member, Global Citizen Australia (since May 2018)•Board member, MinEx CRC•Chair, Victorian Comprehensive Cancer Centre (since July 2016)•Chair, Swinburne Ventures Ltd•Board member, Swinburne International Holding Company•Board member, Skalata Ventures Ltd•Board member, International Centre for Radioastronomy Research•Board member, AARNet, (2012-2016)•Chair, AuScope (Ltd) (2008-2017)•Board member, Australian Synchrotron Holding Company Pty Ltd (2007-2016)•Board member, National Health and Medical Research Council (2003-2006)	<ul style="list-style-type: none">•UA Board member (2019-2020)•Lead Vice-Chancellor, Academic (2019-2020)
Professor David Lloyd	BSc (Hons), PhD (Dublin), FTSE, FRSC, CChem	<ul style="list-style-type: none">•Vice-Chancellor and President, University of South Australia (since 2013)•Bursar & Director of Strategic Innovation, Trinity College Dublin (2011-2012)•Dean & Vice-President of Research, Trinity College Dublin (2007-2011)•Chair, Committee for Adelaide (since 2019)•Member of South Australian Economic Development Board (2014-2018)•Chair, South Australian Vice Chancellor's Committee (2017-2018)•Chair, Australian Technology Network (2016-2017)•Inaugural Chairman, Irish Research Council (2012)	<ul style="list-style-type: none">•UA Board member (since 2017)•Lead Vice-Chancellor (Research and Innovation) (since June 2017)•Chair, UA Finance, Audit and Risk Committee (since July 2020)
Professor Brian Schmidt AC FAA FRS	BSc Astronomy (Arizona), BSc Physics (Arizona), AM Astronomy (Harvard), PhD Astronomy (Harvard)	<ul style="list-style-type: none">•Vice-Chancellor and President, Australian National University (since 2016)•Member, Australian-American Fulbright Commission Board (since 2021)•Member, National Foundation for Australia-China Relations Board (since 2020)•Member, Academic Research Council of Singapore (since 2019)•Chair, Australian Genomic Advisory Board (since 2017)•Board member, Group of Eight Australia (since 2016)•Board member, Ian Potter Foundation (since 2015)•Member, National Science and Technology Council (formerly Commonwealth Science Council) (since 2014)•Chair of the Board, Astronomy Australia Limited (2013-2015)•Member, Global Access Partners Council	<ul style="list-style-type: none">•UA Board member (since 2017)•Lead Vice-Chancellor (Safety and Equality) (since June 2018)•Member, UA Conference Steering Committee (since 2017)

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Directors' Report For the Year Ended 31 December 2020

Information on directors (continued)

<p>Professor Margaret Sheil AO</p>	<p>BSc (Hons), PhD (UNSW), FRACI, FTSE, FANZSMS</p>	<ul style="list-style-type: none"> •Vice-Chancellor and President, Queensland University of Technology (since 2018) •Provost, University of Melbourne (2012-2017) •Chief Executive Officer, Australian Research Council (2007-2012) •Deputy Vice-Chancellor (Research), University of Wollongong (2002-2007) •Dean of Science, University of Wollongong (2001-2002) •Professor of Chemistry, University of Wollongong (2000-2007) •Member, Australian Space Agency Advisory Group (since June 2019) •Chair, Board of the Queensland Museum (since August 2019) •Director, Australian Nuclear Science and Technology Organisation (ANSTO) (2015- June 2019) •Director, Australian Academy of Technological Sciences and Engineering (ATSE) (2016-17) 	<ul style="list-style-type: none"> •UA Board member (since 2019) •Member, UA Conference Steering Committee (since April 2019) •Deputy Chair (since July 2020)
<p>Professor Andrew Vann</p>	<p>BEng (Hons), GradCertBusAd, PhD Bristol, HonDEng Nott Trent, FAIM, FAICD, FIEAust, CPEng, Eng Exec, AFARL, FRSN</p>	<ul style="list-style-type: none"> •Vice-Chancellor and President, Charles Sturt University (2011-2020) •Senior Deputy Vice-Chancellor, James Cook University (2008-2011) •Pro Vice-Chancellor, Information and Corporate Services, James Cook University (2006-2007) •Pro-Vice Chancellor Information Services and Technologies, James Cook University (2005) •Board member Higher Ed Services (since 2016) •President of Executive Committee, Australian Higher Education Industrial Association (since 2013) •Board member, Education Services Australia (2016-2019) •Member NSW Vice-Chancellors Committee and UniProjects (Convenor, 2015-2016) •Member – Talloires Network Steering committee (since 2015) •Alternate Director – Somerville Collection Board (since 2012) •Adviser – Australian Festival of Chamber Music Future Fund (since 2012) •Board member – CSU-DPI Alliance Executive Committee (since 2012) •Board member – World Association for Cooperative Education (since 2012) 	<ul style="list-style-type: none"> •UA Board member (2016-2020) •Deputy Chair (2017-2020) •Member, UA Finance, Audit and Risk Committee (2016-2020) •Chair, UA Finance, Audit and Risk Committee (2017-2020) •Lead Vice-Chancellor (Corporate) (2016-2020)
<p>Professor Stephen Chapman</p>	<p>CBE, PhD BSc (Newc), HonDSc (Edin), FRSE, FRSC, CChem</p>	<ul style="list-style-type: none"> •Vice-Chancellor and President, Edith Cowan University (since April 2015) •Principal and Vice-Chancellor, Heriot-Watt University (2009-2015) •Vice-Principal, University of Edinburgh (2006-2009) •Higher Education Standards Panel member (since 2020) •Member of the Board of Governors of the Forrest Research Foundation (since 2020) •Board member Higher Ed Services (since 2020) •Non-Executive Director of the Cyber Security Cooperative Research Centre Board (2017-2020) •Board member of the Mindarie Senior College Board (since 2015) 	<ul style="list-style-type: none"> •UA Board member (since 2020) •Member, UA Finance, Audit and Risk Committee (since July 2020)

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Directors' Report

For the Year Ended 31 December 2020

Information on directors (continued)

Professor Geraldine Mackenzie	LLB (QIT), LLM (QUT), PhD (UNSW), FAAS; FAIML; FAAL	<ul style="list-style-type: none">•Vice-Chancellor, University of Southern Queensland (since 2017)•Deputy Vice-Chancellor (Research), Southern Cross University (2014-2017)•Pro Vice-Chancellor (Research), Bond University (2011-2013)•Executive Dean, Faculty of Law, Bond University (2009-2014)•Pro Vice-Chancellor (Business and Community Engagement), Bond University (2009-2010)•Chair, NSW DVC (Research) Committee (2017)•Chair, RUN Research Group (2015)•Board member and Chair Ipswich Hospital Foundation (2019-2020)•Board member Toowoomba and Surat Basin Enterprise (2020)•Board member Regional Australia Institute (2020-)•Member Australian Space Agency Industry Leaders Forum (2019-)	<ul style="list-style-type: none">•UA Board member (since July 2020)
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Directors' Report For the Year Ended 31 December 2020

Information about Universities Australia Group

Universities Australia

Description

Universities Australia (UA) is the peak body representing Australia's 39 universities, both nationally and internationally. Members of Universities Australia are the universities, represented by their Chief Executive Officer - the Vice-Chancellor.

UA exists to secure a strong vibrant and internationally competitive university system that underpins Australia's social and economic prosperity and creates individual opportunity.

The organisation is an active player in:

- providing policy advice to government to support Australian universities in their missions across teaching, research and community engagement; and
- advocating on behalf of the Australian university sector to influence public policy relevant to higher education.

It also coordinates key sectoral meetings, sectoral representation on external bodies and facilitates international representative linkages.

Universities Australia and its subsidiary, Higher Ed Services, provide member universities with access to collective procurement and licensing agreements, along with a range of expert resources.

Objectives and principal activities

Universities Australia's strategic objectives are detailed in our strategic plan. The current plan is available at <https://www.universitiesaustralia.edu.au/About-Us/our-role/strategic-plan>.

The plan identifies three functional areas within which Universities Australia undertakes activities for the benefit of all universities.

Function	Activities
Policy development and political advocacy	UA undertakes parliamentary and campaign advocacy to initiate, pursue and support a wide range of policy objectives. It: <ul style="list-style-type: none">• seeks to influence policy proactively – as well as respond to emerging challenges and issues;• develops policies based on sound evidence, informed by views and interests of members, stakeholders and the public;• develops policy positions that focus on solutions and practical implementation; and• evaluates the effectiveness and relevance of policies put forward by political parties and relevant stakeholders.
Positioning and profile-raising	UA lifts the public profile of the value of universities through media commentary, our social media channels, public awareness campaigns, events, and member information and engagement to support its functions and policy priorities.
Coordination of collective sector effort	UA undertakes such initiatives as are in the interests of multiple members' impact, reputation and efficiency. These may include but are not limited to signing of international agreements or negotiating licenses.

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Directors' Report For the Year Ended 31 December 2020

Performance evaluation

Universities Australia utilises a cascading management and performance system. The components of the system are:

- the triennial strategic plan;
- the annual budget;
- annual work plan with updates on progress on policy issues at Board meetings, a mid-year and end of year review; and
- individual performance agreements related to the work plan and an annual performance assessment process.

Members' guarantee

- In accordance with Universities Australia's constitution, each member is liable to contribute \$20 in the event that Universities Australia be wound up. The total amount members would contribute is \$780.

Higher Ed Services Pty Ltd

Description

Higher Ed Services Pty Limited (HES) is a not-for-profit company wholly owned by Universities Australia. HES's mission is to serve the tertiary education sector and the research community for the benefit of Australian universities.

Objectives

HES' short and long-term objectives are to:

- foster collaboration and achieve economies of scale in national higher education projects;
- save money for universities;
- assist in improving management and business process administration in universities; and
- be an efficient services company, recognised and respected as a service company, fostering innovation and collaboration in support of best practice administration in Australian universities, and other higher education providers.

Strategy

The strategy for HES to achieve its objectives involves:

- continuing to foster a high degree of collaboration amongst universities;
- being agile and responsive to the emerging needs of the sector;
- strengthening personal contacts with senior staff of universities; and
- implementing HES's communications plan in support of these strategies.

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Directors' Report For the Year Ended 31 December 2020

Higher Ed Services Pty Ltd (continued)

Principal activities

- Meetings of HES' special interest Groups and Systems sub licensee Groups.
- Managing Oracle annual licensing and support services for Australian universities who are not HES sub licensees.
- Managing the Oracle Consortium on behalf of Australian Universities.
- Managing the Ascender Payroll contract.
- Promoting new ideas and collaborative initiatives to benefit universities.
- Organising a range of conferences and events of interest to the sector.
- Managing the implementation and ongoing operations of digital credential initiative, My eEquals.
- Developing new products and services such as Benchmark.

These activities have assisted HES in achieving its objectives by enabling it to provide savings to universities through:

- its contractual relationships with suppliers;
- negotiating heavily discounted contracts with vendors;
- facilitating participation by Australian universities, and providing opportunities for knowledge exchange and networking in the areas of compliance and quality;
- underwriting the cost of new collaborative initiatives; and
- improving management and business process administration in Universities by facilitating the exchange of ideas and information on best management and business practice.

Performance evaluation

HES measures performance through the establishment and measurement of benchmarks:

- evaluation of progress against the priorities for the year set out in the Strategic Plan;
- the level of participation by universities in HES' collaborative activities; and
- financial performance measured against budget.

Australian Higher Education Associations Pty Ltd

Description

Australian Higher Education Associations Pty Ltd (AHEA) is a not-for-profit company wholly owned by Universities Australia. The objective of AHEA is to own and maintain the premises occupied by Universities Australia at One Geils Court, Deakin, ACT.

Performance evaluation

The AHEA Board regularly monitors building occupancy levels, rental income and reviews. The AHEA Board also ensures short term maintenance issues are addressed. Any medium and long-term improvements are identified, prioritised and are planned to minimise disruption to the building occupants. All activities are reviewed to ensure their cost effectiveness before being undertaken.

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Directors' Report

For the Year Ended 31 December 2020

Events occurring after the reporting period

Coronavirus (COVID-19)

Since December 2019 the outbreak of Coronavirus (COVID-19) has caused great uncertainty for the global economy and continues to create significant risks and challenges for the education sector. At the date of this report there is still uncertainty as to the extent that COVID-19 will impact the Group and its financial performance and financial position in 2021 and future years.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

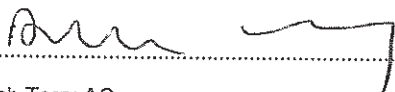
Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2020 has been received and can be found on page 10 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

On behalf of the directors

Director:



Professor Deborah Terry AO

Chair

21 April 2021

Canberra, ACT

**Auditor's Independence Declaration
Under Subdivision 60-40 of the Australian Charities and Not-For-Profits
Commission Act 2012 to the Directors of Universities Australia**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



Nexia Duesburys (Audit)
Canberra, 21 April 2021



G J Murphy
Partner

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Statements of Comprehensive Income For the Year Ended 31 December 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue	2	13,511,173	12,683,973	10,844,787	10,103,903
Employee benefits expense		(6,119,682)	(5,606,397)	(4,489,678)	(4,134,026)
Depreciation and amortisation		(223,263)	(212,301)	(99,190)	(68,031)
Other expenses	3	(6,789,219)	(5,973,495)	(5,878,454)	(4,989,039)
Surplus/(deficit) attributable to members of the parent entity		379,009	891,780	377,465	912,807
Other comprehensive income/(loss)					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain/(Loss) on revaluation of property, plant and equipment		-	244,181	-	-
Change in fair value of financial assets		(24,093)	41,939	(24,093)	41,939
Total other comprehensive income/(loss)		(24,093)	286,120	(24,093)	41,939
Total comprehensive income/(loss)		354,916	1,177,900	353,372	954,746

The above statements are to be read in conjunction with the attached notes.

Universities Australia and Controlled Entities

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Statements of Financial Position

As At 31 December 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	9,091,609	8,598,387	6,106,281	2,295,986
Trade and other receivables	5	705,468	197,016	499,605	148,801
Other financial assets	6	13,958,120	15,831,950	10,767,496	12,679,084
Other assets	7	166,935	380,022	55,299	345,816
TOTAL CURRENT ASSETS		23,922,132	25,007,375	17,428,681	15,469,687
NON-CURRENT ASSETS					
Trade and other receivables	5	-	-	4,941,822	4,941,822
Other financial assets	6	117,786	141,879	977,147	1,001,240
Property, plant and equipment	8	6,269,148	6,109,216	321,266	285,335
TOTAL NON-CURRENT ASSETS		6,386,934	6,251,095	6,240,235	6,228,397
TOTAL ASSETS		30,309,066	31,258,470	23,668,916	21,698,084
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	930,106	661,985	533,876	98,862
Employee benefits	10	831,001	653,561	575,233	411,113
Other liabilities	11	14,072,741	15,868,873	11,336,008	10,339,967
TOTAL CURRENT LIABILITIES		15,833,848	17,184,419	12,445,117	10,849,942
NON-CURRENT LIABILITIES					
Employee benefits	10	281,232	234,981	199,132	176,847
TOTAL NON-CURRENT LIABILITIES		281,232	234,981	199,132	176,847
TOTAL LIABILITIES		16,115,080	17,419,400	12,644,249	11,026,789
NET ASSETS		14,193,986	13,839,070	11,024,667	10,671,295
EQUITY					
Reserves	13	542,445	566,538	55,144	79,237
Retained earnings		13,651,541	13,272,532	10,969,523	10,592,058
TOTAL EQUITY		14,193,986	13,839,070	11,024,667	10,671,295

The above statements are to be read in conjunction with the attached notes.

Universities Australia and Controlled Entities

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Statements of Changes in Equity For the Year Ended 31 December 2020

2020

	Consolidated			Total
	Retained Earnings	Financial Assets Reserve	Asset Revaluation Reserve	
	\$	\$	\$	
Balance at 1 January 2020	13,272,532	79,237	487,301	13,839,070
Surplus/(deficit) attributable to members of the parent entity	379,009	-	-	379,009
Other comprehensive income/(loss)	-	(24,093)	-	(24,093)
Balance at 31 December 2020	13,651,541	55,144	487,301	14,193,986

2019

	Consolidated			Total
	Retained Earnings	Financial Assets Reserve	Asset Revaluation Reserve	
	\$	\$	\$	
Balance at 1 January 2019	12,380,752	37,298	243,120	12,661,170
Surplus/(deficit) attributable to members of the parent entity	891,780	-	-	891,780
Other comprehensive income/(loss)	-	41,939	244,181	286,120
Balance at 31 December 2019	13,272,532	79,237	487,301	13,839,070

2020

	Parent			Total
	Retained Earnings	Financial Assets Reserve	Asset Revaluation Reserve	
	\$	\$	\$	
Balance at 1 January 2020	10,592,058	79,237	-	10,671,295
Surplus/(deficit) attributable to members of the parent entity	377,465	-	-	377,465
Other comprehensive income/(loss)	-	(24,093)	-	(24,093)
Balance at 31 December 2020	10,969,523	55,144	-	11,024,667

2019

	Parent			Total
	Retained Earnings	Financial Assets Reserve	Asset Revaluation Reserve	
	\$	\$	\$	
Balance at 1 January 2019	9,679,251	37,298	-	9,716,549
Surplus/(deficit) attributable to members of the parent entity	912,807	-	-	912,807
Other comprehensive income/(loss)	-	41,939	-	41,939
Balance at 31 December 2019	10,592,058	79,237	-	10,671,295

The above statements are to be read in conjunction with the attached notes.

Universities Australia and Controlled Entities

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Statements of Cash Flows For the Year Ended 31 December 2020

Note	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	24,021,964	31,453,147	13,472,952	12,916,426
Payments to suppliers and employees	(25,219,336)	(27,744,477)	(11,590,954)	(11,376,743)
Net cash provided by/(used in) operating activities	(1,197,372)	3,708,670	1,881,998	1,539,683
CASH FLOWS FROM INVESTING ACTIVITIES:				
Redemption of term deposits held to maturity	70,713,002	53,844,467	55,541,421	42,539,576
Investment in term deposits held to maturity	(68,839,172)	(57,153,405)	(53,629,833)	(45,797,523)
Interest received	195,899	423,954	147,770	310,392
Trust distribution received	4,060	2,811	4,060	2,811
Payment for property, plant and equipment	(383,195)	(377,474)	(135,121)	(222,344)
Net cash provided by/(used in) investing activities	1,690,594	(3,259,647)	1,928,297	(3,167,088)
Net increase/(decrease) in cash and cash equivalents held	493,222	449,023	3,810,295	(1,627,405)
Cash and cash equivalents at beginning of year	8,598,387	8,149,364	2,295,986	3,923,391
Cash and cash equivalents at end of financial year	4 9,091,609	8,598,387	6,106,281	2,295,986

The above statements are to be read in conjunction with the attached notes.

Universities Australia and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2020

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Universities Australia and Controlled Entities

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

1 Summary of Significant Accounting Policies

Corporate information

The consolidated financial statements of Universities Australia ("the Company") for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The principal activities of the Group are described in the Directors' Report.

Universities Australia is the parent company of the Group, is incorporated and domiciled in Australia and is a not-for-profit company limited by guarantee. The Company's Constitution provides that if the Company is wound up each member would be required to contribute a maximum of \$20 towards any outstanding obligations.

The Group comprises the following Group entities:

Parent company	ACN	Ownership
Universities Australia	008 502 930	
Controlled entities		
Australian Higher Education Associations Pty Limited	008 641 450	100%
Higher Ed Services Pty Ltd	060 566 029	100%

The address of the registered office and principal place of business of the Company is:

1 Geils Court
DEAKIN ACT 2600

The following company names used in the financial statements have been abbreviated as shown below:

AHEA - Australian Higher Education Associations Pty Limited

HES - Higher Ed Services Pty Ltd

Basis of preparation

Authorisation

The issue of these financial statements was authorised by resolution of the directors on the date of signing of the attached Directors' declaration.

Statement of compliance

The consolidated financial statements of the Group are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board) and the Australian Charities and Not-for-Profits Commission Act 2012.

Basis of measurement

The consolidated financial statements have been prepared on an accruals basis, and are based on historical costs unless otherwise stated in the notes. The measurement bases are more fully described below.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies (continued)

Basis of preparation (continued)

Use of estimates and judgments

The preparation of financial statements in conformity with Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. A description of calculation methodology is included in the accounting policy or the note to the financial statements where an estimate, assumption or judgment has been applied.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions are recognised in the period of the revision.

Accounting policies

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at reporting date.

A controlled entity is an entity over which the Company has the power to control the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is included in note 18(c) to the financial statements. All controlled entities have a December financial year-end.

As at the end of the reporting period, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the reporting period then ended.

All inter-company balances and transactions between entities in the Group have been eliminated on consolidation. The accounting policies of the subsidiaries are consistent with the policies of the parent entity.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

(b) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than three months.

(c) Receivables

Receivables are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to carrying value being recorded in comprehensive income.

Trade receivables arise in the normal course of business and are payable within 30 days after the issue of an invoice or the provision of goods/services under a contractual arrangement. Other receivables include reimbursements of expenses and a loan to a related party.

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

1 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Expenditure subsequent to original acquisition is 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation reserve and recognised in other comprehensive income. Decreases that offset previous increases of the same class of asset are charged against fair value reserves and recognised in other comprehensive income. All other decreases are charged to the profit or loss.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over their useful lives to the Group, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, plant & equipment	10-50%
Buildings and buildings improvements	2.5-30%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. In most circumstances trade receivables are initially measured at the transaction price.

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

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL), subject to limited exceptions.

For an equity investment designated as measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Group recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

1 Summary of Significant Accounting Policies (continued)

(f) Impairment of non-financial assets

At the end of the reporting period, the carrying values of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated.

(g) Revenue

Revenue is measured at the amount which the entity expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Timing of Revenue Recognition

Revenue is recognised either at a point in time or over time, when (or as) the entity satisfies performance obligations by transferring the promised goods or services to its customers.

If the entity satisfies a performance obligation before it receives the consideration, the entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Members' contributions

Revenue in relation to members' contributions is recognised in the year that member services are provided. Members' contributions are generally received up-front on an annual basis. In addition to annual member levies, members' contributions of the Group includes management fees and commissions received under various arrangements where the Group manages activities on behalf of members. When income is received prior to the provision of services, a contract liability is recognised and recorded as income in advance.

Members' special levies

Special levies from members are generally received up-front and are for specific activities to be undertaken by the Group. Levies are imposed on members to cover disbursements specific to those activities. Revenue is recognised on an input basis as the Group undertakes those activities. Any unexpended levies are recognised as part of other liabilities in the statement of financial position. If a levy is to be imposed after the end of the financial year to cover excess expenditure, that excess is carried forward as a contract asset and included in other current assets in the statement of financial position.

Universities Australia and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies (continued)

(g) Revenue (continued)

Grants and donations

Grants and donations received that are subject to specific conditions on the use of those funds are recognised as and when the Group satisfies its performance obligations by providing goods or services under the funding agreements or in accordance with the directions of the donor. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants and donations that do not impose specific performance obligations on the Group are recognised as income when the Group obtains control of those funds, which is usually on receipt. Grant funding may either be received up front or at the completion of milestones. Any deferred revenue arising from grants and donations is recognised as part of other liabilities in the statement of financial position.

Conferences

Revenue from conferences is recognised when the performance obligation is satisfied, being when the conference is held. Registration and sponsorship revenue is generally received prior to the conference.

Interest income

Interest income is recognised on an accruals basis using the effective interest method.

Government assistance

Government assistance has been received during the year under the Cash Flow Boost program. Payments under this program are recognised as revenue once the Group is entitled to receive the payments. A receivable is recognised at year end for any payments that the Group is entitled to that have not been received. Payments recognised are included as part of 'Government assistance' in Note 2 of the financial statements.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (ie the Group is a principal) or to arrange for those goods or services to be provided by the other party (ie the Group is an agent). The Group determines whether it is a principal or an agent for each specified good or service promised to the customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. Where the Group acts as agent and satisfies a performance obligation, the Group recognises revenue in the amount of any management fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group has determined that it acts as agent in relation to certain special levies, project expenses, software licence fees and software maintenance and support that the Group arranges on behalf of participating universities. The revenue from managing these arrangements is recognised as part of members' contributions.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies (continued)

(g) Revenue (continued)

The receipts and payments that are not recognised as revenues and expenses in relation to these arrangements during the year are:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Receipts</i>				
Members' contributions	3,864,779	3,907,895	-	-
Members' special levies	626,718	615,864	626,718	615,864
Licensing and support	6,455,439	9,770,508	-	-
	10,946,936	14,294,267	626,718	615,864
<i>Payments</i>				
Support and maintenance fees	(4,915,820)	(6,802,000)	-	-
Software license fees	(1,539,619)	(2,968,509)	-	-
Government grants and other projects expended	(4,491,497)	(4,523,758)	(626,718)	(615,864)
	(10,946,936)	(14,294,267)	(626,718)	(615,864)

(h) Employee benefits

Salaries, annual and long service leave

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Superannuation contributions

Contributions to all superannuation plans for the benefit of employees of the Group are charged to profit or loss during the reporting period in which they are incurred. Amounts due at the end of the reporting period but not yet paid are included in the statement of financial position under trade and other payables.

Compensation payable to key management personnel

Remuneration for key management personnel, including all monetary and non-monetary components, is valued at the cost to the Group and charged to comprehensive income during the reporting period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies (continued)

(i) Leases

At inception of a contract, the entity assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the entity the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the entity recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the entity's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Entity is reasonably certain to exercise and incorporate the entity's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as incurred as an expense in the statement of comprehensive income.

(j) Goods and services tax (GST)

Revenue, expenses and assets 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 acquisition of the asset or as part of an expense. Receivables and payables (except accrued expenses) in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO at the end of the reporting period is included as a current asset or liability in the statement of financial position.

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

(k) Income tax

The entities within the Group are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(l) Comparative figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year.

Universities Australia and Controlled Entities

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

2 Revenue

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Operating activities:</i>				
Members' contributions	7,155,657	7,451,358	5,056,055	5,353,307
Members' special levies	2,689,783	1,044,392	2,689,783	1,044,392
Donations	129,236	255,831	129,236	255,831
Conference income	1,634,194	2,210,428	1,560,654	1,994,719
Government assistance	200,000	-	100,000	-
Other income	14,429	-	3,229	-
Government grants and special projects	792,648	792,369	792,648	792,369
Administration and management fees	-	-	130,000	130,000
Interest received	170,755	396,148	126,921	286,775
Program administration	252,201	88,250	252,201	88,250
Rent received	468,210	442,386	-	-
Trust distributions received from other trusts	4,060	2,811	4,060	2,811
Reversal of impairment loss on investment in AHEA	-	-	-	155,449
Total Revenue	13,511,173	12,683,973	10,844,787	10,103,903

3 Other Expenses

Administration expenses	1,248,790	1,119,227	651,224	592,911
Conference expenses	739,377	1,069,763	724,576	960,025
Travel and meeting costs	103,601	454,429	83,073	374,865
Library and publications	80,878	74,156	80,878	74,156
Government grants and other projects expended	1,648,920	1,942,690	1,648,920	1,942,690
Building operating costs	277,870	268,838	-	-
Special levies expended	2,689,783	1,044,392	2,689,783	1,044,392
Total other expenses	6,789,219	5,973,495	5,878,454	4,989,039

4 Cash and Cash Equivalents

Cash at bank and on hand	620,565	1,018,686	140,484	121,436
Deposits at call	8,471,044	7,579,701	5,965,797	2,174,550
	9,091,609	8,598,387	6,106,281	2,295,986

Universities Australia and Controlled Entities

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

5 Trade and Other Receivables

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Current				
Trade receivables	705,468	197,016	499,605	148,801
Non- Current				
Unsecured loan - AHEA	-	-	4,941,822	4,941,822

6 Other Financial Assets

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Current				
At amortised cost:				
Term deposits	13,958,120	15,831,950	10,767,496	12,679,084
Non-Current				
At fair value through other comprehensive income:				
<i>Listed investments:</i>				
Listed shares	117,786	141,879	117,786	141,879
Investments in subsidiaries at cost:				
Unlisted investments:				
Shares in AHEA	-	-	859,359	859,359
Shares in HES	-	-	2	2
	117,786	141,879	977,147	1,001,240

Listed investments

The fair value of listed investments is the published bid-price current at the end of the reporting period.

Unlisted investments in subsidiaries

Investments in subsidiaries are recorded at cost in accordance with AASB 127 Separate Financial Statements. The investment values are subject to impairment in accordance with AASB 136 Impairment of Assets. Impairment losses are initially recorded through profit or loss. Reversals of impairment losses are also recorded through profit or loss to the extent of the impairment loss previously recognised.

Entities within the group hold membership in the following companies which are limited by guarantee:

- Australian and New Zealand Council for the Care of Animals in Research and Teaching Limited (ANZCCART); and
- Unimutual Limited (Unimutual)

If any of the companies are wound up, each member is required by the relevant memorandum of association to contribute a maximum of \$10 (ANZCCART) or \$1 (Unimutual) towards meeting any outstanding obligations of the company.

Universities Australia and Controlled Entities

ABN 53 008 502 930

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

7 Other Assets

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Current				
Accrued income	7,055	32,199	3,070	23,919
Prepayments and deferred expenditure	159,880	347,823	52,229	321,897
	166,935	380,022	55,299	345,816

8 Property, Plant and Equipment

Leasehold land - at valuation	1,204,000	1,204,000	-	-
Building - at valuation	4,596,000	4,596,000	-	-
Accumulated depreciation	(158,027)	(43,127)	-	-
	4,437,973	4,552,873	-	-
Building improvements - at cost	369,816	274,091	217,731	208,969
Accumulated depreciation	(58,030)	(7,505)	(50,220)	(6,966)
	311,786	266,586	167,511	202,003
Furniture, plant & equipment - at cost	814,999	527,529	606,563	480,204
Accumulated depreciation	(499,610)	(441,772)	(452,808)	(396,872)
	315,389	85,757	153,755	83,332
	6,269,148	6,109,216	321,266	285,335

Universities Australia and Controlled Entities

ABN 53 008 502 930

Notes to the Financial Statements

For the Year Ended 31 December 2020

8 Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold land - at valuation	Building - at valuation	Building improvements - at cost	Furniture, plant & equipment - at cost	Total
Consolidated	\$	\$	\$	\$	\$
2020					
Balance at the beginning of year	1,204,000	4,552,873	266,586	85,757	6,109,216
Additions	-	-	95,725	287,470	383,195
Depreciation	-	(114,900)	(50,525)	(57,838)	(223,263)
Balance at the end of the year	1,204,000	4,437,973	311,786	315,389	6,269,148

	Leasehold land - at valuation	Building - at valuation	Building improvements - at cost	Furniture, plant & equipment - at cost	Total
Parent	\$	\$	\$	\$	\$
2020					
Balance at the beginning of year	-	-	202,003	83,332	285,335
Additions	-	-	8,762	126,359	135,121
Depreciation	-	-	(43,254)	(55,936)	(99,190)
Balance at the end of the year	-	-	167,511	153,755	321,266

9 Trade and Other Payables

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Current				
Trade and other creditors and accruals	743,183	307,266	589,206	142,150
Net GST payable/ (receivable)	186,923	354,719	(55,330)	(43,288)
	930,106	661,985	533,876	98,862

10 Employee Benefits Provision

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Current				
Annual leave	460,399	400,206	299,400	231,069
Accrued salaries and superannuation	215,650	154,679	150,783	106,732
Long service leave	54,542	-	54,542	-
PAYG	100,410	98,676	70,508	73,312
	831,001	653,561	575,233	411,113

Universities Australia and Controlled Entities

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

10 Employee Benefits Provision (continued)

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Non-current				
Long service leave	281,232	234,981	199,132	176,847

11 Other Liabilities

Current

Unexpended funds:

Operating grants and donations	5,283,556	3,410,759	5,283,556	3,410,759
Income received in advance for contributions and conference registration	6,858,896	7,730,966	6,052,452	6,929,208
Funds held on behalf of others	1,930,289	4,727,148	-	-
	14,072,741	15,868,873	11,336,008	10,339,967

12 Retirement Benefit Obligations

The Group contributes to various superannuation plans which provide benefits to employees on retirement, death or disability. The amount of contributions to defined contribution plans recognised in profit or loss are as follows:

Employee contributions to superannuation plans	722,862	720,487	578,188	556,812
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13 Reserves

Asset revaluation reserve	487,301	487,301	-	-
Financial assets revaluation reserve	55,144	79,237	55,144	79,237
	542,445	566,538	55,144	79,237

Nature and purpose of reserves

The asset revaluation reserve records revaluations of the property owned by AHEA since its recognition as a subsidiary together with the Group's share of revaluations of property owned by AHEA prior to its recognition as a subsidiary. This reserve is not able to be distributed as a dividend.

The financial assets revaluation reserve records the changes in the fair value of listed investments. This reserve is not able to be distributed as a dividend. The cumulative gain or loss recognised in the reserve is not subsequently reclassified to profit or loss when the investment is sold or otherwise derecognised.

Universities Australia and Controlled Entities

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

14 Operating Lease Arrangements

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>The Group as lessor</i>				
<i>Operating lease receivables</i>				
Lease of office premises				
Receivable - minimum lease payments				
- not later than 12 months	383,461	399,336	-	-
- between 12 months and 5 years	879,243	1,223,564	-	-
	<u>1,262,704</u>	<u>1,622,900</u>	-	-

Operating leases relate to The Australian Universities Centre owned by AHEA. Operating leases are for a period of 1-6 years at market rentals, with options to extend for up to a further 3 years. The lease with the main external tenant is able to be terminated by the lessee on 31 July 2021 under certain circumstances. The operating lease with Universities Australia is on a month by month basis at less than market rent.

Rental income earned by the Group from its property and direct operating expenses arising on the property for the year are set out in Notes 2 and 3 respectively.

15 Commitments for Expenditure

Capital expenditure commitments

Building improvement	180,000	110,000	-	-
Computer monitor and printer upgrade	-	105,000	-	105,000
Video conferencing upgrade	25,000	-	25,000	-
	<u>205,000</u>	<u>215,000</u>	<u>25,000</u>	<u>105,000</u>

Contracts have not been entered into in relation to the above commitments at 31 December 2020.

16 Key Management Personnel Remuneration

Key management personnel is defined by AASB124 "Related Party Disclosures" as those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

Key management personnel includes Universities Australia's Chief Executive and Deputy Chief Executive as well as Higher Ed Services Pty Ltd's Chief Executive Officer and Executive Officer.

Aggregate remuneration paid to key management personnel during the financial year:

	2020	2019
	\$	\$
Total key management personnel compensation	<u>1,186,642</u>	<u>1,175,882</u>

No compensation is paid to any of the directors of the board of Universities Australia in their capacity as directors.

Universities Australia and Controlled Entities

ABN 53 008 502 930

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

17 Auditors' Remuneration

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Remuneration, paid to the auditor of the parent entity, for audit or review of the financial statements of the:				
Parent entity				
2020 financial statements (estimated fee)	36,200	-	36,200	-
2019 financial statements	-	35,500	-	35,500
Controlled entities				
2020 financial statements (estimated fees)	38,050	-	-	-
2019 financial statements	-	37,295	-	-
Remuneration paid to the auditor of the parent entity for other services	650	12,000	650	12,000
	74,900	84,795	36,850	47,500

18 Related Party Disclosures

Transactions between the Group and the universities, in which the directors hold office, are on normal terms and conditions unless otherwise stated.

(a) *Ultimate parent entity*

Universities Australia is the ultimate parent entity of the consolidated group.

(b) *Transactions between parent entity and controlled companies*

The following are transactions with controlled companies brought to account by the parent entity in the statement of comprehensive income.

	Parent Entity	
	2020	2019
	\$	\$
Income:		
Management fee charged to HES to recover salary expenses	70,000	70,000
Management fee charged to AHEA to recover salary expenses	60,000	60,000
Expenses:		
Rent charged by AHEA	159,480	159,480

Transactions with AHEA are not on a commercial basis. No interest is charged on the loan (refer to Note 5) and rent is charged at less than a commercial rate.

Universities Australia and Controlled Entities

ABN 53 008 502 930

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

18 Related Party Disclosures (continued)

(c) Controlled entities

	Investment (at cost)		Contribution (Loss) to consolidated profit attributable to members of the parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Parent company</i>				
Universities Australia	-	-	377,465	757,358
<i>Controlled entities</i>				
Higher Ed Services Pty Ltd	2	2	(124,531)	55,543
Australian Higher Education Associations Pty Limited	859,359	859,359	126,075	78,879
	859,361	859,361	379,009	891,780

- All entities are incorporated in Australia.
- Universities Australia owns 100% (2019: 100%) of both controlled entities.
- The cost of the investment in AHEA comprises the original investment of \$1,743 and the fair value of the shares assigned by Education Australia of \$857,616.

Universities Australia and Controlled Entities

ABN 53 008 502 930

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

19 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, investments, and accounts receivable and payable.

The carrying amount for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial Assets				
At amortised cost:				
- Cash and cash equivalents	9,091,609	8,598,387	6,106,281	2,295,986
- Trade and other receivables	705,468	197,016	5,441,427	5,090,623
- Term deposits	13,958,120	15,831,950	10,767,496	12,679,084
- Accrued income	7,055	32,199	3,070	23,919
At fair value through other comprehensive income:				
- Investments	117,786	141,879	117,786	141,879
Total financial assets	23,880,038	24,801,431	22,436,060	20,231,491
Financial Liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	743,183	307,266	589,206	142,150
- Employee benefits	316,060	253,355	221,291	180,044
- Funds held on behalf of others	1,930,289	4,727,148	-	-
	2,989,532	5,287,769	810,497	322,194

20 Events Occurring After the Reporting Date

The financial report was authorised for issue by the Board of Directors on the date of signing the attached Directors' Declaration. The directors have the right to amend and re-issue the financial statements after they are issued.

Since December 2019 the outbreak of Coronavirus (COVID-19) has caused great uncertainty for the global economy and continues to create significant risks and challenges for the education sector. At the date of this report there is still uncertainty as to the extent that COVID-19 will impact the Group and its financial performance and financial position in 2021 and future years.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

21 Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities or contingent assets at the end of the financial year.

Universities Australia and Controlled Entities

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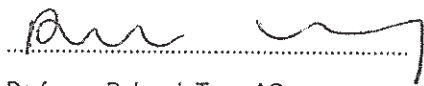
Directors' Declaration

The directors of the Company declare that:

1. the financial statements comprising the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flows and Notes to the Financial Statements satisfy the requirements of Division 60 of the *Australian Charities and Not-for Profits Commissions Act 2012*, and:
 - a. comply with Australian Accounting Standards (Reduced Disclosure Requirements); and
 - b. give a true and fair view of the financial position as at 31 December 2020 and performance for the year ended on that date of the Company and consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors:



Professor Deborah Terry AO

Chair

21 April 2021

Canberra, ACT

Independent Auditor's Report To the Members of Universities Australia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Universities Australia (the company) and Universities Australia and Controlled Entities (the consolidated entity), which comprise the statements of financial position as at 31 December 2020, the statements of comprehensive income, statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial statements of Universities Australia and Universities Australia and Controlled Entities are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial positions as at 31 December 2020 and of their financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information in Universities Australia's directors' report for the year ended 31 December 2020 but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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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 – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Nexia Duesburys (Audit)
Canberra, 21 April 2021



G J Murphy
Partner